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HARYANA VIDHAN SABHA

PUBLIC ACCOUNTS COMMITTEE

(1976-77)

(Tenth Report)

Report

ON THE

*Appropriation Accounts & Finance Accounts of the Haryana Government
for the year, 1972-73 and the Report of the Comptroller and
Auditor General of India for the year 1972-73 and
Advance Audit Report for the year 1972-73*



VIDHAN SABHA SECRETARIAT,
CHANDIGARH
June, 1976

TABLE OF CONTENTS

	Paragraph (s)	Page (s)
Composition of Public Accounts Committee		
Introduction		
Report—	1—2	1
1 Excess over voted grants/charges appropriations	3	1—2
2 Animal Husbandry	4	2—8
3 Housing	5	8—10
4 Agriculture	6—8	11—20
5 Home	9	20—22
6 Lotteries	10	22—23
7 Industries	11—12	23—32
8 Education	13	33—34
9 Irrigation	14—15	34—37
10 Public Health	16	37—39
11 Excise & Taxation	17—25	39—49
12 Revenue	26	49—50
13 Welfare of Scheduled Castes and Backward Classes	27	51—52
14 Food and Supplies	28	52—63
15 Transport	29	63—64
16 Co operation	30	64—66
Report on the Advance Report of the Comptroller and Auditor General of India for the year, 1972-73		
17 Agriculture	31	66—72
18 Development and Panchayat	32	72-79
19 Appendix	—	(i) to (iii)

COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE

1976 77

CHAIRMAN

- 1 Chaudhri Ishwar Singh

MEMBERS

- 2 Shri Behari Lal Balmiki
- 3 Shri Gulab Singh Jain
- 4 Chaudhri Mehar Chand
- 5 Shri Om Parkash Garg
- 6 Chaudhri Parbhu Ram
- 7 Chaudhri Phool Chand (Mullana)
- 8 Shri Sat Ram Dass Batra
- 9 Chaudhri Shuv Ram Verma

SECRETARIAT

Shri Raj Kumar Malhotra, Secretary

INTRODUCTION

1 the Chairman of the Public Accounts Committee having been authorised by the Committee in this behalf present this their Tenth Report on the Appropriation Accounts and Finance Accounts of the Haryana Government for the year 1972 73 and the Report of the Comptroller and Auditor General of India for the year 1972 73 and Advance Audit Report for the year 1972 73

2 The Committee for the year 1975 76 examined the Report of the Comptroller and Auditor General of India for the year 1972 73 and the Advance Audit Report for the year 1972 73 also conducted the oral examination of the representatives of the various concerned departments but could not draw their conclusion for want of time The present Committee has drawn up their conclusions on the basis of examination conducted by the previous Committee and evidence tendered by the representatives of the Government who appeared before them

3 The Committee place on record their appreciation of the valuable assistance given to them by the Accountant General Haryana and his staff and are thankful to the Secretary to Government Haryana Finance Department and the representatives of various departments who appeared before them from time to time The Committee are also thankful to the Secretary Haryana Vidhan Sabha and his officers and staff for the whole hearted co operation and assistance given by them

Chandigarh

the 18th June, 1976

ISHWAR SINGH

Chairman

REPORT

1 The present Public Accounts Committee was constituted by election vide notification No EC 3 76 77/28 dated the 28th April 1976

2 The present Public Accounts Committee held 12 sittings till the writing of the Report

Excesses over Voted Grants/charged appropriations

3 Cases of excesses over voted grants/ charged appropriation for the year 1972 73 requiring regularisation by the Legislature in accordance with the provisions of Article 205 of the Constitution are detailed below —

Excesses over voted grants

Sr No	Particulars	Original	Supplementary	Total	Expenditure	Excess
1	2	3	4	5	6	7
		Rs	Rs	Rs	Rs	Rs
1	Land Revenue	1 19 16 580	4 27 520	1 23 44 100	1 23 68 878	24 778
2	10—Administration of Justice	41 59 168	6 55 630	48 14 798	49 33 242	1 18 444
3	16—Education	20 37 73 360	93 62 100	21 31 35 460	21 43 08 296	11 72 836
4	28—Irrigation (Works)	5 84 47 200	25 73 990	6 10 21 190	6 79 74 823	69 53 633
5	30—Public Works	6 11 71 700	17 50 010	6 29 21 710	18 82 44 883	12 53 23 173
6	Charges on Public Works Department Buildings & Roads Establishment	2 31 15 760	-	2 31 15 760	2 54 88 920	23 73 160
7	37—Stationery and Printing	94 19 950	-	94 19 950	94 33 917	13 967
8	38—Forest	1 30 88 440	1 40 840	1 32 29 280	1 33 48 188	1 18 908
9	41—Capital Outlay on Schemes of Agricultural Improvement and Research	58 00 000	10 00 000	68 00 000	68 87 461	87 46
10	44—Irrigation (Capital)	24 19 14 460	10	24 19 14 470	39 08 36 936	14 89 22 466

Excess over charged appropriations

Sr No	Particulars of appropriation	Original appropriation	Supplementary appropriation	Total appropriation	Expenditure	Fxces
1	2	3	4	5	6	7
		Rs	Rs	Rs	Rs	Rs
1	9—General Administration	10 67 400	51 660	11 19 060	11 44 084	25 024
2	44—Irrigation (Capital)		37 080	37 080	40 585	3 505
3	51—Inter State Settlement		85 980	85 980	1 06 66 489	1 05 80 509

The Committee are unhappy to note that expenditure was incurred in excess of the grants/appropriations by the Departments mentioned above. The Committee feel that the departments should ordinarily be able to forecast their budgetary requirements accurately and keep the expenditure within the grants/appropriations and in cases where the incurring of expenditure in excess of grants/appropriations becomes necessary the departments should obtain additional funds through supplementary grants or by taking advance from the contingency fund, as the case may be, at proper time.

The Committee further recommends that responsibility should be fixed on the Controlling Officers who allowed ^{the} excess expenditure to incur and the results should be intimated to the Committee.

Subject to the above observation, the Committee recommend that the excess expenditure indicated above may be regularised by the Legislature in the manner prescribed under Article 205 of the Constitution of India.

ANIMAL HUSBANDRY

Paragraph 3 2 Progeny testing of bulls for systematic improvement of village cattle

4 A progeny testing scheme was formulated in 1961-62 with the object of carrying out experimental work for the development of cows of Haryana breed and buffaloes of Murrah breed and for improving the milk yield of these breeds. The scheme was organised from the Government Live stock Farm Hissar. The main features of the programme approved by the Government of India were as follows —

- (i) bulls were to be tested for their breeding value or transmitting ability on the basis of performance of their heifers compared to that of their dams. The heifers were to be maintained under comparable conditions of feeding, disease control and management.
- (ii) the progeny tested bulls were to be extensively used for inseminating the cows/buffaloes in a compact area comprising 118 villages having 30,000 adult breeding stock. If improvement was registered from generation to generation the breeding

programme was to be systematically worked for at least five generations or twenty five years and

- (iii) there had to be many rounds of breeding for carrying out experimental work on five generations. It takes about five years to get the first record on the performance of the heifers. It was at this stage that bulls were to be evaluated. In order to obtain a reliable index of the transmitting ability of a bull on an average 30 cows/heifers of farm stock and 150 village cows/buffaloes were to be served by a bull to ensure that at least 10-12 heifers in the farm stock and at least 20 in village stock survived and completed at least one lactation to prove the value of their sire. Subject to the satisfactory collection of milk record in the villages the bull's evaluation was to be based on the performance of the heifers born in the villages supplemented by data on heifers born at the farm as also the record of their dams.

The Programme in the Harijans Units was commenced from April 1963 and that in Murrah Units from April 1965.

A review by Audit of the working of the scheme brought out the following points —

- (a) As against a norm of five years for computation of the results of one round of breeding in respect of one set of bulls the actual period ranged from 6 years to over 7½ years in different rounds. It was stated (September 1973) by the Department that in the first round some of the heifers took more time for coming into heat for the first time and some of the heifers had to be given subfertility treatment and conceived late. This delayed the completion of the breeding programme in the first and subsequent rounds also. As regards longer period taken for evaluation it was stated (September 1973) by the Department that the period of about five years as assumed in the technical programme was not found workable and it took about 83 months to get the first record on performance of the female offspring. In the case of Murrah breed poor conception rate, comparatively high mortality rate in suckling calves and higher age of maturity were mentioned as additional adverse factors.
- (b) For the bulls so far evaluated the record of performance of the dams or of the heifers born in villages was not fully available. It was stated that the villages form part of a tract which exports cows and buffaloes to the cosmopolitan cities of India in large number and many cows/buffaloes are sold even before calving and many more are sold after calving. The same difficulty was also faced in following up the performance of the heifers born out of the bulls under test. Even in regard to farm stock, data on the number of 10-12 heifers required to provide a reliable index for establishing the superiority of their sire was available only in one case. Success or otherwise of the principal object of the scheme could not, therefore, be assessed.

- (c) According to the approved technical programme the superiority of a bull was established when it attained an index 20 per cent higher than the herd average. Out of 39 bulls for which some evaluation records were available only three bulls had an index 20 per cent higher than the herd average. Some bulls were found to have an index below the herd average and retention of such bulls for further breeding programme could not be considered as conducive to the objects of the scheme. Another point noticed was that by the time the bulls were evaluated they had attained the age of $8\frac{1}{2}$ years to 11 years. The average reproductive age of a bull being about 12 years their utility for multiplication remained for only a limited period after evaluation.
- (d) The herd strength was required to be kept at the absolute minimum required for experimental purposes. The broad principles enunciated in the technical programme were —
- (i) *Bulls*—Bulls under test were to be retained till they were evaluated. After evaluation only meritorious (proven) bulls were to be retained for use in extension work and others were to be disposed off.
 - (ii) *Male Calves*—After the sires were evaluated the male calves were to be retained/desposed off as per approved basis i.e. five bull calves each from the best and the second best sire were to be retained and the rest disposed off.
 - (iii) *Female Calves*—These were to be retained till they completed at least one lactation.
 - (iv) *Adult females*—The strength of adult females including mature heifers was to be kept roundabout 300 of each breed throughout the entire period of the scheme and this was sought to be achieved through progressive elimination of inferior and older stock by heifers from the scheme as they matured.

The table below shows the required herd strength as per technical programme the actual strength and the excess over the required strength

Year	Hariana			Murrah		
	Required strength	Actual strength	Excess if any	Required strength	Actual strength	Excess if any
1962 63	311	330	19			
1963 64	576	349				
1964 65	482	563	81	311	329	18
1965 66	747	725		576	352	
1966 67	705	855	150	482	466	
1967 68	527	944	417	747	584	
1968 69	792	940	148	705	650	
1969 70	516	1 048	532	527	692	165
1970 71	678	1 148	470	792	744	
1971 72	643	1 079	436	516	769	253
1972 73						
upto						
14 2 73	514	1 040	526	678	712	34

The Department explained (September 1973) that the herd strength did not conform to the strength visualised in the programme owing to —

- (i) the retention of male calves in excess for sale as bulls in and out side Haryana
- (ii) delay in evaluation and
- (iii) time required for disposal of livestock in accordance with the prescribed procedure which was not taken into account in the programme

It was seen from the correspondence exchanged between the concerned authorities that the quantum of fodder issued to the animals was below the prescribed standard of diet and the quality of fodder was also poor

- (e) The entire breeding programme under the scheme was carried out through artificial insemination. Semen donated by bulls in active use was diluted (the rate of dilution assumed in the scheme was 1:25) and diluted semen was used for inseminating cows/buffaloes in farm stock and breeding area attached to the Centre. For carrying out work in the breeding area, there artificial insemination centres at Hissar Barwala and Ladwa (later shifted to Hansi) with 3—6 sub centres were functioning

Facility for deep freezing of semen had not been provided at the centres. Diluted semen has to be utilized within 72 hours as thereafter the quality deteriorates and the semen is rendered unfit for insemination.

The table below shows the extent of utilisation of diluted semen

Year	No of semen collections obtained	Quantity of neat semen collected (in C C)	Ratio of dilution	Quantity of diluted semen prepared (in C C)	No of inseminations done		Quantity of diluted semen actually used (in C C)	Per cent age of utilisation
					at the centre	in breeding area		
1	2	3	4	5	6	7	8	9
A—Haryana Bulls								
1967-68	1566	7091	1.8	56728	567	1419	3972	7.1
1968-69	1343	6453	1.8	51628	689	1695	4767	9.2
1969-70	1148	5277	1.11	58049	833	2691	7068	12.2
1970-71	947	4756	1.13	72942	816	3054	7740	10.6
1971-72	1189	6709	1.13	87218	751	2901	7304	8.4

B—Murrah bulls

1967 68	2033	6519 8	1 6	39119	403	1107	3020	7 7
1968 69	2229	7141 7	1 6	42850	635	2092	5454	13 3
1969 70	1590	6706 7	1 10	67067	836	3349	8370	12 5
1970 71	1484	6833 4	1 10	68334	876	4066	9884	11 4
1971 72	1542	7361 6	1 10	73616	884	4792	11352	15 4

The table below shows details of the insemination work at the farm. Similar data in respect of the active breeding area were not available for the reason that all the animals inseminated were not brought for examination for pregnancy.

	Haryana					Murrah				
	67 68	68 69	69 70	70 71	71 72	67 68	68 69	69 70	70 71	71 72
(i) No of inseminations done	567	689	833	816	751	403	635	836	876	834
(ii) No of animals inseminated	350	437	494	776	720	262	262	290	819	818
(iii) No of animals confirmed as pregnant	279	320	352	409	393	165	134	167	150	216
(iv) Over all percentage of conception	76	73.2	71.8	52.7	54.6	63	51.2	59.4	18.3	26.4
(v) No of insemination per conception required	2	2.1	2.3	2	1.9	2.4	4.7	4.8	5.9	4.09

The Department stated (September 1973) that the rate of dilution assumed in the programme was the optimum rate for semen of best quality and every bull did not donate good quality semen and lower rate of dilution had to be adopted.

- (f) It was originally expected that the State Government would make available 750 acres of land for cultivation of fodder and ensure regular supply of water for growing it. Pending its allotment Rs 0.10 lakh were spent on jungle clearance on the land belonging to Government Livestock Farm Hissar during 1963-64 to 1965-66 for growing fodder in it. Two tractors, one trailer and two sets of disc harrows were also purchased at a cost of Rs 0.30 lakh.

No other land was however brought under cultivation and the Progeny Testing Farm continued to remain dependent upon the Government Livestock Farm Hissar and other agencies for fodder supply. Two tractors remained under use with Government Livestock Farm Hissar. Disc harrows were lying unused (September 1973) with Government Livestock Farm Hissar. As mentioned at (d) above the quantum of fodder issued to animals was below the prescribed scale and the quality was also poor.

- (g) During the entire span of 25 years of the scheme 20 proven bulls and 80 bull calves being the progeny of tested (proven) bulls from high yielding dams from each breed were to be produced for use in extension work. The scheme had up to April 1973 produced only 6 and 2 proven bulls of Haryana and Murrah breed against the target of 8 and 6 bulls respectively of these breeds. The Department stated (September 1973) that the initial delay of approximately $1\frac{1}{2}$ years in evaluation will continue throughout the scheme.

- (h) Year wise outlay on the scheme was as under —

Year	Establishment	Building	Contingencies	Total
	(Figures in lakhs of rupees)			
Upto 1965 66	4 35	18 27	17 05	39 67
1966 67	2 52		7 21	9 73
1967 68	3 10		8 42	11 52
1968 69	3 76		8 28	12 04
1969 70	4 17		9 00	13 17
1970 71	4 52		15 13	19 65
1971 72	4 54		9 83	14 37
1972 73	5 03		8 10	13 13
Total	31 99	18 27 + 1 94**	83 02 123 28*	1 94

An amount of Rs 18 99 lakhs was realised between 1963 64 and 1971 72 from sale of milk (Rs 14 85 lakhs) sale of livestock (Rs 3 35 lakhs) and sale of manure etc Rs 0 79 lakh).

The Department stated in evidence that the Progeny Testing Scheme was by and large progressing according to schedule excepting certain variations on account of practical grounds. Although there is some delay in evaluation which will continue with every set of bills but this delay could not be anticipated earlier due to this scheme being one of the first of its kind in the country.

*This does not include undischarged liabilities (Rs 17 64 lakhs)

**Yearwise break up not available

and the non availability of sufficient data. The work being in the nature of applied research the variable could not be anticipated initially. The departmental representatives however stated that they were satisfied with the performance of the scheme.

The scheme will be finally evaluated by the end of 1986-87 when a round of 10 generations will be completed.

The Committee note with satisfaction the explanation of the Department and recommend that the scheme should be implemented more seriously and should be improved upon further as far as possible in ushering the State into the White Revolution.

HOUSING

Paragraph 3.3 Low Income Group Housing Scheme

Under the Low Income Group Housing Scheme loans are advanced to individuals whose annual income does not exceed Rs 7,200 (limit was Rs 6,000 upto April 1968) and to the co-operative societies of such individuals for constructing houses. The maximum loan admissible per individual is Rs 12,500 or 80 per cent of the cost of construction including cost of land, whichever is less. The loan is credited to a joint account opened in the name of the borrower and the sanctioning authority in the State Bank of India and is released in two/three instalments. The principal together with interest is repayable in 25 equated annual instalments.

Rupees 4,73.47 lakhs were advanced under the scheme between 1955-56 and 1971-72. Out of Rs 2,83.91 lakhs (principal Rs 1,04.24 lakhs interest Rs 1,79.67 lakhs) due for recovery upto the 31st March 1972 a sum of Rs 54.22 lakhs (principal Rs 18.63 lakhs interest Rs 35.59 lakhs) representing 19 per cent of the amount due for recovery was in arrears on that date.

A review of the scheme covering two Districts (Rohtak and Gurgaon) was conducted by Audit in October 1972. In these districts loans of Rs 2,10.82 lakhs to 5,734 individuals and 142 co-operative societies were sanctioned up to March 1972. Out of these loans for Rs 2.87 lakhs (78 cases) were cancelled and in 5,369 cases houses were reported to have been completed (3,518 in Rohtak district up to June 1972 and 1,851 in Gurgaon district upto September 1972). The houses were treated as completed where the last instalment of loan stood released.

The following features noticed in the working of the scheme need mention —

- (a) Inspection by the Departmental Officers disclosed that in 102 cases involving an amount of Rs 3.15 lakhs, the loans were misutilised.

Details thereof are given below —

	<i>Rohtak</i>		<i>Gurgaon</i>	
	<i>No of</i>	<i>Amount</i>	<i>No of</i>	<i>Amount</i>
	<i>cases</i>	<i>(Rs lakhs)</i>	<i>cases</i>	<i>(Rs lakhs)</i>
(i) Loanees who did not construct any house but were given loan on the basis of wrong certificates given by responsible persons	27	0 85	36	1 15
(ii) Non utilization of full amount of loan on construction of houses	2	0 04	15	0 34
(iii) Loan utilised for construction of buildings other than residential	4	0 13		
(iv) Non utilisation of loan on construction of new houses	12	0 34	3	0 12
(v) Loan obtained by the loanee without disclosing that he already possessed a house in the same village/town	1	0 05	2	0 13
Total	46	1 41	56	1 74

Out of the above amount of Rs 3 15 lakhs, a sum of Rs 2 96 lakhs together with interest thereon was yet to be recovered (October 1972)

Under the rules the last instalment of a loan could be released only after the departmental officers inspected and verified the construction of the house up to roof level. In 70 of the above 102 cases the last instalments were released without such verification

- (b) Instructions issued by the Government in February 1966 stipulating recovery of higher rate of interest on instalments in arrears were yet to be implemented (October 1972)
- (c) Instructions issued by the Government in February 1966 for making a provision in agreements stipulating that a loanee should get the house insured against damage or loss by fire as long as the loan had not been repaid in full were yet to be implemented (October 1972) in Estate Office Faridabad

In the remaining places in the two districts out of 1 333 houses constructed with loan money during 1966 67 to 1971 72 1 154 houses were not insured and out of 179 houses insured insurance was not renewed in 106 cases

The Department in their written replies stated that the amount of loan upto 1971 72 which had become due for recovery was Rs 104 25 lakhs as principal and Rs 179 67 lakhs as interest. Out of this a sum of Rs 9 25 lakhs as principal and Rs 15 76 lakhs as interest were in arrears for over 5/10 years. The following steps had been taken for recovering the outstanding arrears expeditiously —

- (1) Notices had been issued to the loanees for the deposit of the instalments
- (2) Lump sum recovery orders had been issued to those loanees who had not deposited two instalments
- (3) Naib Tehsildars L I G H were being asked from time to time through Deputy Commissioners to speed up the campaign of recovering the arrears of loan instalments and to impress upon the loanees to make regular payment of instalments
- (4) The loans under the Low Income Group Housing Scheme were disbursed and the recovery thereof was effected in 25 equated instalments by the Deputy Commissioner. In order to keep watch on the recovery fallen due and recovery in arrear under this Scheme monthly progress reports were obtained from the Deputy Commissioners and the position reviewed by the Government. The Deputy Commissioner were requested from time to time to make all out effort to liquidate the arrears

The department further stated that in the case of the loanees who did not utilize the full amount of loan for construction of houses proceedings for lump sum recovery of whole amount of loan as arrears of land Revenue were started and the same action was taken against the loanees who did not utilize it for construction of houses. There were 30 such cases (17 in Rohtak district 3 in Gurgaon and 10 in Sonapat). Deputy Commissioner Rohtak had recovered the whole amount of loan in four cases in another case the loanee had constructed the house and in remaining 25 cases (12 in Rohtak 3 in Gurgaon and 10 in Sonapat) The recovery proceedings were in progress

The department promised to investigate the delay in recovering the outstanding amounts. On an enquiry whether the instructions of the Government for recovery of the instalments at higher rate of interest be not enforced and why the houses were not insured the department intimated that the instructions were being complied with scrupulously by all the D C s. However instructions regarding insurance of houses were not being implemented strictly but the D C s had been asked to take suitable action against the defaulting officials who did not comply with the instructions in the past

The Committee recommend that the Department should vigorously pursue the campaign of effecting recoveries of arrears of loans and liquidate the same at the earliest

The Committee further recommend that the position of pending cases and the amount involved should be reviewed annually, so that adequate steps are taken to recover the arrears

The progress of recovery in 25 cases be intimated to the Committee regularly

The Committee would also like to know the results achieved in due course of time regarding the action taken by the Deputy Commissioners for non enforcement of instructions in the past

AGRICULTURE

Paragraph 3 4 Oilseeds Production Programme

6 Area under oilseeds and their production and yield in Haryana in 1965 66 were as under —

	Rape mustard	Groundnut
Area (000 hectares)	153 00	7 77
Production (000 tonnes)	74 40	8 14
Yield per hectare (in tonnes)	0 49	1 05

As part of a plan to increase production of oilseeds the following three schemes were launched by Government —

- (1) *Package Programme in Oilseeds (commenced in 1966 67)*—This programme aimed at increasing the yield of rape mustard including *toria* and groundnut by popularising the application of fertilizers and plant protection measures. It was spread over Gurgaon District (10 blocks) and some areas of Hissar, Karnal, Ambala and Jind Districts for rape mustard and Ambala District (6 blocks) for groundnut. At the commencement of the programme 40 000 hectares were under rape mustard—*toria* cultivation in this region with an annual yield of 385 Kgs per hectare (production 15 400 tonnes) while the area under groundnut was 7 510 hectares with an annual yield of 1 052 kgs per hectare (production 7 900 tonnes). The programme aimed at raising the yield of rape mustard—*toria* to 514 kgs per hectare in 1973 74 over an extended area of 72 000 hectares with a production of 37 000 tonnes. The groundnut cultivation was to be extended over an area of 21 000 hectares for a production of 21 000 tonnes with an average yield of 1 000 kgs per hectare.
- (2) *Development programme on Oilseeds in chronically drought affected areas (commenced in 1967 68)*—This scheme covered Mohindergarh District (8 blocks), Hissar District (3 blocks) and Rohtak District (2 blocks) and was designed to increase production of rape mustard by use of chemical fertilizers and adopting improved agricultural practices. The scheme also aimed at introducing groundnut cultivation under irrigated conditions. The scheme contemplated raising production of rape mustard from 12,000 to 16 000 tonnes from 34 000 hectares by 1973 74.

- (3) *Extension of Groundnut Cultivation (commenced in 1967 68)*—
This Centrally Sponsored Scheme covering Hissar District (8 blocks) was for encouraging groundnut cultivation as an irrigated crop and increasing production of rape mustard through adoption of intensive measures of production. The scheme envisaged covering an area of 16 000 hectares to produce about 20 000 tonnes of groundnut in *kharif* and 2,500 tonnes of additional production of rape mustard from an area of about 40 000 hectares in *rabi* by 1973 74.

The targets under these three schemes were sought to be achieved by imparting guidance to cultivators through demonstration and training camps.

A review by Audit of the working of these schemes disclosed the following —

- (a) Area under cultivation, production and yield moved as under between 1965 66 and 1972 73.

In the region covered by Package Programme in Oilseeds —

Area/ Production	1965 66 (Base year)	1966 67	1967 68	1968 69	1969 70	1970 71	1971 72	1972 73	Target en visaged in the scheme for 1973 74
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A—Rape mustard

Area (000 hectares)—

(i) Sarson	40 00	42 00	41 00	19 00	26 50	28 60	38 10	27 00	40 00
(ii) Toria				13 70	15 80	20 49	13 40	15 70	32 00
Total	40 00	42 00	41 00	32 70	42 30	49 09	51 50	42 70	72 00
	1965 66 (Base year)	1966 67	1967 68	1968 69	1969 70	1970 71	1971 72	1972 73	Target envis aged in the scheme for 1973 74

Production (000 tonnes)—

(i) Sarson	15 40	10 00	9 40	12 00	18 90	21 00	22 00	16 00	15 00
(ii) Toria				7 10	12 12	27 39	6 90	10 10	22 00
Total	15 40	10 00	9 40	19 10	31 02	48 39	28 90	26 10	37 00

Yield per hectare (in tonnes)—

(i) Sarson	0 39	0 24	0 23	0 63	0 71	0 73	0 58	0 59	0 37
(ii) Toria				0 52	0 76	1 34	0 51	0 64	0 69
(iii) Sarson and Toria	0 39	0 24	0 39	0 58	0 71	0 99	0 56	0 61	0 51

B—Groundnut

Area (000 hectares)	7 51	10 74	13 58	15 03	11 40	9 60	8 10	7 30	21 00
Production (000 tonnes)	7 90	10 80	16 30	9 10	9 30	7 90	6 60	5 90	21 00
Yield per hectare (in tonnes)	1 05	1 01	1 20	0 61	0 82	0 82	0 81	0 81	1 00

The area production and average yield in 1973 74 is not yet (July 1974) known. These however fluctuated from year to year as shown above. The scheme apparently failed to stabilize production or to increase it to the desired level. The production of *sarson* and groundnut touched almost a new low in 1972 73.

II**In the region covered by Development Programme on Oilseeds in chronically drought affected areas**

Area/ Production	1966 67 (Base year)	1967 68	1968 69	1969 70	1970 71	1971 72	1972 73	Target envisaged in the scheme for 1973 74
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A—Rape mustard

Area (000 hectares)	26 00	34 40	4 40	11 40	17 40	47 40	63 00	34 00
Production (000 tonnes)	12 00	16 10	1 91	7 10	11 40	25 00	29 40	16 00
Yield per hectare (in tonnes)	0 46	0 47	0 43	0 62	0 66	0 53	0 47	0 47

B—Groundnut

Area (000 hectares)	0 12	0 33	0 18	0 30	0 20	0 20	0 30	No targets for groundnut were fixed
Production (000 tonnes)	0 10	0 40	0 20	0 30	0 30	0 40	0 50	
Yield per hectare (in tonnes)	0 83	1 21	1 11	1 00	1 50	2 00	1 66	

While coverage and production under rape mustard increased during 1971 72 and 1972 73 the average yield decreased compared to the preceding two years. As for groundnut the Department stated (February 1973) that efforts to introduce groundnut crop had been discontinued as the farmers did not favour its cultivation due to economic factors like better income from hybrid *bajra*.

III

In the region covered by Extension of Groundnut Cultivation

Area/ Product tion	1966 67 (Base year)	1967 68	1968 69	1969 70	1970 71	1971 72	1972 73	Target en visaged for 1973 74 in the sche ne
A—Rape mustard								
Area (000 hectares)	89 00	134 00	14 00	50 70	50 30	65 00	72 00	Additional 2 500 tonnes in rabi
Production (000 tonnes)	45 00	59 30	6 00	33 70	33 00	38 00	26 00	
Yield per hectare (in tonnes)	0 56	0 44	0 43	0 66	0 65	0 58	0 36	
B—Groundnut								
Area (000 hectares)		0 80	1 06	1 65	0 97	2 81	0 50	16 00
Production (000 tonnes)		1 60	NA	3 00	0 48	1 96	0 70	20 00
Yield per hectare (in tonnes)		2 00	1 82	1 82	0 50	0 70	1 40	1 25

In view of the poor progress under groundnut and the competition faced by this crop from high yielding variety of *bajra*, the scheme was discontinued from 1973 74

- (b) The overall impact of the above three schemes, involving an expenditure of Rs 27 65 lakhs up to 1972 73 was as under —

Name of oilseed	Assu med pro duc tion of base year 1968 69	Additional production (+) ex pected over base year				Actual additional production (+)/shortfall in production (—) over base year			
		1969 70	1970 71	1971 72	1972 73	1969 70	1970 71	1971 72	1972 73

(Figures in thousand tonnes)

(1) Package programme in Oilseeds

Rape mus tard includ ing toria	22 00	+3 60	+7 20	+10 80	+14 40	+9 02	+26 39	+6 90	+4 10
Ground nut	12 00	+2 00	+4 00	+6 00	+8 00	—2 70	—4 10	—5 40	—6 10

(2) Development programme of Oilseeds in chronically drought affected areas

Rape mustard	14 00	+0 40	+0 80	+1 20	+1 60	—6 90	—2 60	+11 00	+15 40
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(3) Extension of Groundnut Cultivation

Ground nut	2 00	+1 20	+4 90	+8 60	+12 30	+1 00	—1 52	—0 04	—1 30
Total	50 00	+7 20	+16 90	+26 60	+36 30	+0 42	+18 17	+12 46	+12 10

Note —No definite targets for groundnut under scheme No (2) and rape mustard under scheme No (3) were fixed by the Department

Against the envisaged additional production of 36 300 tonnes of oilseeds in 1972 73, the actual additional production was 12 100 tonnes i.e. about one third only. The aggregate additional production during the first four years 1969/73 of the Fourth Five Year Plan period was 43 060 tonnes against the projected additional production of 87,000 tonnes. During 1970 71 to 1972 73 the production of groundnut was even below the level of the base year.

(c) The following table shows that for the State as a whole the production and yield of rape-mustard *toria* and groundnut did not register a sustained growth.

Year	Rape mustard including toria			Groundnut		
	Area (000 hectares)	Production (000 tonnes)	Yield (tonnes per hectare)	Area (000 hectares)	Production (000 tonnes)	Yield (tonnes per hectare)
1965 66	153 00	74 40	0 49	7 77	8 14	1 05
1966 67	198 00	80 10	0 40	11 09	11 00	0 99
1967 68	246 00	103 00	0 42	14 50	17 40	1 20
1968 69	66 00	33 00	0 50	15 50	9 40	0 61
1969 70	120 10	77 90	0 65	12 00	9 60	0 80
1970 71	129 80	89 00	0 68	10 40	8 90	0 85
1971 72	163 20	90 00	0 55	8 80	7 40	0 84
1972 73	211 00	99 00	0 46	7 80	6 60	0 84

The main reasons for the shortfall given by the Department were as under —

- (i) rape mustard crop is almost entirely grown under rainfed conditions. There had been wide fluctuation in the area and production of this crop from year to year depending upon weather conditions prevailing at the time of sowing and growth period.
- (ii) set back in groundnut cultivation was due to high cost of inputs, inadequate rains at sowing time and competition from high yielding variety of *bajra*.
- (iii) crop was affected by heavy attack of Aphid on rape mustard during 1971 72 and high incidence of pests and disease.

ses on groundnut during 1966 67 and 1968 69 to 1971 72 and

- (iv) the farmers used the meagre irrigation resources available for growing high yielding varieties of wheat crop in preference to rape mustard

(d) Other points of interest—

- (i) *Extension of Groundnut Cultivation*—Out of the seeds purchased for the scheme Extension of Groundnut Cultivation 368 25 quintals (116 61 during 1969 70 181 65 during 1970 71 and 69 99 during 1971 72) costing Rs 56 2000 were found unfit for germination. The resultant loss and the reasons for the seeds becoming unfit called for from the Department (December 1973) have not been intimated so far (February 1974)

- (ii) *Castor Demonstration Scheme*—Besides the above schemes a Centrally Sponsored Scheme namely Castor Demonstration Scheme was introduced in 1969 70. The scheme envisaged laying out of composite demonstrations with short duration and high yielding varieties of castor adopting all package of practices with a view to bringing home to the farmers the advantages of these varieties and acquaint them with the scientific methods of cultivation so as to realize the maximum yields per unit area. Under the scheme 480 demonstration plots covering 192 hectares were to be laid out each year. Actual coverage during 1969 70 and 1970 71 was 69 4 hectares and 562 6 hectares respectively. Thus while there was a shortfall of 122 6 hectares in coverage in 1969 70 the coverage during 1970 71 was increased to 562 6 hectares i.e. about 3 times the area required to be covered under the scheme. The Department explained (October 1970) that the target of 192 hectares could not be achieved in 1969 70 due to late receipt of the seeds. The Department further stated (April 1974) that the number of demonstrations was increased substantially in 1970 71 so as to utilise seeds purchased in excess and to create some impact on the farmers.

Twelve kgs of seeds per hectare were recommended in the scheme sanctioned by the Government of India. Seventy six quintals of seeds should therefore have been adequate for the years 1969 70 and 1970 71. Against this 162 10 quintals of seeds were purchased. Utilisation of the balance has not been explained. The scheme was discontinued from the year 1971 72 as the farmers did not take to castor cultivation.

When questioned, the Department stated in its written reply that the normal production of oilseeds per thousand hectares should be 900 tonnes (including shells) in the case of groundnut and 500 tonnes in the case of rape mustard. The year wise yields of groundnut and rape mustard after the

introduction of package programme of oilseeds were stated to be as under —

(Yields in Kgs per hectares)

Year	1966 67	1967 68	1968 69	1969 70
Groundnut	998	1201	610	797
Rape mustard	404	418	501	649
Year	1970 71	1971 72	1972 73	1973 74
Groundnut	854	844	846	861
Rape mustard	678	554	469	312

As a result of the efforts made under the development programme on oilseeds in chronically drought affected areas yield per hectare was raised from 435 Kgs during 1968 69 to 529 Kgs during 1971 72. However, during the year 1972 73 the yield came down to 466 Kgs per hectare on account of severe drought conditions. Again during 1973 74 there was unprecedented frost which killed more than 50% of mustard crop and the average yield came down to near 270 Kgs per hectare.

The figures of targets and achievements under the scheme in respect of rape mustard crops from the year 1968 69 to 1973 74 are as follows —

Year	Area 000 Hect		Production 000 Hect	
	Target	Achievement	Target	Achievement
1968 69	34	4 4	14 00	1 91
1969 70	34	11 4	14 4	7 10
1970 71	34	17 4	14 8	11 40
1971 72	34	47 5	15 2	25 0
1972 73	34	63 0	15 6	29 4
1973 74	34	44 0	16 0	12 0

The area and production of mustard crop fluctuated from year to year depending upon the weather conditions at the time of sowing and during the growth period of the crop. The Agriculture Department thus could not do much against adverse weather conditions.

To a question of the Committee as to why the area under cultivation was lower from 1968 69 onwards the department stated that there was a fall in the area under mustard from 1968 69 onwards in the operational area of the scheme i.e. Gurgaon and Ambala Districts because with the extension of irrigation facilities more area was diverted to wheat which was an assured crop. Mustard continued to be grown under rainfed conditions and, there

fore, the area under that crop depended upon the amount of rainfall to facilitate sowing

The figures of area production and average yield in respect of *Sarson* *Toria* and Groundnut for the year 1973 74 was stated to be as under —

<i>Crop</i>	<i>Area in 000 Hects</i>	<i>Production 000 tonnes</i>	<i>Average yield Kgs</i>
Sarson	25 8	6 9	267
Toria	14 6	5 3	367
Ground nut	7 1	6 1	873

Oilseeds crops especially Sarson and Groundnut were mainly grown under rainfed condition. Therefore their production depended upon weather condition prevailing at the time of sowing and during the growth period of the crop and it was not possible to stabilize their production or raise it to the desired level.

The following expenditure was incurred on the scheme for package programme on oilseeds from 1968 69 to 1972 73

<i>Year</i>	<i>68 69</i>	<i>69 70</i>	<i>70 71</i>	<i>71 72</i>	<i>72 73</i>
Expenditure (in Lakhs)	0 43	2 23	2 34	2 20	2 50

As from 1973 74 the scheme for package programme on oilseeds and scheme for Development of oilseeds in chronically drought affected areas of the State were integrated and an expenditure of Rs 3 97 520 was incurred under the integrated scheme namely Development of oilseeds in chronically drought affected and other potential areas of the State

There was consistent improvement in the average yield of rape mustard from 1968 69 to 1970 71. During the year 1971 72 the yield came down to 530 Kgs per hectare from 660 Kgs per hectare during 1970 71 because of severe attack of Aphid in an epidemic form on rape mustard crops. During 1972 73 the fall in yield was due to severe drought conditions as a result of complete failure of winter rains. During 1973 74 the yield came down to mere 270 Kgs per hectare because over 50% of Sarson crop was destroyed by unprecedented frost witnessed during December 1973 and January February 1974. Since the fall in yield from 1971 72 to 1973 74 was entirely due to natural factors beyond human control nothing could be done to reverse this process.

The Committee feel that the result of the Scheme would have been satisfactory if greater attention had been given to Plant Protection.

The Committee recommend that the Department should make all out efforts to educate the farmers further and take up plant protection measures over large areas in collaboration with the Haryana Agricultural University.

The progress of recovery in 25 cases be intimated to the Committee regularly

The Committee would also like to know the results achieved in due course of time regarding the action taken by the Deputy Commissioners for non enforcement of instructions in the past

AGRICULTURE

Paragraph 3 4 Oilseeds Production Programme

6 Area under oilseeds and their production and yield in Haryana in 1965 66 were as under —

	Rape mustard	Groundnut
Area (000 hectares)	153 00	7 77
Production (000 tonnes)	74 40	8 14
Yield per hectare (in tonnes)	0 49	1 05

As part of a plan to increase production of oilseeds the following three schemes were launched by Government —

- (1) *Package Programme in Oilseeds (commenced in 1966 67)*—This programme aimed at increasing the yield of rape mustard including *toria* and groundnut by popularising the application of fertilizers and plant protection measures. It was spread over Gurgaon District (10 blocks) and some areas of Hissar Karnal Ambala and Jind Districts for rape mustard and Ambala District (6 blocks) for groundnut. At the commencement of the programme 40 000 hectares were under rape mustard—*toria* cultivation in this region with an annual yield of 385 Kgs per hectare (production 15 400 tonnes) while the area under groundnut was 7 510 hectares with an annual yield of 1 052 kgs per hectare (production 7 900 tonnes). The programme aimed at raising the yield of rape mustard—*toria* to 514 kgs per hectare in 1973 74 over an extended area of 72 000 hectares with a production of 37 000 tonnes. The groundnut cultivation was to be extended over an area of 21 000 hectares for a production of 21 000 tonnes with an average yield of 1 000 kgs per hectare.
- (2) *Development programme on Oilseeds in chronically drought affected areas (commenced in 1967 68)*—This scheme covered Mohindergarh District (8 blocks) Hissar District (3 blocks) and Rohtak District (2 blocks) and was designed to increase production of rape mustard by use of chemical fertilizers and adopting improved agricultural practices. The scheme also aimed at introducing groundnut cultivation under irrigated conditions. The scheme contemplated raising production of rape mustard from 12 000 to 16 000 tonnes from 34 000 hectares by 1973 74.

- (3) *Extension of Groundnut Cultivation (commenced in 1967 68)*— This Centrally Sponsored Scheme covering Hissar District (8 blocks) was for encouraging groundnut cultivation as an irrigated crop and increasing production of rape mustard through adoption of intensive measures of production. The scheme envisaged covering an area of 16 000 hectares to produce about 20 000 tonnes of groundnut in *kharif* and 2 500 tonnes of additional production of rape mustard from an area of about 40,000 hectares in *rabi* by 1973 74.

The targets under these three schemes were sought to be achieved by imparting guidance to cultivators through demonstration and training camps.

A review by Audit of the working of these schemes disclosed the following —

- (a) Area under cultivation, production and yield moved as under between 1965 66 and 1972 73.

In the region covered by Package Programme in Oilseeds

Area/ Production	1965 66 (Base year)	1966 67	1967 68	1968 69	1969 70	1970 71	1971 72	1972 73	Target envisaged in the scheme for 1973 74
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A—Rape-mustard

Area (000 hectares)—

(i) Sarson	40 00	42 00	41 00	19 00	26 50	28 60	38 10	27 00	40 00
(ii) Toria				13 70	15 80	20 49	13 40	15 70	32 00
Total	40 00	42 00	41 00	32 70	42 30	49 09	51 50	42 70	72 00
	1965 66 (Base year)	1966 67	1967 68	1968 69	1969 70	1970 71	1971 72	1972 73	Target envisaged in the scheme for 1973 74

Production (000 tonnes)—

(i) Sarson	15 40	10 00	9 40	12 00	18 90	21 00	22 00	16 00	15 00
(ii) Toria				7 10	12 12	27 39	6 90	10 10	22 00
Total	15 40	10 00	9 40	19 10	31 02	48 39	28 90	26 10	37 00

Yield per hectare (in tonnes)—

(i) Sarson	0 39	0 24	0 23	0 63	0 71	0 73	0 58	0 59	0 37
(ii) Toria				0 52	0 76	1 34	0 51	0 64	0 69
(iii) Sarson and Toria	0 39	0 24	0 39	0 58	0 71	0 99	0 56	0 61	0 51

B—Groundnut

Area (000 hectares)	7 51	10 74	13 58	15 03	11 40	9 60	8 10	7 30	21 00
Production (000 tonnes)	7 90	10 80	16 30	9 10	9 30	7 90	6 60	5 90	21 00
Yield per hectare (in tonnes)	1 05	1 01	1 20	0 61	0 82	0 82	0 81	0 81	1 00

The area production and average yield in 1973 74 is not yet (July 1974) known. These however fluctuated from year to year as shown above. The scheme apparently failed to stabilize production or to increase it to the desired level. The production of *saison* and groundnut touched almost a new low in 1972 73.

II

In the region covered by Development Programme on Oilseeds in chronically drought affected areas

Area/ Production	1966 67 (Base year)	1967 68	1968 69	1969 70	1970 71	1971 72	1972 73	Target envisaged in the scheme for 1973 74
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A—Rape mustard

Area (000 hectares)	26 00	34 40	4 40	11 40	17 40	47 40	63 00	34 00
Production (000 tonnes)	12 00	16 10	1 91	7 10	11 40	25 00	29 40	16 00
Yield per hectare (in tonnes)	0 46	0 47	0 43	0 62	0 66	0 53	0 47	0 47

B—Groundnut

Area (000 hectares)	0 12	0 33	0 18	0 30	0 20	0 20	0 30	No targets for groundnut were fixed
Production (000 tonnes)	0 10	0 40	0 20	0 30	0 30	0 40	0 50	
Yield per hectare (in tonnes)	0 83	1 21	1 11	1 00	1 50	2 00	1 66	

While coverage and production under rape mustard increased during 1971 72 and 1972 73 the average yield decreased compared to the preceding two years. As for groundnut the Department stated (February 1973) that efforts to introduce groundnut crop had been discontinued as the farmers did not favour its cultivation due to economic factors like better income from hybrid *bajra*.

III

In the region covered by Extension of Groundnut Cultivation

Area/ Product tion	1966 67 (Base year)	1967 68	1968 69	1969 70	1970 71	1971 72	1972 73	Target en visaged for 1973 74 in the scheme
A—Rape mustard								
Area (000 hectares)	89 00	134 00	14 00	50 70	50 30	65 00	72 00	Additional 2 500 tonnes in rabi
Production (000 tonnes)	45 00	59 30	6 00	33 20	33 00	38 00	26 00	
Yield per hectare (in tonnes)	0 56	0 44	0 43	0 66	0 65	0 58	0 36	
B—Groundnut								
Area (000 hectares)		0 80	1 06	1 65	0 97	2 81	0 50	16 00
Production (000 tonnes)		1 60	NA	3 00	0 48	1 96	0 70	20 00
Yield per hectare (in tonnes)		2 00	1 82	1 82	0 50	0 70	1 40	1 25

In view of the poor progress under groundnut and the competition faced by this crop from high yielding variety of *bajra* the scheme was discontinued from 1973 74

- (b) The overall impact of the above three schemes involving an expenditure of Rs 27 65 lakhs up to 1972 73 was as under —

Name of oilseed	Assumed production of base year 1968 69	Additional production (+) expected over base year				Actual additional production (+)/shortfall in production (—) over base year			
		1969 70	1970 71	1971 72	1972 73	1969 70	1970 71	1971 72	1972 73

(Figures in thousand tonnes)

(1) Package programme in Oilseeds

Rape mustard including toria	22 00	+3 60	+7 20	+10 80	+14 40	+9 02	+26 39	+6 90	+4 10
Groundnut	12 00	+2 00	+4 00	+6 00	+8 00	—2 70	—4 10	—5 40	—6 10

(2) Development programme of Oilseeds in chronically drought affected areas

Rape mustard	14 00	+0 40	+0 80	+1 20	+1 60	—6 90	—2 60	+11 00	+15 40
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(3) Extension of Groundnut Cultivation

Groundnut	2 00	+1 20	+4 90	+8 60	+12 30	+1 00	—1 52	—0 04	—1 30
Total	50 00	+7 20	+16 90	+26 60	+36 30	+0 42	+18 17	+12 46	+12 10

Note —No definite targets for groundnut under scheme No (2) and rape mustard under scheme No (3) were fixed by the Department

Against the envisaged additional production of 36 300 tonnes of oilseeds in 1972 73 the actual additional production was 12 100 tonnes i.e. about one third only. The aggregate additional production during the first four years 1969/73 of the Fourth Five Year Plan period was 43 060 tonnes against the projected additional production of 87 000 tonnes. During 1970 71 to 1972 73 the production of groundnut was even below the level of the base year.

(c) The following table shows that for the State as a whole the production and yield of rape mustard *toria* and groundnut did not register a sustained growth.

Year	Rape mustard including <i>toria</i>			Groundnut		
	Area (000 hectares)	Production (000 tonnes)	Yield (tonnes per hectare)	Area (000 hectares)	Production (000 tonnes)	Yield (tonnes per hectare)
1965 66	153 00	74 40	0 49	7 77	8 14	1 05
1966 67	198 00	80 10	0 40	11 09	11 00	0 99
1967 68	246 00	103 00	0 42	14 50	17 40	1 20
1968 69	66 00	33 00	0 50	15 50	9 40	0 61
1969 70	120 10	77 90	0 65	12 00	9 60	0 80
1970 71	129 80	89 00	0 68	10 40	8 90	0 85
1971 72	163 20	90 00	0 55	8 80	7 40	0 84
1972 73	211 00	99 00	0 46	7 80	6 60	0 84

The main reasons for the shortfall given by the Department were as under —

- (i) rape mustard crop is almost entirely grown under rainfed conditions. There had been wide fluctuation in the area and production of this crop from year to year depending upon weather conditions prevailing at the time of sowing and growth period.
- (ii) set back in groundnut cultivation was due to high cost of inputs, inadequate rains at sowing time and competition from high yielding variety of *bajra*.
- (iii) crop was affected by heavy attack of Aphid on rape mustard during 1971 72 and high incidence of pests and disease.

ses on groundnut during 1966 67 and 1968 69 to 1971 72 and

- (iv) the farmers used the meagre irrigation resources available for growing high yielding varieties of wheat crop in preference to rape mustard

(d) Other points of interest—

- (i) *Extension of Groundnut Cultivation*—Out of the seeds purchased for the scheme Extension of Groundnut Cultivation 368 25 quintals (116 61 during 1969 70 181 65 during 1970 71 and 69 99 during 1971 72) costing Rs 56 2000 were found unfit for germination. The resultant loss and the reasons for the seeds becoming unfit called for from the Department (December 1973) have not been intimated so far (February 1974)

- (ii) *Castor Demonstration Scheme*—Besides the above schemes a Centrally Sponsored Scheme namely Castor Demonstration Scheme was introduced in 1969 70. The scheme envisaged laying out of composite demonstrations with short duration and high yielding varieties of castor adopting all package of practices with a view to bringing home to the farmers the advantages of these varieties and acquaint them with the scientific methods of cultivation so as to realize the maximum yields per unit area. Under the scheme 480 demonstration plots covering 192 hectares were to be laid out each year. Actual coverage during 1969 70 and 1970 71 was 69 4 hectares and 562 6 hectares respectively. Thus while there was a shortfall of 122 6 hectares in coverage in 1969 70 the coverage during 1970 71 was increased to 562 6 hectares i.e. about 3 times the area required to be covered under the scheme. The Department explained (October 1970) that the target of 192 hectares could not be achieved in 1969 70 due to late receipt of the seeds. The Department further stated (April 1974) that the number of demonstrations was increased substantially in 1970 71 so as to utilise seeds purchased in excess and to create some impact on the farmers.

Twelve kgs of seeds per hectare were recommended in the scheme sanctioned by the Government of India. Seventy six quintals of seeds should therefore have been adequate for the years 1969 70 and 1970 71. Against this 162 10 quintals of seeds were purchased. Utilisation of the balance has not been explained. The scheme was discontinued from the year 1971 72 as the farmers did not take to castor cultivation.

When questioned the Department stated in its written reply that the normal production of oilseeds per thousand hectares should be 900 tonnes (including shells) in the case of groundnut and 500 tonnes in the case of rape mustard. The year wise yields of groundnut and rape mustard after the

introduction of package programme of oilseeds were stated to be as under —

(Yields in Kgs per hectares)

Year	1966 67	1967 68	1968 69	1969 70
Groundnut	998	1201	610	797
Rape mustard	404	418	501	649
Year	1970 71	1971 72	1972 73	1973 74
Groundnut	854	844	846	861
Rape mustard	678	554	469	312

As a result of the efforts made under the development programme on oilseeds in chronically drought affected areas yield per hectare was raised from 435 Kgs during 1968 69 to 529 Kgs during 1971 72. However during the year 1972 73 the yield came down to 466 Kgs per hectare on account of severe drought conditions. Again during 1973 74 there was unprecedented frost which killed more than 50% of mustard crop and the average yield came down to near 270 Kgs per hectare.

The figures of targets and achievements under the scheme in respect of rape mustard crops from the year 1968 69 to 1973 74 are as follows —

Year	Area 000 Hect		Production 000 Hect	
	Target	Achievement	Target	Achievement
1968 69	34	4 4	14 00	1 91
1969 70	34	11 4	14 4	7 10
1970 71	34	17 4	14 8	11 40
1971 72	34	47 5	15 2	25 0
1972 73	34	63 0	15 6	29 4
1973 74	34	44 0	16 0	12 0

The area and production of mustard crop fluctuated from year to year depending upon the weather conditions at the time of sowing and during the growth period of the crop. The Agriculture Department thus could not do much against adverse weather conditions.

To a question of the Committee as to why the area under cultivation was lower from 1968 69 onwards the department stated that there was a fall in the area under mustard from 1968 69 onwards in the operational area of the scheme i.e. Gurgaon and Ambala Districts because with the extension of irrigation facilities more area was diverted to wheat which was an assured crop. Mustard continued to be grown under rainfed conditions and, there

fore, the area under that crop depended upon the amount of rainfall to facilitate sowing

The figures of area production and average yield in respect of *Sarson* *Toria* and Groundnut for the year 1973 74 was stated to be as under —

<i>Crop</i>	<i>Area in 000 Hects</i>	<i>Production 000 tonnes</i>	<i>Average yield Kgs</i>
Sarson	25 8	6 9	267
Toria	14 6	5 3	367
Ground nut	7 1	6 1	873

Oilseeds crops especially Sarson and Groundnut were mainly grown under rainfed condition. Therefore their production depended upon weather condition prevailing at the time of sowing and during the growth period of the crop and it was not possible to stabilize their production or raise it to the desired level.

The following expenditure was incurred on the scheme for package programme on oilseeds from 1968 69 to 1972 73

<i>Year</i>	<i>68 69</i>	<i>69 70</i>	<i>70 71</i>	<i>71 72</i>	<i>72 73</i>
Expenditure (in Lakhs)	0 43	2 23	2 34	2 20	2 50

As from 1973 74 the scheme for package programme on oilseeds and scheme for Development of oilseeds in chronically drought affected areas of the State were integrated and an expenditure of Rs 3 97 520 was incurred under the integrated scheme namely Development of oilseeds in chronically drought affected and other potential areas of the State

There was consistent improvement in the average yield of rape mustard from 1968 69 to 1970 71. During the year 1971 72 the yield came down to 530 Kgs per hectare from 660 Kgs per hectare during 1970 71 because of severe attack of Aphid in an epidemic form on rape mustard crops. During 1972 73 the fall in yield was due to severe drought conditions as a result of complete failure of winter rains. During 1973 74 the yield came down to mere 270 Kgs per hectare because over 50% of Sarson crop was destroyed by an unprecedented frost witnessed during December 1973 and January February 1974. Since the fall in yield from 1971 72 to 1973 74 was entirely due to natural factors beyond human control nothing could be done to reverse this process.

The Committee feel that the result of the Scheme would have been satisfactory if greater attention had been given to Plant Protection.

The Committee recommend that the Department should make all out efforts to educate the farmers further and take up plant protection measures over large areas in collaboration with the Haryana Agricultural University.

Paragraph 3 5—Printing Press

7 For disseminating the latest technical know how in agriculture to the farmers the Agriculture Department decided to set up a small printing press Accordingly an offset printing machine and accessories were purchased in March May 1970 (cost Rs 1 54 lakhs) and stored in a hired shed pending their installation at Chandigarh A rent of Rs 8 921 was paid for the shed from May 1970 to December 1970 In August 1970 it was decided to set up the press at Karnal instead of at Chandigarh The machine/equipments were shifted to Karnal in October 1970 (ink and papers in April 1971) The press which was set up in a rented building at Karnal in July 1972 printed about 7 000 posters/tables in July and August 1972 when it was shifted (September 1973) to another rented building The press is yet to start operating in the new building since power connection and power wiring have not been provided so far (March 1974) An expenditure of Rs 1 320 was incurred for power connection/wiring etc in the first rented building and a sum of Rs 2 290 may be needed for providing power connection and wiring in the present building

The matter was reported to Government (January 1974) reply is awaited (July 1974)

The Department in their written reply stated that the Press was not functioning due to non availability of offset Operator The Press had printed only 7 000 copies of a Poster in July and August 1972

The Committee deplore the haphazard action on the part of the Department to take up the Scheme without proper planning which has resulted in substantial loss to Government They, therefore, recommend that in future such like schemes should be properly planned to avoid any loss to the Government

They further recommend that immediate steps be taken to appoint an offset Press Operator so that the very purpose of installing the Printing Press is achieved The Committee should be informed when the Press starts working properly and gainfully

Paragraph 3 6 Embezzlement

8 A sum of Rs 11 678 was allegedly embezzled between May 1972 and September 1972 in the office of the Assistant Soil Conservation Officer Yamunanagar This included Rs 11 639 drawn from the Treasury by alleged forging of the signatures of the drawing and disbursing officer on the bills and Rs 39 by entering payment vouchers twice in the cash book Out of this a sum of Rs 379 was recovered from the cashier in September 1972 The cashier was suspended from 18th September 1972 A case registered with the Police in September 1972 is under investigation (June 1974)

The Department in their written reply stated that the matter was still under investigation with the Police It was further intimated that no security was taken from the Cashier The cashier was under suspension since September 1972 and no subsistence allowance had been paid to him as he did not furnish the usual certificate to the effect that he was not engaged in any other employment

The Committee regret to note that more than three years have elapsed but the Police investigation has not been completed so far. The Committee fear that this inordinate delay in investigation may defeat the very purpose of apprehending the culprit. They recommend that the Department should pursue with the police to complete the investigation without any further delay so that the culprit may be taken to task at the earliest.

The Committee fail to understand as to why the security was not taken from the cashier. The responsibility may be fixed for this lapse and the Committee informed accordingly.

The position regarding the non payment of subsistence allowance should also be examined and the final outcome intimated to the Committee early.

HOME

Paragraph 37 Misappropriation

9 The Adjutant First Haryana Armed Battalion Ambala city on surprise verification of cash on the 30th October 1972 found a shortage of Rs 63 923 in the cash chest with the Lines Officer. An Audit of the accounts of Battalion conducted in December 1972 disclosed misappropriation of Rs 7 408 in addition. Rupees 18 313 were made good by the Lines Officer between October and December 1972. The misappropriation was rendered possible due to the following —

- (i) physical verification of cash was not done every month by the Adjutant as required under the rules
- (ii) the key of one of the two locks of the cash chest was not kept by the Adjutant as required under rule 31 of Punjab Sub Treasury Rules Volume I
- (iii) there was heavy cash balance between December 1971 and October 1972 ranging from Rs 48 368 to Rs 1 01 721
- (iv) issue of road certificates which are intended for use in cases requiring transfer of cash from one police station/line to another police station/line for payment of pay and allowances of the staff posted there were being issued for payments to suppliers also
- (v) payment was not made by cheques/remittance transfer receipts wherever possible and
- (vi) departmental receipts were utilised towards expenditure

The Department stated (September 1973) that (i) responsibility was being fixed and suitable action would be taken against the Officers responsible for recording wrong certificates of physical verification of cash (ii) introduction of double lock system was being examined (iii) suitable instructions had been issued to the heads of police offices not to draw any amount from the treasury unless required for immediate disbursement and (iv) the case had been registered with the police (December 1972). The Department

further informed (November 1973) that the suspect had been arrested and the case was under police investigation

It may also be mentioned that no security (cash or otherwise) was obtained from the Lines Officer who was handling Government cash. It was stated by the Department (September 1973) that it was not possible to obtain security from the sub inspectors posted as Lines Officers as they were frequently transferred to executive jobs

The misappropriation was also reported to Audit as required under rule 2 35 of Punjab Financial Rules, Volume I. The Department stated (September 1973) that the case was not reported to Audit as it was being investigated

The department stated that the responsibility for the loss of Government money was fixed on Sub inspector Amar Singh Lines Officer of 1st HAP Bn. The defaulter Amar Singh was suspended with effect from 25 2 73 and case FIR No 368 dated 25 2 73 under section 409/467/471 AIPC was registered against him with the Police Station Ambala. The Challan put up in court on 27 2 75. The case was **Sub judice**. Besides as desired by audit/government the accounts of 1st HAP Bn had been got audited in detail right from the date the Bn was raised and as a result of this internal audit by the C P O Auditor and that of the audit of accounts by the audit office, action ~~the~~ against the officers who had shown laxity of control had been taken

In reply to a question of the Committee as to why the Challan was put up in the court on the 27th February 1975 when the matter was related to the 25th February 1973 the department stated that the challan had been prepared on 31 12 73 but throughout the year 1974 the challan remained with the Investigating Agency or the prosecution branch. The prosecution branch pointed out some defects. The police took unusually long time to reconcile the objections. The objections were not reconciled on one occasion and the prosecution branch returned the challan four times for the reconciliation of objections. The explanations of the officials responsible for delay at these stages had also been called

The department further intimated that in this case two challans were prepared and both were put up in the court on 28 2 75 and in all 27 PWS were to be examined in both the challans. The first challan came up for hearing in the court on 17 3 75 and 18 3 75 when the charge was framed. The hearing in first challan was adjourned for 27 7 75 when two PWS were examined. The next date of hearing was fixed for 10 11 75 and only one PW was examined. The last date of hearing of the case was fixed for 17 11 75 when 6 PWS were summoned but only one was examined

Similarly in the second challan, charge having been framed on 18 3 75 it was adjourned for further hearing on 4 8 75 5 8 75 4 10 75 and 19 11 75 for recording the evidence of PWS. The case now stood adjourned for 20 1 76

The Committee are pained to observe that the Police took unusually long time (of about 2 years) for reconciling certain objections raised by the prosecution branch of the Police department with the result that it involved a considerable delay in putting up challan in the court

The Committee is also pained to note that the department failed to report the matter immediately to the audit as required by the Financial regulations

The Committee recommend that suitable action be taken against the officials found responsible for this inordinate delay underintimation to the Committee

The Committee would like to be informed of the decision of the court when announced

LOTTERIES

Paragraph 3 8—Payment of bonus on sale of lottery tickets

10 The rules framed by the Government regarding the conduct of Haryana State Lotteries provide that Government may, in addition to commission on sale of lottery tickets fix the rates of bonus for agents/sellers in respect of prize winning tickets and also provide for a lucky draw for agents. Government has not so far prescribed any scales for payment of bonus nor has it permitted holding of lucky draws for agents. The Director State Lotteries however made a provision (January 1970) in the thirteenth draw (due on 11th March 1970) for payment of bonus out of prize money at 5 per cent of the prize money in respect of tickets involving prizes of Rs 1 000 and above. The bonus was subsequently enhanced (February 1970) to 10 per cent and made payable out of Government funds instead of prize money. Provision was also made for a lucky draw for agents. Ultimately bonus (Rs 46 300) and lucky prizes (Rs 5 000) were paid to the sellers and agents in respect of the 13th draw resulting in an irregular payment of Rs 51 300 out of Government funds. The Director stated (May 1973) that he was competent to change the conditions of a draw as originally approved by higher authorities. No delegation of any such financial powers to him in this regard could be produced by the Department.

The matter was reported to the Government (February 1974) reply is awaited (July 1974)

The department stated in their written reply that it was not correct to say that scales for payment of bonus were not fixed before the 13th draw. In the beginning when lottery was started by the State, the incentive to the agents who sold lottery tickets was not called bonus. At that time there were special prizes for them. It remained so for the first eight draws and this prize money was increased from 9th to 12th draws. From 13th draw these prizes were replaced by bonus.

The 12th draw was held on 9 2 70 and the 13th Draw (held on 11 3 70) was floated on the same day. On the 7th February 1970 the under noted provision was made in the Rules for Scheme for the Conduct of Haryana State Lotteries *vide* notification No FD DOL/HR/70/739 dated 7th February 1970 —

A commission of 25% of the value of the tickets will be allowed at the source to the agents i.e. they will be allowed to deduct this commission while purchasing the ticket books. The rate of commission may

be varied from time to time Government may also fix bonus for agents/sellers in respect of prize winning tickets and may provide for a lucky draw for agents. The total amount involved in the shape of bonus and prizes of the lucky draw shall not exceed 3% of the total face value of ticket in a draw

The rates of bonus/lucky draw for agents payable in the 13th Draw and subsequent Draws (up to 61st Draw) were not prescribed in the schemes for those draws as sanctioned by the Government. These rates were determined/prescribed by the Director of Lotteries who was also Deputy Secretary Finance. The Government was examining the circumstances under which prior approval of Government for fixation of rates was not obtained.

Necessary provision empowering the Director of Lotteries to fix the rates of bonus/lucky draws etc within the prescribed ceiling of 3% of the value of the tickets provided in the scheme had been made for the 62 and end subsequent Draws (upto 68th Draw) as approved by the Government.

The 13th Draw (held on 11 3 70) was floated on 9 2 70. The tickets for that draw (printed prior to 9 2 70) envisaged that a deduction of 3% and 2% of the amount of the first prize $2\frac{1}{2}\%$ and $2\frac{1}{2}\%$ of all prizes of Rs 1 000 and above will be made and paid to the authorised Agents and Sellers respectively for the winning tickets. But subsequently it was notified on 9 2 70 (on which date the 13th draw was floated) vide notification No DOL/HR/70/742 dated 9 2 70 that all the prize winning tickets of the 13th draw will carry a bonus of 10% of the value of the prize 6% to the agents and 4% to the sellers) and that no deduction would be made from the value of any prize. The then Director of Lotteries (Shri J R Dhingra who has already retired from Government service on 31 12 71) intimated that the provision of lucky draw/bonus to agents/sellers without deduction from the prize money should have been based on Government orders which must have been obtained either on the scheme or separate file. However no such file was traceable from the records. The detailed report was being submitted to the Government.

The Committee is constrained to observe that all canons of financial propriety have been utterly disregarded in this case and recommend that an immediate detailed enquiry be held in this case and the result thereof intimated to the Committee within six months, as promised by the Departmental representative during oral examination.

INDUSTRIES

Paragraph 39 Purchase of netting cloth

11 In response to a notice inviting tenders (1st June 1971) issued by the Controller of Stores for purchase of 24 800 metres netting cloth for use in the Training Cum Production Centre Mahila Ashram Karnal the lowest rate of Rs 4 86 per metre quoted by a firm was accepted (9th September 1971) and the order was placed on it on the 27th September, 1971. The firm had intimated earlier that its offer was open upto the 5th July 1971 and delivery would be completed within 4 to 10 weeks from the date of the purchase order. The firm demanded on the 30th September 1971 that the delivery period be revised to 2 to 6 months and the approval intimated by the 10th October 1971 since the order had been placed late. Decision on extension of the delivery period was however conveyed to the firm only in December 1971. The firm declined to supply the cloth at that stage on the ground, *inter alia* that there was delay of about 3 months in confirmation of the revised delivery period.

Tenders of this item were invited again on the 16th February, 1972. The sample submitted by the lowest tenderer was found to be sub standard and the second lowest rate of Rs 5 34 per metre (valid upto the 15th March 1971) of the same firm on whom the earlier order had been placed was accepted on the 16th March 1972. The purchase order was issued on the 22nd June 1972. The firm did not agree to make supplies at the rate tendered as the order had been issued more than three months after the expiry of validity period and meanwhile there was upward revision of excise duty and the ex mill price. The firm offered (24th June 1972) to supply netting cloth at Rs 6 24 per metre provided this rate was accepted by 15th July 1972.

The purchase was finally made at Rs 6 80 per metre on the basis of short term quotations in November 1972.

The work at the Centre was reported (November/December 1971) to have stopped due to non availability of netting cloth. The delay in finalising the purchase resulted in avoidable extra expenditure of Rs 0 48 lakh.

In reply to an enquiry by Audit the Controller of Stores stated (September 1973) that the firm did not appear to be a genuine supplier in the trade and a purchase of the above value could not be expected to be finalised within the short time stipulated by the firm for accepting its offers. The firm was however duly registered with the Department.

The department stated in the written reply that all the tenders for the supply of netting cloth were opened on 22nd June 1971. It was found that the lowest offer of M/S Dalí Chand Jugraj Jain Bombay was incomplete as it was not accompanied by earnest money and the Schedule B had not been signed. Before this offer could be accepted relaxation in rules and procedure was necessary. The offer of this firm could have at the initial stage been rejected outright as it was incomplete, but since it was in the interest of Government to purchase this item from the firm which had offered the lowest rates it was thought necessary that the relaxation in rules be considered. It was further intimated that in the NIT it was specified that the offer should be valid for a period of 60 days. But the firm had offered a very short validity period. It was therefore requested to extend this validity period. But despite the request the firm extended the same for a short period. Telegraphic acceptance was conveyed to the firm on 16th September 1971 alongwith the request that the firm should sign the Schedule B which incorporated the conditions of the contract. Even at this stage the firm did not sign the Schedule B. Keeping in view the fact that the offer was the lowest the detailed supply order was issued on 27th September 1971. Instead of making supplied the firm sought extension in delivery period.

In their initial offer the firm had given a delivery period of 4—10 weeks which period was acceptable to the indenting Department but the firm *vide* letter dated 7th October 1971 sought extension upto a period of 6 months. The decision on this was to be conveyed to them by 10th October 1971. This could not be done within a period of three days because the views of the Indenting Department were to be obtained as to whether this long delivery period would be acceptable to them in view of the urgency of the work.

The Committee feel that the purchase of netting cloth at the lowest rate of Rs 4 86 per metre could not be effected from M/s Dalchand Jugraj Jain, Bombay, partly because of firm's non co operation in the matter of extension of validity period of its offer and partly because of the delay on the part of the department to finalise the formalities connected with the purchase of the netting cloth within the period of 15 days offered by the tenderer

The Committee recommend that necessary steps be taken to amend/revise the rules and procedure, if considered necessary, for placing firm order on the lowest tenderer within the shortest possible period but in no case later than 15 days so that no financial loss on account of delay on the part of the department is caused to the State exchequer in future. The Committee feel that some action against the firm is also called for

Paragraph 7 4 Haryana State Industrial Development Corporation Limited

(1) Introduction

12 The Haryana State Industrial Development Corporation Limited Chandigarh was incorporated on 8th March 1967 to promote and operate schemes for industrial development in Haryana

(2) Capital structure

The authorised capital of the Company is Rs 4 00 crores divided into 40 000 equity shares of Rs 1 000 each

On 31st March 1973 the paid up capital wholly subscribed by Government was Rs 74 25 lakhs. In addition share application money amounting to Rs 22 lakhs was received during 1972 73 from Government for which shares were issued in 1973 74. Long term unsecured loans received by the Company from Government stood at Rs 53 83 lakhs on 31st March 1973

The debt equity ratio of the Company as on 31st March 1973 was 0 72 1

(3) Objectives

The main objects of the Company were to promote improve establish execute manage and administer manufacturing industries to undertake exploration of mines to promote schemes for the development of industrial areas in the State and to provide financial assistance to industrial units by underwriting or buying their shares and debentures

A Setting up of large scale projects

The Company obtained fifteen letters of intent (up to March 1974) for setting up large scale projects at an aggregate capital cost of Rs 49 78 crores. Besides applications for setting up three projects with capital cost of Rs 18 35 crores were pending with the Government of India (May 1974)

The Company has so far (July 1974) set up five manufacturing units

as detailed below —

<i>Serial No</i>	<i>Name of the unit</i>	<i>Product to be manufactured</i>	<i>Estimated capital outlay (Rs in lakhs)</i>	<i>Amount invested by the Company in the share capital as on 31st March 1973 (Rs in lakhs)</i>	<i>Date of incorporation</i>
(1)	Haryana Breweries Limited	Beer	1 80 00	33 00	September 1970
(2)	Haryana Tanneries Limited	Leather	1,20 00	4 00	September 1972
(3)	Haryana Poly Steels Limited	Steel billets	3,60 00	5 00	November 1973
(4)	Haryana Televisions Limited	Television sets	18 00	2 00	December 1973
(5)	Haryana Detergent	Synthetic detergent	1,10 00	1 00	February 1974
Total			7 88 00		

Note —The target dates of production of Haryana Breweries Limited Haryana Tanneries Limited and Haryana Televisions Limited were February 1973 April 1975 and January 1975 respectively Trial production in the Breweries project started in February/March 1974

Haryana Breweries Limited originally scheduled to be commissioned in February 1973 was actually commissioned in March 1974 The Management stated (March 1974) that as the implementation of the project had to pass through complicated processes the prescribed schedule could not be adhered to

The site of the factory for Haryana Tanneries Limited project had been acquired (July 1972) at Jind According to the provisional agreement for importing machinery and setting up the plant entered into with a Bulgarian firm in July 1969 the plant was to be installed within 18 months from the date of agreement The agreement was finalised in January 1974 It is understood that the factory is likely to go into production in April 1975

In respect of the remaining ten projects capital expenditure of Rs 1 31 lakhs was incurred (February 1974) against the total estimated outlay of Rs 41 90 crores The Management stated that the progress was slow as the approach in the matter of setting up projects had essentially to be cautious and effective

B *Setting up of small scale projects*

In the small scale sector the Company established one factory viz Haryana Nimco (Private) Limited Yamunanagar (a subsidiary company incorporated in June 1970) for manufacture of match boxes. The Company invested Rs 7.09 lakhs in its equity capital. The factory (estimated cost Rs 8 lakhs) which was initially expected to go into production by the end of 1971 started production with effect from March 1973. The collaboration agreement with a private party was rescinded in April 1973. It was stated (March 1974) by the Management that the association of the Collaborator did not prove fruitful and it affected the scheduling of the project.

The unit has been manufacturing on an average 200 gross match boxes per day against the projected capacity of 2,000 gross per day. The Management stated (March 1974) that production targets were to be achieved in phases. The shortfall in production was also attributed by the Management (July 1974) to shortage of certain raw materials like potassium chlorate and timber.

C *Departmental projects*

(i) *Marble*—The Company took up exploitation of marble deposits in Mohindergarh district by taking certain marble quarries on lease in 1968. Extraction of marble blocks which started in January 1969 had to be suspended in October 1969 due to stay orders from the court. The work was restarted in July 1970 on vacation of stay orders. The Company also set up a marble processing factory departmentally which started production in November 1971. Machinery worth Rs 2.40 lakhs were installed for extraction and processing of marble chips and powder. The table given below indicates that there was shortfall in the production of marble slabs to the extent of 45 and 71 per cent in relation to installed capacity, during 1971-72 and 1972-73.

Year	Installed capacity		Actual production		Shortfall in production		Percentage of shortfall to installed capacity	
	Chips and powder (in bags)	Marble slabs (in sq feet)	Chips and powder (in bags)	Marble slabs (in sq feet)	Chips and powder (in bags)	Marble slabs (in sq feet)	Chips and powder	Marble slabs
1971-72 (November 1971 to March 1972)	25,000	13,750	19,237	7,538	5,763	6,212	23	45
1972-73	60,000	33,000	54,236	9,601	5,764	23,399	9	71

The shortfall in the production of slabs was attributed by the Management (July 1974) to —

- (i) the marble project being located in backward area of Haryana where adequate facilities are not available

- (ii) shortage of power and repeated power breakdowns,
- (iii) non availability of labour particularly during the harvest season, and
- (iv) non availability of marble blocks in fairly big sizes resulted in more wastage of material

According to the estimates the project was expected to yield a net profit of Rs 16 lakhs annually. It suffered a loss of Rs 1.79 lakhs upto 1970-71 and Rs 0.6 lakh and Rs 0.83 lakh during 1971-72 and 1972-73 respectively.

The following factors, according to the Management contributed to the losses —

- (a) Under utilisation of the plant
- (b) Poor sales. Out of total production of marble blocks and slabs valued at Rs 4.02 lakhs during 1971-72 and 1972-73, products worth Rs 2.13 lakhs were lying in stock as on 31st March, 1973.
- (c) Fixation of sale price on the basis of rough cost estimates covering only variable cost.

In July 1972 the Management deputed an officer to look into the working of the factory and suggest steps to streamline the production and reduce overhead expenses. In his report (August 1972) the officer reported lack of proper planning in selection/standardisation of product and purchase of materials, unsatisfactory loading and unloading arrangements, absence of proper measuring devices, lack of proper maintenance of machinery and non fixation of work standards and norms for various operations.

The Management stated (March 1974) that there were bound to be difficulties in the initial stages. The Management further stated (July 1974) that they could not foresee shortage of funds which was the main cause for not achieving the targets. Due to non availability of funds, machinery required for the project could not be procured in time. The Company has now the capacity to achieve the targets by the end of 1975.

(ii) *Slate project*—Consequent on the expiry of lease of Kangra Valley and Slate Company, Government took over the Slate Mines Kund and handed over the same to the Company for exploitation on agency basis in November 1971. The Company expected that with the existing machinery, technical know-how and experience it would be in a position to run the project on profit, but it suffered losses of Rs 0.10 lakh and Rs 0.31 lakh during 1971-72 and 1972-73 respectively against the investment of Rs 0.20 lakh. The losses were borne by the Company and no agency agreement had been executed so far (March 1974) with Government.

In April 1973, the Marble and Slate Projects were transferred to Haryana Minerals Private Limited, Narnaul, a newly established subsidiary company with authorised capital of Rs 20 lakhs. The Company invested Rs 1 lakh in the equity capital of the subsidiary company which was lying in fixed deposit with a bank.

D Projects for the Development of Industrial/Commercial Estates

Out of loans totalling Rs 15 lakhs sanctioned by Government during 1967 68 and 1968 69 for the development of industrial estates and Rs 39 90 lakhs received by the Company during 1971 72 and 1973 74 from the Government of India through the State Government for the development of industrial estates/commercial areas and as assistance to educated unemployed persons for generating self employment Rs 22 27 lakhs (Rs 20 05 lakhs on industrial estates and Rs 2 22 lakhs on commercial areas) were spent up to the end of March 1973 This included Rs 9 30 lakhs paid to the Director of Urban Estates/Director of Industries Haryana in March 1972 against which land valued Rs 6 68 lakhs was allotted during the period from August 1972 to February 1973

During the period June 1970 to March 1973 no industrial trading or professional undertaking was established

The Company gave (July 1974) the following reasons for the delay —

(a) *Industrial Estate Murthal (target date of completion—June 1972)*

- (i) late starting of work due to short supply of building materials and
- (ii) taking up construction work of sheds which was not part of the development programme

(b) *Industrial Estates Gurgaon (target date of completion—December 1973)*

Land was handed over piecemeal by the Director Urban Estates Haryana from October 1972 to June 1974 due to delay in completion of acquisition proceedings Out of 54 97 acres development on land measuring 39 47 acres was stated to be almost complete

(c) *Industrial Estate Yamunanagar (target date of completion—November 1973)*

Levelling of uneven land could not be undertaken well in time due to monsoons

(d) *Commercial Estate Faridabad*

Construction work had not been started (July 1974) because cement and bricks were in short supply

(e) *Commercial Estate Sonapat*

The work at Sonapat was not taken up as the development of this site was found uneconomical The site selected was not suitable for commercial purposes

E Underwriting business

The Company underwrites cumulative preference shares of industrial

companies engaged in any industrial activity in Haryana as an agent of Government. From 1968-69 to the end of 1972-73 the Company had underwritten preference shares in eleven industrial concerns to the extent of Rs. 57.88 lakhs. Out of this Rs. 2.76 lakhs only were subscribed by the public and shares for the remaining Rs. 55.12 lakhs i.e. 95 per cent of the total amount underwritten were allotted to the Company under the underwriting agreements. There were heavy losses in two units because of lack of marketability of their products. Profits in the remaining units were much less than those estimated in the proposals for underwriting shares and reports of the Company's officers.

Out of eleven units only five industrial concerns had paid dividends totalling Rs. 6.51 lakhs while dividends from six concerns amounting to Rs. 5.30 lakhs were recoverable from guarantors for minimum dividends.

(4) Financial results

The financial position of the Company for the last three years is summarised below —

	1970-71	1971-72	1972-73
<i>Liabilities</i>	<i>(rupees in lakhs)</i>		
(a) Paid up capital	36.25	74.25	74.25*
(b) Reserves and surplus	0.82	0.35	0.35
(c) Borrowings	32.88	54.84	53.83
(d) Trade dues and other current liabilities (including provisions)	2.58	4.23	34.02
Total	72.53	133.67	162.45
<i>Assets</i>			
(e) Gross Block	2.29	5.86	7.41
(f) Less Depreciation	0.49	1.08	1.71
(g) Net fixed assets	1.80	4.78	5.70
(h) Current assets, loans and advances	66.44	100.53	108.49
(i) Investments	4.09	27.59	45.09
(j) Deferred expenditure including losses	0.20	0.77	3.17
Total	72.53	133.67	162.45
Capital employed	69.75	128.67	125.26
Net worth	36.87	73.83	71.43

Notes — (i) Capital employed represents net fixed assets plus working capital

(ii) Net worth represents paid up capital plus reserves less intangible assets

*Rupees 22.00 lakhs were invested by the State Government during the year 1972-73 but it has not been included in the paid up capital of the Company as allotment of shares had not been made.

(5) *Working results*

The working results of the Company for the last three years are tabulated below —

	1970 71	1971 72	1972 73
	(rupees in lakhs)		
(i) <i>Income</i>			
Profit on sales interest and miscellaneous income	+ 3 06	+ 4 35	+ 4 25
(ii) <i>Expenditure</i>			
Salaries and other expenses and interest on loans	2 97	5 66	6 65
(iii) Profit(+)/Loss(—)	+ 0 09	— 1 31	— 2 40
(iv) Percentage of administrative expenditure to income	97 1	130 1	156 50

The Company has been incurring losses for the last two years. The cumulative loss as on 31st March 1973 was Rs 2 98 lakhs which could be attributed to sharp increase in administrative expenditure as compared to total income. The loss during the year 1972 73 was understated by Rs 36,700 due to over valuation of closing stock.

(6) *Accounting Manual*

Although the Company has been working for seven years an accounting manual laying down detailed procedure for proper maintenance and compilation of accounts duties and responsibilities of various officials and delegation of financial powers has not been compiled (March 1974)

(7) *Shortages in Marble Project*

During the year 1972 73, the Company suffered a loss of Rs 17,391 on account of shortages of 579 7 cft marble blocks which came to notice during the physical verification in June and September 1973. The matter was reported to be under investigation (March 1974)

The department stated in its written reply that the Haryana State Industrial Development Corporation Limited has set up the following large scale projects with capital investment given against each —

Name of Project	Capital cost/being implemented through
1 Breweries Project	200 00 Lacs Haryana Breweries Limited
2 Steel Plants	360 00 Lacs, Haryana Polysteels Limited
3 Tanneries Project	120 00 Lacs Haryana Tanneries Limited
4 Synthetic Detergents	255 00 Lacs, Haryana Detergents Limited
5 Television	18 Lacs Haryana Television Limited

The department further stated that except Detergents/Tannery Projects being implemented by Haryana Detergents Ltd and Haryana Tanneries Ltd which were under construction other 3 projects have not yet attained the profitability as these were still in gestation. These projects have faced problems viz finance credit squeeze slump in share market shortage of electricity procurement of raw material and marketability at the initial stages but have now over powered the hurdles and have been set forth to attain break even point.

The department stated in evidence that the Haryana Breweries Ltd went into production in April 1974. The Mini Steel Plant Project went into production on 10th November 1975. The department had yet to know whether there would be loss or profit. The Government of India have taken a good decision to reduce the excise duty from Rs 200 to Rs 50. This will be proved beneficial. The Television Project started production towards the end of 1974. The financial year of the company closed on 31st March, 1975. No sales during this period of three months were made. The television sets produced were only used for demonstration purposes. The company is now making sales of its products. The project is expected to be profitable.

When asked about the performance of the Haryana Breweries the departmental representatives stated during the course of oral evidence that due to cut throat competition in the market, the production far exceeded the demand and with that came credit squeeze and consequent increase in prices/rates of interest. The cost of production having gone up the production of beer became uneconomical.

The Committee would like to be kept informed from time to time about the stage of construction of Industrial units which were still under consideration. As regards those industrial units which have since gone into production, the Committee recommend that suitable steps be taken so as to turn them into profit earning units. The profits earned by them should be commensurate with the investment made by the Government on setting them up.

The Committee are not satisfied with the performance of the Haryana Breweries, Murthal, in particular set up by the Government. The Committee are not convinced with the reasons advanced by the department leading to the poor performance of the Haryana Breweries. The Committee observe that beer manufactured by the Haryana Breweries in the initial stages sold like hot cakes. Its sale dwindled with the passage of time. In the opinion of the Committee the fault for poor performance of the Breweries lies somewhere else, such as the poor quality of the beer manufactured by it and its inefficient management. The Committee, therefore, recommend that the quality of the beer and managerial efficiency of the Breweries be improved without any further delay by assigning its management to more efficient and dedicated officials. The affairs of the Haryana Breweries Ltd, should be managed in accordance with the sound principles of business and prudent commercial practices.

As regards Small Scale Industrial Units set up by the Haryana State Industrial Development Corporation Ltd and Departmental Projects, efforts be made to improve their performance and result thereof intimated to the Committee in due course.

EDUCATION

Paragraph 3 10 Embezzlement

13 Internal audit (February 1970) of the accounts of Government High School, Mallah (Ambala) for the period June 1965 to August 1968 disclosed a case of suspected embezzlement. The embezzlement was caused by non payment to payees or by non remission of the moneys into treasury or in the school's account in the post office. A cash book for the period was also not maintained. The Headmaster of the school was suspended in July 1970 and a case was registered against him with the police (August 1970). The Department informed (April 1973) that police investigations disclosed embezzlement of Rs 8 023 on Government account and Rs 5 723 on account of collections from the students towards various funds fees payable to the university and the like. The case was challanned by the police in the court of law (February 1974) result is awaited.

The embezzlement was facilitated due to the following —

- (i) In contravention of Rule 2 2 of Punjab Financial Rules, Volume I no cash book was maintained in the school.
- (ii) Moneys collected on account of fees fines etc were not deposited into treasury as laid down in Rule 7 of Punjab Treasury Rules.
- (iii) Reconciliation in respect of moneys drawn from treasury was not done with the Treasury Officer as prescribed in Rule 2 31(a) of Punjab Financial Rules Volume I.
- (iv) Acknowledgements for payments made were not obtained as required under Rule 2 22 (i) of Punjab Financial Rules Volume I.
- (v) Accounts and cash were not checked periodically by the supervisory staff as required under departmental instructions.

The Department stated (July 1973) that the District/Deputy Education Officer generally remained busy in investigating various complaints and did not find time to carry out inspections regularly. It was also stated (October 1972) by the Department that the case came to its notice in December 1968 when complaints against the Headmaster were received. The reasons for delay in taking action in the matter were not intimated.

The department in their written reply stated that the first inspection of the school was made on 27th October 1967 by the D E O and the second on 13th December 1968 by the Dy D E O. The embezzlement of Rs 5 720 55 paise by the Headmaster Government High School Mallah (Ambala) was reported on 19th November 1968 as a result of an enquiry conducted by the Deputy Education Officer Ambala. The embezzlement of about Rs 21 158 by the said Headmaster was also reported in February 1970 as a result of audit of accounts of the School conducted by Audit Party of the Directorate.

The departmental representative stated during the course of oral examination that the Headmaster who was suspected for the embezzlement had since retired from service with effect from 16th February, 1971. The case was pending in the court of law at Ambala.

The Committee observe that the embezzlement had been facilitated due to laxity of proper supervision. They recommend that the dues of the guilty Headmaster should be withheld so that there may be minimum financial loss to the Government. In future the supervisory Officers should conduct frequent inspection to minimise the chances of embezzlement and misappropriations.

The Committee would also like to know the reasons due to which the Headmaster was allowed to retire although the case was already under investigation, and would recommend that responsibility for this lapse be fixed under intimation to the Committee.

The final outcome of the case filed in the court should also be intimated in due course.

IRRIGATION

Paragraph 4.1 Delhi branch of Western Jamuna Canal

14 In the revised project estimates (1959/1963) for remodelling Western Jamuna Canal the capacity of its Delhi branch was proposed to be increased from 2 630 cusecs to 4 151 cusecs by constructing a separate lined channel (Delhi parallel branch) from RD 8 000 to RD 1 45 250. This new channel was to replace the existing Delhi branch between the above points (27.4 miles). The old channel was to be abandoned as it ran in high water table area and due to constant percolation from the canal and rise of water level therein there was a likelihood of rise in the water table affecting the fertility of the adjoining area and ultimately making it water logged. The work on Delhi parallel branch was started in 1958-59 but was suspended in 1962-63 due to paucity of funds. The work was resumed in May 1967 and completed and commissioned in December 1971 at a cost of Rs. 2 26.03 lakhs.

Meanwhile in August 1969 it was decided to raise and strengthen the banks of the old Delhi branch to accommodate additional discharge of 700/400 cusecs which was ultimately to pass through the new parallel branch. The work was started in October 1969 and completed by March 1971 at a cost of Rs. 6.94 lakhs. Between March 1971 and December 1971 when the Delhi parallel branch was commissioned and the old Delhi branch was abandoned the latter never carried any additional discharge over and above 2 630 cusecs for which the branch was originally designed. Considering that the work on the Delhi parallel branch re-started in May 1967 was to be completed in 1971-72, when the old channel was to be abandoned justification for undertaking this additional work on the latter in 1969-71 at a cost of Rs. 6.94 lakhs would not appear to exist.

The non carrying of additional discharge in the Delhi branch even after raising and strengthening its banks was attributed by the Chief Engineer (November 1972) to a drop in the demand for water.

The matter was reported to Government (June 1971) reply is awaited (June 1974).

The department stated in evidence that the work of Delhi Parallel Branch was started in 1958-59. Its Projected cost was Rs 269.04 lacs, but construction programme did not seem to have been provided in the revised project estimate. Till the suspension of work in 1962-63, the work to the extent of 529.81 cft of earthwork and some masonry works, both costing Rs 38.70 lacs could be done. It was suspended due to paucity of funds created as a result of Chinese aggression under the well known general orders of the Government. No evaluation was made on restart of the work in 1967 to determine wastage of work already done. Such an evaluation at that late stage was also not possible.

In reply to a question as to why was the work of raising and strengthening the banks of old Delhi Branch undertaken especially when the Delhi branch was ultimately to be abandoned, the department stated in its written reply that the L-Section of Delhi Branch was revised in 11/69 for increasing its capacity from 2,630 Cs to 3,294 Cs. Silting in Delhi Branch made it unfit to run even to its original authorised full supply discharge of 2,630 Cs. Accordingly the work of raising and strengthening the banks of Delhi Branch has to be undertaken to run the additional discharge not only upto its original capacity but also its revised capacity. From date of completion and Commissioning of Delhi Parallel Branch was not known and it depended upon budget and Sub Soil water level conditions. In the absence of the same the only solution was to utilise the old Delhi Branch to its maximum capacity to ensure full utilisation when Yamuna Water was available in monsoon months.

Similarly Bhalaut Sub Branch of W J C West Circle was reconditioned from 1,200 Cs to 1,600 Cs so that the off taking channel did not suffer.

The work was undertaken after funds were allotted by the competent authority and also approval of L-Section of old Delhi Branch by the competent authority.

This work was restarted in 1967 and pushed to completion in 1971 according to the availability of funds in each year.

During the course of evidence it came to light that no assessment of the actual work done by the department had been made before the construction work of the Delhi Branch of Western Jamuna Canal was restarted in May 1967. The department however promised to examine the matter and intimate the committee in due course.

The Committee observe that the loss caused to the Delhi Branch of Western Jamuna Canal due to suspension of its construction in 1962-63 should have been evaluated on restarting its construction in May, 1967. The Committee would like the department to take necessary steps now in this behalf to determine the wastage of work done prior to the restart of reconstruction work in 1967, and fix responsibility.

The Committee would further recommend that necessary steps should be taken under intimation to the Committee to avoid repetition of such omissions in future.

Paragraph 4.3—Encroachment on Government land

15. About six acres of land were acquired (cost Rs 0.51 lakh) in

an industrial area at Ballabgarh in October 1961 for construction of a work shop and stores for the Gurgaon Canal Project. During 1962 to 1965 when work on the Gurgaon Canal Project remained suspended due to paucity of funds a part of the land (0.95 acre) was encroached upon and *pucca* structures were constructed thereon by private individuals. In April 1970 the Executive Engineer, Gauchhi Canal Division, Faridabad, assessed a rent of Rs 21,600 receivable for unauthorised occupation of land from January 1962 to December 1970 based on the then market rate. On instructions from the Superintending Engineer (September 1970) the Executive Engineer re-assessed the rent at Rs 166 for this period at the rate of eight times the land revenue as per rules for lease of land for agricultural purposes.

The Executive Engineer, Gauchhi Canal Division, Faridabad, informed Audit in March 1973 that out of 0.95 acre of land an area of 0.28 acre (present market value about Rs 0.27 lakh) was transferred (March 1968) by the civil authorities by sanctioning mutation in favour of an unauthorised occupant without the knowledge of the Irrigation Department.

In July 1973 the Superintending Engineer reported to the Chief Engineer that the land in question under unauthorised occupation was not required for Government use and should either be transferred to the Urban Estate Officer or surrendered to the Deputy Commissioner for auction/disposal. In August 1973 the Legal Remembrancer to the State Government advised the Executive Engineer to take action for eviction of unauthorised occupation and recovery of rent under the provisions of the Haryana Public Premises and Land (Eviction, Rent Recovery) Act, 1973. Government directed the Deputy Commissioner, Gurgaon, in August 1973 to conduct an enquiry into the circumstances under which wrong mutation was sanctioned in favour of the unauthorised occupant and also asked the Chief Engineer to initiate action for vacation of land and charging of rent from the unauthorised occupant. The Chief Engineer stated (April 1974) that civil suits in these cases would be filed as soon as possible. Meanwhile the encroachment continues (July 1974).

The department stated in evidence that a piece of land (6 acres) in an industrial area at Ballabgarh was acquired in 1961. The land was required for storage purposes. The department made use of it when it was doing the construction of Gurgaon Canal. After some time it so happened that the Chinese aggression came followed by great financial stringency of resources and the work on Gurgaon Canal Project was suspended. During that period some people encroached upon that land and some *pucca* structures/hutts were constructed thereon.

The department further stated that the work was stopped in 1962 and as an emergency economy drive all the Divisions except one i.e. Gauchhi Drainage Division were closed and the unlawful encroachment took place at that time. However, it was a fact that this came to the notice of the Deptt. in 1968. The department approached the local civil/police authorities for evicting the unauthorised persons. The department also sought to recover the rent from those people. For this assessment was made as if the huts/buildings were of the Department which was wrong. According to law the department was entitled to lease money which was reassessed at Rs 200 or so. The department also thought of surrendering the land to the Deputy Commissioner, Gurgaon, for auction/disposal. But that could not be done unless the unauthorised occupants were evicted. The eviction was therefore

the basic problem. Therefore civil suits were filed against 5 persons. One has been decided in department's favour.

The Department also stated in its written reply that the land under unauthorised occupation had neither been vacated nor rent therefrom recovered so far. The Civil suits were filed on 18th June 1974 and 23rd July 1974 and recovery of rent etc would be made after the decision of the court. There were five cases of unauthorised possession of land namely as under —

	<i>Area in acre,</i>	<i>Date on which got filed</i>
(i) State V/S Smt Bhagwani W/o Sh Tarif Singh BDO Sh Sis Ram S/o Sh Hardyai	0 28 A pucca house with court yard	23 7 74
(ii) State V/S Sh Jawan Singh S/o Sh Deep Chand	0 04	18 6 74
(iii) State V/S Chaina Ram S/o Sh Banta Ram	0 25	18 6 74
(iv) Sh Surjan Singh S/o Late Sh Datta Ram	0 05	18 6 74
(v) Sh Bijender Singh Sh Mohinder Pal Ss/o Udmu Ram	0 35	18 6 74

Out of five cases enumerated above one case relating to 0 35 acres of land (SI No (v)) was stated to have been decided by the court in favour of the Government.

The Committee would like the department to pursue vigorously the case with the Deputy Commissioner, Gurgaon, through the S D O, Civil, Ballabgarh, for the change of mutation of the land in question in favour of the Government.

The Committee recommend that the outcome of the decision of the court on the remaining four cases be intimated to them as soon as announced.

The recovery of lease money in respect of cases decided in Government's favour be effected expeditiously from the persons concerned and the Committee apprised of the progress made in this behalf.

PUBLIC HEALTH

Paragraph 4 5—Classification of a contractor

16 In Construction Public Health Division Faridabad a contractor was registered as a C class contractor in April 1970. Without reference to any scheduled bank and without obtaining a certificate from a first class magistrate with regard to his financial standing as required under the departmental instructions he was upgraded (December 1970) as a 'B' class contractor entitling him to submit tenders for works costing up to Rs one lakh each against Rs 0 25 lakh or below each for a C class contractor.

The contractor was allotted 10 works (estimated cost Rs 2 20 lakhs) for providing water supply and sanitary installations and sewerage in different

buildings at Faridabad - The works were commenced between October 1970 and August 1971 but only three works for Rs 0 28-lakh were completed and the remaining seven works were left incomplete (September-October 1971). These were got executed by other agencies at the contractor's cost between October 1971 and June 1973.

The material required for works was partly to be supplied to the contractor at rates stipulated in contracts and partly free of cost (for items of works for which the contractor was to be paid only labour rates). For material not returned/consumed in excess of requirements recovery was to be effected at double the stock rates/stipulated rates. Two Sub Divisional Engineers reported to the Executive Engineers (August 1971 and November 1971) that material worth Rs 0 05 lakh used on two works had been dismantled and removed by the contractor. In July 1974, however, the value of such material was assessed by the Department at Rs 0 28 lakh. Reports regarding removal of material were lodged by the Executive Engineers with the police only in July 1972 and April 1972 respectively. It was explained that report to the police was delayed as efforts were being made to recover the material otherwise.

On finalizing the accounts of the contractor in September 1973, a sum of Rs 0 82 lakh (Rs 0 53 lakh for cost of material including Rs 0 28 lakh mentioned above, Rs 0 10 lakh for extra cost of work done through other agencies, Rs 0 09 lakh for compensation levied and Rs 0 10 lakh on other accounts) was found recoverable from him. Against this the amount due to the contractor was only Rs 0 17 lakh (Rs 0 13 lakh security deposit and Rs 0 04 lakh for work done) thus leaving a net recoverable amount of Rs 0 65 lakh. The police informed (January 1974), that the whereabouts of the contractor were not traceable. Thereupon the matter regarding recovery of Rs 0 68 lakh (gross) in respect of four works which had been allotted to the contractor on contract basis (the remaining works had been allotted on work orders which do not provide any arbitration clause) was referred to an Arbitrator who awarded (March-May 1974) recovery of Rs 0 58 lakh against the contractor. The awards were filed in Court for a decree against the contractor. Final outcome is awaited (June 1974).

Comments of Government to whom the matter was referred by Audit in May 1973, are awaited (July 1974).

The department stated in reply to a question that due to the dearth of the Sanitary contractors for taking up minor works the contractor was upgraded from C to B Class without obtaining a certificate from 1st Class Magistrate and without reference to any Scheduled Bank with regard to his financial standing. In this case the department depended upon verification of its own authority that he had got a house at Chandigarh. This was stated to have been done in public interest and as such no body had been held guilty for this lapse.

The department further stated that the contractor left the work half way suddenly in 10/71 due to the illness. As the works were not completed and handed over to the Department the responsibility for the pilferage of the material which was probably done by his employees for non receipt of wages due to contractor's illness and absence rested with the contractor. It was only when the department came to know of the continued absence of the contractor, the pilferage of the fitted material came to notice. The details

of lodging the report with the police and their findings were however being collected

The Committee observe that the X E N concerned should not have upgraded the contractor from class 'C' to class 'B' in contravention of the departmental instructions on the subject. The department should take necessary steps to avoid the repetition of such acts in future. If in a particular case the upgradation is considered necessary in public interest it should only be done with the prior approval of the higher authority not below the status of Chief Engineer.

The Committee are distressed to note that the contractor Shri Madan Lal, continued to receive payments in respect of the work done by him and at the same time remove material from the site of work.

The Committee take a serious view of the removal of material from the site of work by the Contractor without the knowledge of the Executive Engineer, Industrial Area Public Health Division, Faridabad. The Committee recommend that an enquiry into the matter be instituted by the Chief Engineer himself at a very early date and the officers/officials found guilty of this negligence be suitably punished under intimation to the Committee.

The Committee would also like to know whether a case has been lodged with the Police. If so, with what results?

The action taken against the contractor be also made known to the Committee as early as possible.

EXCISE AND TAXATION

Paragraph '6 5—Incorrect computation of turnover (Rs 61,238)

Under the Punjab General Sales Tax Act 1948 leather a declared good is taxable on first sale within the State. Its sale to registered dealers is not deductible from the gross turnover.

An assessing authority allowed deductions amounting to Rs 20 41 261 from the gross turnover of a dealer on account of sale of leather to registered dealers during 1969 70 and 1970 71. This resulted in an under assessment of tax amounting to Rs 61 238. When the inadmissible deduction was pointed out, the assessing authority admitted the objection and referred (July 1973) the case to the Appellate Authority for *suo motu* action. The Department intimated (June 1974) that the Appellate Authority created a demand of Rs 6 390 and Rs 55 025 for the years 1969 70 and 1970 71 respectively. On the appeal of the dealer the assessing authority allowed him to deposit the amount in four equal instalments. All the four instalments had been recovered by August 1974.

In its written reply submitted to the Committee the department stated that a sum of Rs 6,390 and Rs 55 024 67 paise was recovered from the dealer as detailed below —

Amount	Date of deposit
176 78	22 4 1974
16774 22	30 5 1974
16951 00	28 6 1974
13756 00	25 7 1974
13757 00	24 8 1974
Rs 61,415 00	

Appeal Nos STA 26 and 27 of 1974 were instituted before the Haryana Sales Tax Tribunal on 19 4 1974 by the dealer against the orders of the Deputy Excise and Taxation Commissioner (Appeals) having the powers of the Revising Authority

The law department Haryana advised in the matter as under —

Relying on the decisions contained in (1964) 15 STC 719 and (1969) 24 STC 430 and the entry contained in section 14 of the Central Sales Tax Act 1956 as also by the Member Sales Tax Tribunal it appears that the term Leather is not included in the definition of Hides and Skins in a raw or dressed State

In view of the position stated above it was decided by the Government that there was no need to make prayer for reference to the High Court

To an enquiry made by the P A C whether the tax recovered from the assessee was refunded to him the department intimated that it was refunded on 30 4 1975

In the light of the advice given by the law Department, the Committee are satisfied with the action taken by the Government in this matter

Paragraph 6 6—Under assessment of tax by treating luxury goods as general goods (Rs 26,190)

18 In the Punjab General Sales Tax Act 1948 refrigerators and air conditioning plants and component parts thereof are included in the list of luxury goods and are taxable at the rate of 10 per cent Accordingly electric motors / rubber components used in air conditioning plants/refrigerators are liable to State sales tax as luxury goods

(i) An assessing authority charged a firm for electric motors got fitted by them through their partner firm in air conditioning plants, at the rate of 6 per cent of taxable turnover treating it as general goods instead of at 10 per cent of taxable turnover as is chargeable in the case of luxury goods This resulted in an under assessment of tax of Rs 21 210 during the years 1963 64 and 1964 65

The case was referred to the Department in April 1972 and in February 1973 it was stated that the matter had been referred to the Appellate Authority for *suo motu* action Further development of the case is still awaited (June 1974)

(ii) In another case an assessing authority charged sales tax at the rate of 6 per cent on the taxable turnover of Rs 1 24 490 of a firm manufacturing rubber components for use by another firm manufacturing refrigerators treating it as general goods instead of 10 per cent as is chargeable in the case of luxury goods This resulted in under assessment of Rs 4 980

The case was reported to the assessing authority in September 1973 but the reply is awaited (June 1974)

In reply to item No (i) the Department intimated that the case was referred to the Deputy Excise and Taxation Commissioner (Appeals) Rohtak for taking *suo motu* action in the matter He issued the notice to the party

and later on decided that as the Appeal was decided by him he could not initiate these proceedings. The matter had now been taken up by the E T C and would be decided shortly. Since the *suo motu* proceedings had not been completed, the question of recovery of under assessment did not arise.

The department further stated in reply to item no (ii) that the matter was under examination and the appropriate action would be taken in due course. The department also assured that as soon as these cases were finalised the action would be taken against the officers found responsible for under assessment.

The Committee are un happy to observe that the case of under assessment of tax to the tune of Rs 21,210 has not been completed within 2 months ending 19th February, 1976, as promised during oral examination.

The Committee recommend that the matter be now finalised expeditiously by the Excise and Taxation Commissioner and the responsibility for the under assessment fixed under intimation to the Committee.

The Committee also recommend that the cases involving under assessment of sales tax amounting to Rs 4,980 be examined and finalised without any further loss of time and action commensurate with the fault committed taken against the officers/officials found responsible for the under assessment. The Committee be apprised of the action taken against such employees.

Paragraph 6 7—Under assessment of purchase tax (Rs 12,814)

19 A dealer was allowed deductions for tax paid on purchases of cotton (a declared good) for Rs 3 74 704 and Rs 53 340 during 1967 68 and 1968 69 on production of a declaration from another dealer who stated that either he had paid purchase tax or would pay purchase tax on cotton sold to the former dealer. On cross verification it was however found in audit that the latter dealer was not assessed to purchase tax on the above amounts during 1967 68 and 1968 69 and the declaration in this respect was incorrect.

On this being pointed out (December 1971) the Department stated that the latter dealer had been under assessed to the extent of Rs 12 814 and the amount had since been collected in full.

The department stated in written reply that the amount of under assessment was recovered and deposited in 8/72 and 11/72 relating to years 1967 68 and 1968 69.

To a question of the Committee whether any action had been taken against the dealer who gave the wrong declaration the department stated that the law was not clear whether *Kacha Arhtia* was liable to pay the tax being the first purchaser of cotton. The declarations were issued with the understanding that he would pay the tax if held liable to pay tax. Even the Department was not clear on this point because of the preliminary stage the instructions were issued by the Excise and Taxation Commissioner that *Kacha Arhtia* was liable to pay tax but later on instructions were issued that the role of *Kacha Arhtia* was that of auctioneer and *Pacca Arhtia* being the first purchaser was liable to pay purchase tax.

The department further stated that it had been ensured that there was no such cases in other districts.

The Committee would like the Government to ensure that the instructions to the effect that the 'Pacca Arhtia' is liable to pay the tax being the first purchaser are complied with in letter and spirit by the department in future.

Paragraph 6 8—Non levy of sales tax on Rice Bran (Rs 11,709)

20 Under the Punjab General Sales Tax Act 1948 a registered dealer can purchase goods free of tax if such goods are meant for resale in the State or in the course of inter State trade or commerce or for use in the manufacture of taxable goods. In case however such goods are used for purposes other than those for which these were purchased he is liable to pay tax on the purchase price of such goods at the rate of tax applicable on its sale.

In one case a registered dealer purchased rice bran for Rs 1,95,157 during 1967-68 free of tax and used it in the manufacture of tax free goods, namely poultry feed. This resulted in non levy of tax of Rs 11,709. On this being pointed out in audit the Department referred the case to the Appellate Authority for *suo motu* action in August 1973. As a result of decision of the Appellate Authority a demand of Rs 11,709 has been created (August 1974).

The department stated in its reply that the appellate authority having the powers of revising authority decided the *suo motu* case and created additional demand of Rs 11,709 42 paise on 24.7.1974 which was deposited on 12.9.1974 at Chandigarh in the State Bank of India.

As regards the action taken against the Assessing Authority who failed to levy the tax in the first instance the department stated that in this case Shri, Jai Singh Rao Assessing Authority, framed the original assessment, who had since been retired Compulsorily in February 1974 and as such no action was possible against him.

The Committee recommend that effective steps be taken by the Government to ensure that no case of non levy of Sales Tax of such like nature escapes the notice of the assessing authorities. This calls for greater vigilance on the part of the assessing authorities at the time of levying the Sales Tax which is the major source of revenue of the State.

Paragraph 6 9—Irregular deduction of sale of cotton seed for use in manufacture (Rs 8,024)

21 Under the Punjab General Sales Tax Act 1948 cotton seed is taxable in all circumstances at the point of last sale within the State and as such a registered dealer cannot make tax free purchase of cotton seed for the purpose of manufacture.

Two assessing authorities however allowed deduction of Rs 2,67,470 from the gross turnover of two dealers for 1969-70 on account of sale of cotton seed to manufacturers. This resulted in an under assessment of tax of Rs 8,024. When the incorrect deductors were pointed out in November and December 1972 one assessing authority levied tax of Rs 4,963 on the turnover of Rs 1,65,429 pertaining to one dealer and stated

that penal action as prescribed in the law was being taken. As regards the turnover of Rs 1 02 041 pertaining to the other dealer no reply was furnished by the second assessing authority.

The matter was reported to the Excise and Taxation Commissioner in November 1973 reply is awaited (June 1974)

In its written reply submitted to the Committee the department stated that the additional demand of Rs 4 962 87 Paise levied on 25 1 73 in the case of M/S Nand Ram Daulat Ram Sirsa for the year 1969 70 being the first assessee was got deposited on 24-2 1973 in the State Bank of India Sirsa.

The Firm M/S Nand Ram Daulat Ram Sirsa sold cotton seeds to M/S Amar Flour Mills Sirsa and deductions were allowed against S T XXII produced by the firm whereas the purchasing firm resold the cotton seeds of the value of Rs 26,520 60 paise (sale value Rs 29,897 08) and the remaining cotton seed was crushed in his factory. The assessing authority reviewed the case for 1969 70 and deductions of sale to registered dealers was disallowed to the extent of Rs 1 65 428 93 paise and taxed at the rate of 3% in the hands of M/S Nand Ram Daulat Ram Sirsa being the last seller. In view of the sales tax provisions no offence was committed by M/S Nand Ram Daulat Ram Sirsa and as such no penal action was taken against the assessee as the purchases or sales to registered dealer was not suppressed and the claim of sale to registered dealer was also supported by declarations in form S T XXII issued by the purchasing dealer. Moreover there was no default committed by the dealer which could be covered under section 10 (6) or 10 (7) of the State Act as there was neither short payment of tax as per returns nor evasion of tax.

In the second case of M/S Bhagwan Dass Ramesh Chand additional demand of Rs 1 135 63 paise was created being first purchase and it was deposited on 5 3 1973.

The action against the Assessing Authorities who made wrong assessment was under consideration.

The Committee would like the Government to intimate the action taken against the Assessing Authorities for making wrong assessments in the two cases mentioned above.

Paragraph 6 11—Over assessment of tax (Rs 7,701)

22 Under the Punjab General Sales Tax Act 1948 sale of vegetables is exempt from tax. A dealer was however assessed to sales tax of Rs 7 701 for the despatch of green chillies worth Rs 2,56 688 outside the State of Haryana for sale on consignment basis during the years 1968 69 to 1970 71.

On this being pointed out (August 1972) the assessing authority intimated (August 1972) that no action was necessary as the dealer had not filed any appeal against these assessments.

In reply to a question whether the dealer sent green chillies outside the State after 1970 71 the department stated that the dealer sent chillies outside the State during the year 1971 72 and 1972 73. For the year 1971 72 tax was levied at the rate of 3 %. Being aggrieved, the dealer went in appeal and his appeal was remanded to the assessing authority. The case had not been finalised. In the year 1972 73 no tax was levied in view of the decision of the Supreme Court in the case of *M/S Manula Sahu Ram Hari Versus Sales Tax Officer Ganjam (Orissa)* (1973—32 S T C 459). The cases of the dealer for the year 1973 74 and 1974 75 were pending for assessment.

To another question of the Committee as to whether it was not obligatory on the part of the assessing authority to revise the demand when it was pointed out as a case of over assessment the department stated that the assessing authorities have no powers to revise assessment orders. However the dealer whenever he feels that the tax had been over assessed in his case may prefer an appeal before the appellate authority.

The Committee recommend that the case of over-assessment of sales tax of Rs 7,701 against which the dealer went in appeal be finalised expeditiously. The Committee would like that the dealer be assessed to sales tax without any further delay insofar as the cases relating to the years 1973 74 and 1974 75 are concerned and the Committee informed in due course.

Paragraph 6 12 Arrears in assessment of sales tax

23 The progress of assessment of sales tax during 1971 72 and 1972 73 was as under —

Year	Total number of assessment cases	Number of assessments completed			Number of assessments pending at the end of year
		Out of current	Out of arrears	Total	
1971 72	72 229	23 594	18 571	42,165	30 064 (42 per cent)
1972 73	82 619	28 741	25 343	54 084	28 535 (35 per cent)

The following is the year wise break up of outstanding cases —

Year	Cases pending assessment at the end of	
	March 1972	March 1973
1961 62	2	
1962 63	4	2
1963 64	4	2
1964 65	8	6
1965 66	20	12

<i>Year</i>	<i>Cases pending assessment at the end of</i>	
	<i>March 1972</i>	<i>March 1973</i>
1966 67	46	20
1967 68	420	130
1968 69	2,319	934
1969 70	7 747	2,263
1970 71	19,494	6 954
1971 72		18 212
Total	30 064	28,535

The approximate amount of tax involved in these cases could not be ascertained

According to the department's reply the following cases were pending for assessment upto 31st October, 1975 —

<i>Year</i>	<i>CST</i>	<i>H G S T</i>	<i>Total</i>
1966 67	1	1	2
1967 68	6	6	12
1968 69	30	32	62
1969 70	61	78	139
1970 71	241	256	497
1971 72	553	680	1 233
	892	1,053	1 945

As regards the steps taken by the Department to clear these pending cases, the department stated that in the Departmental Officers Meetings all the District Excise and Taxation Officers were requested to direct the Assessing Authorities working under them to finalise the old cases at top priority level. Repeated instructions to the local officers have also been issued in this regard.

The Committee are not satisfied with the action taken by the Government to clear the pending cases expeditiously. The Committee recommend that some effective steps be taken to clear the pending cases particularly the old ones and involving heavier amounts without any further delay and the progress made in this behalf be intimated to the Committee. The Government should not feel contented with only issuing instructions to the local officers for this object.

The Committee opine that the issue of instructions becomes meaningless unless their implementation is ensured

Paragraph 6 13 Arrears in collection of sales tax

24 (i) The sales tax assessed but not realised amounted to Rs 1 90 89 lakhs at the end of 1972 73

The following is the year wise break up of the amount outstanding for recovery —

<i>Period</i>	<i>Outstanding on 31st March, 1973 (in lakhs of rupees)</i>
1961 62	2 38
1962 63	0 70
1963 64	0 08
1964 65	0 28
1965 66	0 32
1966 67	4 32
1967 68	1 53
1968 69	1 68
1969 70	3 55
1970 71	43 00
1971 72	45 93
1972 73	87 12
Total	1 90 89

(ii) Out of the arrears of Rs 1 90 89 lakhs recovery of Rs 1 45 99 lakhs had been stayed as shown below —

<i>Particulars</i>	<i>Outstanding on - 31st March 1973 (in lakhs of rupees)</i>
Collection stayed by —	
1 Departmental Appellate authorities	0 94
2 Revisional authorities	3 39
3 Supreme Court High Court and Civil Courts	1 41 54
4 Government	0 03
5 Excise and Taxation Officer	0 09
Total	1,45 99

(iii) *Abandonment of claims*—During 1972 73 sales tax aggregating Rs 1 666 84 was written off/remitted due to the assessee being not traceable

The department stated the position of arrears year wise under Sales Tax as on 30th October, 1975, as under —

Upto - 1961 62	55,678
1962 63	50,793
1963 64	4 820
1964 65	26 845
1965 66	25 985
1966 67 -	3,65,929
1967 68	1,11,085
1968 69	1,03,314
1969 70	2 83 707
1970 71	32,55 010
1971 72	36,78 656
1972 73	62,88,931
	<hr/> 1,42,50,753 <hr/>

The department also furnished the item wise break-up of the cases in which recovery had been stayed which was as follows —

A Recovery stayed by courts

	Rs
(1) Supreme Court	79 73,345
(2) High Court	56,31,790
(3) Other Courts	32,839

B Recovery stayed by appellate authorities

(1) E T C	—
(2) D E T C (A)	1,57,964
(3) Others	21 410
Total	<hr/> 1 38 17 348 <hr/>

The department further stated that outstanding recoveries other than those stayed by a court could be effected as arrears of land revenue for which various steps were being taken against the defaulters

In this connection, the Committee would like to invite attention of the Government to the recommendations contained in para 63 of their 5th Report and reiterate it for its effective implementation This reads as follows —

“The Committee would like to emphasise the paramount need of clearing the old arrears in assessments and collection of revenue as expeditiously as possible Some of the arrears relate to very old periods and with the passage of time, it may become difficult to effect recoveries due to various reasons such as lack of relevant record, non availability of assessee, transfer of staff, etc In cases where stay has been granted by the court, it may be examined as to whether the stay could not be got vacated and recoveries of revenue made possible The Committee would also recommend that the pending cases relating to older periods be particularly examined to assess the prospects of recovery and if there was no possibility of recovery being effected, the Committee would like to recommend that the department may consider the desirability of writing them off****

The action taken in this regard as also the results achieved may be intimated to the Committee in due course

Paragraph 6 14 Non recovery of interest charges (Rs 6,419)

25 Under the Haryana Liquor Licence Rules 1970 a person to whom the Country Liquor Vend has been sold shall pay by the 20th of the month in which he begins business under his licence and by the 20th of every subsequent month, an instalment equal to one tenth of the total annual licence fee till the entire licence fee has been realised The District Officer may however authorise the payment of the instalment or part thereof up to the last day of the month for which the instalment is due with payment of interest for the whole month on the full amount of instalment due

In the course of audit of one District Excise and Taxation Office for the year 1972 73 it was observed that in a number of cases the interest on the overdue monthly instalment, recoverable under the rule was not recovered from the licensees of the Country Liquor Vends The total amount of interest recoverable on this account comes to Rs 6 419 The matter was reported to the Department in January 1974 In reply the Department stated (March 1974) that an amount of Rs 1 055 had already been recovered but not posted in the relevant registers Reply of the Department in respect of the remaining amount (Rs 5 364) is awaited (June 1974)

The department stated that out of Rs 6 419 45 paise worked out by the Inspection Party of the Accountant General's Office as interest charges for late deposit of license fees by the licensees in Karnal District for the year 1972 73 an amount of Rs 3 117 23 in respect of country liquor vends Durala, Nilokheri, Taraori and Khanpur was not actually recoverable because

these licenses were put to reauction on the dates indicated below —

<i>Name</i>	<i>Date of reauction</i>	<i>Date of payment of monthly instalment of license fee without interest</i>
Durala	18 7 72	7th of each subsequent month
Nilokheri	do	do
Taraori	do	do
Khanpur	11 4 72	31st of each month

In these cases the Presiding Officer had announced at the time of re auction that the first instalment of license fee of vend would be payable after 20 days of the date of re auction. In these cases therefore the date falling 20 days after the date of re auction became the due date for deposit of instalments of license fee each month and interest for late deposit became due only after the said date and not after the 20th of the month.

Further a sum of Rs 40 75 of interest in respect of country liquor vend Bhakh'i was not due from the licensee as 20th and 21st November 1972 were holidays. Thus the recoverable arrears of interest for the year 1972 73 were Rs 3 261 47 instead of Rs 6 419 45 which had since been recovered and deposited into the Government Treasury.

This position was explained to the Accountant General Haryana vide this office letter No 3484/XI, dated the 31st May 1974. Since then no further objections have been raised except that the required treasury receipts in lieu of deposit of certain amount deposited in the treasuries now falling in the Kurukshetra District.

To an enquiry whether responsibility had been fixed for not recovering the amount in the first instance the department intimated that the explanations of the defaulting officials had been called for and further action will be taken thereafter.

The Committee would like to know whether responsibility has been fixed on the defaulting officials for not recovering the amount in the first instance. If so, what action has been taken.

The Committee would also like to know whether the requisite information has been furnished to the Accountant General, Haryana and matter got settled.

REVENUE

Paragraph 6 15 Infructuous expenditure of Rs 34 17 lakhs

26 Para 221 of the Punjab Settlement Manual lays down that a revised settlement of Land Revenue should ordinarily begin two years before the expiry of the period for which the existing settlement was sanctioned. In one district the existing settlement was valid upto *rabi* 1939 and in another district it was valid upto *rabi* 1919 in some areas and upto *rabi/kharif* 1940 *rabi* 1941 and *rabi* 1942 in the remaining areas. Revised settlement operations in these two districts were taken up in 1968 but were wound up without completion in 1969. Government had thus incurred an infructuous expenditure of Rs 34 17 lakhs on these incomplete operations.

When asked as to why the revised settlement operations taken up in 1968 in two districts were wound up without completion in 1969 the department stated that this work could not be undertaken from 1939 to 1952 essentially due to abnormal conditions prevailing in the country. On 11th June 1952 at the 52nd meeting of the Cabinet Sub Committee on increased Food Production it was decided not to carry out settlement operations simultaneously with consolidation operations which could not be completed even in 1957. Thereafter the work could not be taken up on account of administrative difficulties and non availability of experienced revenue staff. However with the object of recovering a larger amount in the form of revenue the following enactments were passed —

- (1) The Punjab Land Revenue and (Surcharge) Act, 1954
- (2) The Punjab Land Revenue (Special Assessment) Act 1956
- (3) The Punjab Land Revenue (Special Charges) Act 1968
- (4) The Punjab Commercial Crops Cess Act 1969

It was further stated that settlement operations started in Hissar and Karnal districts during the year 1968 had to be wound up due to the following reasons —

- I Non availability of experienced revenue Staff
- II Paucity of funds
- III Due to consolidation operations it had become difficult to determine the land which had not been assessed to land revenue till then
- IV No appreciable income was likely to accrue to the State Government from settlement operations as according to Section 48 B of the Punjab Land Revenue Act 1887, land revenue could not be increased beyond 25% of the old levy

From 16th June 1973 a land holding tax under the Haryana Land Holding Tax Act 1973 has been imposed instead of revising the rates of land revenue by means of settlements. With the enforcement of this Act an additional yearly income of more than Rs 3 crores is accruing to the State Government.

The department further stated that in view of the position explained above it was not considered advisable to continue settlement operations in Hissar and Karnal districts. It was purely an administrative decision taken in the interest of Government work. No body was at fault in this hence the question of taking any action against any official did not arise.

The Committee observe that the department should have foreseen the difficulties standing in the way of completion of revised settlement operations which were stated to have been taken in 1968 and later on wound up in the year 1969 which resulted in the incurring of an expenditure of Rs 34 17 lakhs. The Committee however, feel that no further action is needed now.

WELFARE OF SCHEDULED CASTES AND BACKWARD CLASSES

Paragraph 75 Haryana Harijan Kalyan Nigam Limited

Alleged embezzlement of Rs 0 31 lakh

27 While taking over charge (August 1972) of loanee files from an Executive Officer of the Company it was noticed by his successor that there were various irregularities such as embezzlement over payments and unauthorised payments. The Company held him responsible for Rs 0 31 lakh out of which Rs 0 15 lakh were stated to have been received by him or by his sons by encashment of bearer cheques issued by the Management in favour of the loanees. The files relating to the balance amount of Rs 0 16 lakh were not traceable.

The services of the Executive Officer were terminated in August 1972. A case against him was registered with the police in August 1972 and the matter was under their investigation (April 1974).

The Management stated (December 1973) that the practice of issuing bearer cheques was stopped in August 1972 and thereafter crossed cheques were being delivered to loanees through the field officers on proper identification.

The department stated in its written reply that Shri S P Kapoor was appointed as Executive Officer in the Nigam *wef* 2nd September 1971. He was entrusted with the job of keeping the loan documents in his custody as well as for issuing the cheques to the loanees after scrutinizing the requisite loan documents. At that time the loans were used to be released through bearer cheques. On receipt of certain complaints in writing as well as verbal the loan files and documents maintained by Shri Kapoor were checked. Fourteen loan files amounting to Rs 50 000 were found missing out of which 3 files for Rs 19 500 were subsequently located by Shri Kapoor. It came to light that Shri Kapoor had misappropriated the amount by way of overpayments, double payments and unauthorised payments. Due time had already been given to him to locate the files or explain the above payments.

Having detected fraudulent transactions a complaint was lodged with the Station House Officer Sector 17, Chandigarh *vide* Nigam's letter dated 18th August 1972 wherein it was requested to register a criminal case against Shri S P Kapoor. The services of Shri Kapoor were simultaneously terminated *wef* 24th August 1972. The amount which was misappropriated by Shri Kapoor by drawing the amount of cheques himself or through an agent and not making any payment to the loanees stood at Rs 33 400. The number of missing files was 11.

Seven cheques for Rs 18 700 were actually encashed by Shri S P Kapoor or by his agents. 2 Cheques for Rs 3 100 were encashed by Shri Anil Kumar S/o Shri S P Kapoor and 5 Cheques for Rs 11 600 were drawn by Shri Om Parkash, Ex Municipal Commissioner, Kaithal.

The accused Shri S P Kapoor and Shri Om Parkash were arrested on 23rd August 1972 and 31st August 1972 respectively and were on bail. During the course of investigations cheques in dispute had been collected from the

respective banks. The specimen writings of the accused were taken for sending the same to the Hand Writing Expert for comparison with the questioned documents. Different persons of various districts were also to be examined. Shri Anil Kumar S/o Shri S P Kapoor who was declared as P O in this case was also arrested on 19th July 1974. His specimen signatures were sent to the Director Forensic Science Laboratory Chandigarh on 26th July 1974. Collecting opinion of Hand Writing Expert/Director Forensic Science Laboratory and examining the prosecution witnesses by the Police have taken more than 2 years in spite of our pursuing the case vigorously with the Senior Superintendent of Police. The Senior Superintendent of Police intimated on 1st January 1975 that the Challan had been prepared and was under scrutiny for submission to the Court. He was since being reminded regularly to let the Nigam have the latest position of the case but no reply had been received from him till 10th October 1975. Latest reminder was said to have been issued on 6th October 1975.

On further enquiry made by the Committee regarding the recovery of loans given by the Nigam it was intimated that out of Rs 17.11 lakhs of loan outstanding on 31st December 1975 Rs 9.54 lakhs were recovered leaving a balance of Rs 7.57 lakhs (January 1976). It was further stated that 175 cases of serious defaulters had been sent to various collectors for lump sum recovery of the entire loan as arrears of land revenue.

The Committee are constrained to observe that the post of the Executive Officer was not advertised nor the antecedents of Shri S P Kapoor, an Ex Manager of the National Bank of Lahore were got verified through the Police. The fitness of Shri Kapoor for the post of Executive Officer also does not appear to have been thoroughly considered at any higher level prior to his appointment as such.

The risk involved in issuing bearer cheques should have been foreseen by the Nigam. This is deplorable. The fraudulent payments made by Shri Kapoor were due to lack of proper vigilance on the part of higher authorities.

The Committee recommend that the matter be pursued vigorously with the Police Authorities so that the challan of the delinquents, which has already been delayed considerably, be put up to the law court without any further loss of time and the Committee apprised of the outcome of this case in due course.

The Committee further recommend that the overdue recovery of loans be effected early.

FOOD AND SUPPLIES

Paragraph 7.7 Provincial Reserve Food Scheme

(1) Introductory

28. The Provincial Reserve Food Scheme (introduced in 1942) aims at creating a reserve of food grains in the State with a view to holding price line, maintaining an uninterrupted supply to consumers at reasonable prices on no profit no loss basis and exporting to other States. After bifurcation of the erstwhile Punjab State, Government of Haryana has been running

the Scheme on the same lines with effect from 1st November 1966 The main activities under the Scheme are —

- (i) Procurement of wheat on behalf of Food Corporation of India/ Government of India under central pool
- (ii) Rice procurement for State Reserve
- (iii) Distribution of wheat and rice for local consumption in the State

In addition the Food and Supplies Department also undertakes procurement of rice on behalf of Food Corporation of India

The general direction and control of the Provincial Reserve Food Scheme rests with the Director of Food and Supplies subject to general control of the Government with regard to policy matters The State is divided into circles under the control of District Food and Supplies Controllers for purchase storage and distribution of food grains The circles are sub divided into centres under the charge of Inspectors The purchase, receipt, storage and issue of food grains are done at the centres

Purchase of wheat for central pool is made from the open markets (*Mandis*) in the State by bid system The procurement price of wheat is fixed by Government as per policy of the Government of India *Mandi* charges i.e. Commission *Damri* (brokerage to *Arhtis*) and market fee are fixed by Government at uniform rates for the whole State Other incidental charges i.e. loading unloading carriage etc for each *Mandi* are fixed by the Director of Food and Supplies after inviting tenders Targets for purchase are fixed by Government Wheat is despatched to various destinations by Food and Supplies Department by rail or road on receipt of allocation/despatch instructions from Government of India/Food Corporation of India

Purchase of wheat for distribution within the State is made on the basis of release orders obtained from Food Corporation of India by making advance payment at the issue rate fixed by the Government of India

Rice is purchased from the rice millers/dealers under the Rice Procurement Levy Orders 1958 under which a fixed percentage ranging from 82 to 90 per cent of rice produced is required to be supplied to Government The purchase rate for different varieties is notified by Government as per policy of the Government of India

Distribution of wheat and rice for consumption in the State is made through the depot holders/fair price shops The ex godown rates are fixed by the Director Food and Supplies and the retail rates for issues by depot holders are fixed after adding retail margins to the ex godown rates

The Director Food and Supplies makes allocations of funds as per requirement to the District Food and Supplies Controller of each circle during the year Funds are placed in personal deposit accounts opened in the district treasuries and payment for the purchase of grains and other incidental charges are made by drawing cheques on the personal deposit accounts Receipts from sale of grains are deposited in the treasuries

To strengthen the ways and means position of Government, some times cash credit arrangements are availed of by the Department from banks on hypothecation of food stocks. During the year 1972-73 against cash credit arrangement of Rs. 20 crores with commercial banks Rs. 15 crores were drawn in May 1972 at $8\frac{1}{2}$ per cent interest which were repaid during July-September 1972. The amount of interest paid on this overdraft worked out to Rs. 27.22 lakhs.

(2) Budgetary control

The table given below compares the budgeted and actual expenditure on procurement of commodities and under other heads for the last three years ending 1972-73 —

Name of the commodity	Budgetted figures			Actual expenditure figures		
	1970-71	1971-72	1972-73	1970-71	1971-72	1972-73
	(in lakhs of rupees)			(in lakhs of rupees)		
Wheat	27 00 00	45 98 00	31 33 20	30 48 19	45 08 15	30 42 11
Rice	3 93 35	75 30	89 30	96 63	49 25	1 81 31
Gunny bags	2 60 25	3 65 56	1 25 00	69 75	3 79 58	1 82 81
Miscellaneous (Mandis charges incidental charges other items and old liabilities)	1 53 40	4 05 14	25 27 50	2 55 37	3 61 98	3 22 04
Interest on capital	48 00	70 00	45 00	48 00	68 46	23 61
Establishment charges	10 02	14 12	14 95	10 02	14 12	14 95
Total	35 65 02	55 28 12	39 34 95	35 27 96	53 81 54	37 66 83

The cost of establishment per tonne of food grains procured under the Scheme increased from Rs. 2.33 in 1971-72 to Rs. 3.58 per tonne during 1972-73 i.e. by 53.6 per cent. The increase was mainly because the procurement during 1972-73 decreased by 30.9 per cent as compared to 1971-72 without any reduction in staff strength.

(3) Financial results

The working results of the Scheme for the last three years are as under —

	1970-71	1971-72	1972-73
	(in lakhs of rupees)		
Value of opening stock of food grains	1 89 50	5 60 70	4 35 52
Purchases	34 69 94	52 98 96	37 28 26

	1970 71	1971 72	1972 73
	(in lakhs of rupees)		
Administrative expenses and other liabilities	71 79	1 93 59	48 30
Value of closing stock of food grains	5 60 70	4,35 52	4 52 63
Cost of sales	31 70 53	56 17 73	37 59 45
Sales/Turnover	32 39 70	57,46 55	38 40 90
Net profit	69 17	1 28 82	81 45
Percentage of profit on sales/turnover	2 13	2 24	2 12
Debtors	10 51	52 68	8 03
Percentage of debtors to sales/turnover	0 32	0 91	0 21

The Department stated that during 1972 73 there was increase in procurement by other agencies resulting in shortfall in procurement and despatches under the Scheme

(4) Procurement of wheat and rice

Targets for procurement of wheat and rice and the actual procurement during last three crop years were as under —

		1970 71			1971 72			1972 73		
		Target	Actual procure ment	Per cen tage	Tar get	Actual procure ment	Per cen tage	Tar get	Actual procure ment	Per cen tage
(Figures in lakhs of tonnes)										
1	Wheat	3 75	4 02	107	6 25	6 01	96	5 50	4 01	73
2	Rice (including rice for F C I)	1 90	2 46	129	2 46	3 11	126	2 79	2 79	100

The targets of production, actual production and the quantity procured

for the last three years and the rate of growth thereof are given as under —

	1970 71	1971 72	1972 73	Increase/decrease over last year		Percentage in crease/decrease over last year	
	1970 71	1971 72	1972 73	1971 72	1972 73	1971 72	1972 73
<i>(Figures in lakhs of tonnes)</i>							
<i>Wheat</i>							
Target of production	19 86	24 50	26 50	+4 64	+2 00	23	+8
Total produced	23 42	24 02	21 60	+0 60	—2 42	3	—10
Total procured	4 02	6 01	4 01	+1 99	—2 00	50	—33
<i>Rice</i>							
Targets of production	2 75	3 50	6 00	+0 75	+2 50	28	+71
Total produced	4 60	5 36	4 66	+0 76	—0 70	17	—13
Total procured	2 46	3 11	2 79	+0 65	—0 32	26	—10

The Department stated (March 1974) that the shortfall in the procurement of wheat during the years 1971 72 and 1972 73 was due to less production of wheat than estimated. Further during 1972-73 procurement of wheat was made by three procuring agencies viz the State Food Department Haryana State Co operative Supply and Marketing Federation and the Food Corporation of India which also contributed to less procurement by the Scheme

(5) *Rice procurement scheme*

During the years 1970 71 1971 72 and 1972 73 the State Government procured 0 08 lakh 0 04 lakh and 0 17 lakh tonnes of rice worth Rs 96 63 lakhs Rs 49 25 lakhs and Rs 1 81 31 lakhs (excluding incidental charges) respectively for distribution within the State. The financial results of rice procurement and distribution could not be ascertained as separate accounts for this scheme were not maintained by the Department

(6) *Wheat scheme*

Targets for the procurement of wheat are fixed by the Government. Wheat is purchased from open market (*Mandis*) in the State by bid system. Up to 1972 73 purchase of wheat was canalised through commission agents appointed by the District Food and Supplies Controller on payment of commission of 50 paise per quintal. Since the take over of wholesale trade in wheat by Government from *rabi* 1973 the appointment of commission agents was dispensed with and the purchases were made by the Government direct from the *Kacha Arhtis*. Procurement price of wheat during 1972 73 was fixed by Government at Rs 76 per quintal for indigenous common white/Maxican

varieties and Rs 74 per quintal for indigenous red variety of fair average quality. Wheat purchased was either stored in Government godowns till it was despatched under instructions of the Food Corporation of India or despatched direct from *Mandis*. At the time of despatch joint inspection to check quality and quantity was carried out by the representatives of the Food Corporation of India and the Department. The sale price of wheat to the Food Corporation of India was fixed by the Government of India. During 1972-73 the sale price was fixed on the purchase rate plus Rs 6 per quintal for despatches by rail and Rs 5.57 per quintal for despatches by road. In addition 38 paise per quintal for the month of despatch and 76 paise per completed month of storage were charged as storage and interest in respect of despatches made after July 1973. Wheat for internal distribution was repurchased from Food Corporation of India at the rate fixed by the Government of India.

On 31st March 1973 the amount recoverable from the Food Corporation of India on account of balance cost of wheat delivered in central pool was Rs 2.04 lakhs. The Department stated (July 1974) that Rs 34.46 lakhs were payable to FCI for other items as on 31st March 1973.

In procurement, stocking and distribution of wheat the following points were noticed —

(i) *Non recovery of Muddat charges (cash discount)*

As per prevalent practice in the *Mandis* of Hissar circle *Muddat* charges (discount) were allowed to purchasers of wheat for making payment within stipulated period.

The benefit of deduction of *Muddat* charges from the bills payable was not availed of by the District Food and Supplies Controller Hissar during the years 1971-72 and 1972-73. This resulted in a loss of Rs 0.60 lakh.

The Department stated (July 1974) that *Muddat* was a practice prevalent in some *Mandis* under which cash discount was paid by *Kacha Arhtis* to *Pacca Arhtis* in lieu of prompt payment and that this was based on a mutual understanding between the *Kacha* and *Pacca Arhtis* which had no legal sanction under the Agriculture Produce Marketing Act and Rules and Bye laws framed thereunder. The Department further stated that instructions were issued to the District Officers to ensure that *Pacca Arhtis* who recovered *Muddat* charges passed on the benefit to the State Government instead of retaining the same. However, there being no legal sanction for the practice the District Officers were not able to enforce recovery.

(ii) *Replacement of gunny bags*

During 1970-71 (Karnal centre only) and 1971-72 (all centres), 2,99,281 gunny bags were replaced within a year of their having been brought into use against the average life of three years adopted in the summarised accounts. Earlier replacement of bags resulted in loss of Rs 10.71 lakhs. The loss for the bags condemned during 1972-73 and 1973-74 could not be worked out as the break up of bags issued at various centres during different months was not available. The Department constituted (September 1973) a Committee to look into the matter. The Committee submitted its report in February 1974 which was under examination by the Department.

(7) *Down gradation of wheat despatched to Food Corporation of India*

During the *rabi* season of 1971 1 07 790 bags of wheat despatched to the Food Corporation of India were down graded as a result of joint analysis by the representatives of the Department and the Food Corporation of India. As a result of this down grading and also because the stock was of high moisture content the Food Corporation of India claimed a deduction of Rs 0 73 lakh from the cost of wheat.

The Department stated (July 1974) that the Government had not incurred any loss on this account as the amount of recovery proposed by the Food Corporation of India (Rs 0 73 lakh) was being recovered from the defaulters who failed to supply/despatch wheat stock not conforming to specifications and Rs 5 152 had been already recovered from them.

(8) *Storage capacity*

Storage capacity of 0 38 lakh tonnes was allotted to the Haryana State at the time of trifurcation of the erstwhile Punjab State. The position of storage capacity for food grains during the last three years was as under —

	1970 71	1971 72	1972 73
	(in lakhs of tonnes)		
(i) State owned	0 38	0 43	0 98
(ii) Hired	0 80	0 86	0 44
(iii) Procurement (rice and wheat)	4 13	6 05	4 18
(iv) Godown capacity planned to be constructed	Nil	0 20	1 00
(v) Godown capacity actually constructed	Nil	0 05	0 55

Against the planned capacity of 0 20 lakh tonnes in 1971 72 and 1 00 lakh tonnes in 1972 73 storage capacity of 0 60 lakh tonnes was built and capacity of 0 33 lakh tonnes was under construction as on 31st March 1973. The Department stated (January 1974) that godown capacity of 20 000 tonnes (out of 33 000 tonnes under construction) was likely to be completed during 1973 74 and the remaining capacity of godowns would be completed during the next year. Delay in construction of godowns was attributed by the Department to scarcity of steel and other construction material.

Information regarding year wise utilisation of storage capacity was not available with the Department.

(9) *Railway claims*

Three hundred and thirty six claims involving Rs 0 97 lakh regarding shortages of food grains and gunny bags were preferred with the Railways during the period from 1962 63 to 1972 73. Out of these 291 claims involving Rs 0 32 lakh were rejected on the ground that the packing

did not conform to the railway standards and that clear Railway Receipts were not obtained. Details about recovery of the balance 45 claims for Rs 0.65 lakh relating to the period January 1965 to December 1971 are awaited from the Department (June 1974).

(10) *Shortage in storage and in transit*

Shortages in storage and in transit of wheat and rice during the three years ending 31st March 1971, 31st March 1972 and 31st March 1973 were as under —

	<i>For the year ending 31st March 1971</i>			<i>Percentage of total quantity procured</i>
	<i>In storage</i>	<i>In transit (in quintals)</i>	<i>Total</i>	
Wheat	77	6	83	0.002
Rice	1,105	176	1,281	1.52
<i>For the year ending 31st March 1972</i>				
Wheat	809	—	809	0.013
Rice	1,263	62	1,325	3.52
<i>For the year ending 31st March 1973</i>				
Wheat	985	—	985	0.024
Rice	1,136	67	1,203	0.71

The shortages in storage and in transit in respect of which no decision was taken for the period ending 31st March 1973, were as under —

<i>Name of commodity</i>	<i>Figures in quintals</i>	
	<i>In storage</i>	<i>In transit</i>
Wheat	4,242	5,147
Rice	6,096	916
Others	2	2
Total	10,340	6,065

In addition 1,337 quintals of wheat (valuing Rs 0.91 lakh) despatched to Food Corporation of India during 1968 to September 1972

were found short and 202 quintals (valuing Rs 0 18 lakh) were found in damaged condition resulting in a loss of Rs 1 09 lakhs to the Department

The Department stated (June 1974) that recovery for 127 quintals valuing Rs 0 11 lakh had been made and efforts were being made to recover the cost of 37 quintals valuing Rs 0 03 lakh and that for the remaining shortage of 1,376 quintals valuing Rs 0 95 lakh information was being collected

(11) *Shortages detected on physical verification*

Following reports of large scale pilferage of wheat stocks at Provincial Reserve Centre Karnal, Government sealed 18 godowns and 42 Bins at the Karnal Centre (August 1970) Physical verification of the stocks in 18 godowns and 4 Bins revealed shortage of 185 26 quintals of wheat valued at Rs 0 17 lakh Physical verification of stocks in the remaining 38 sealed Bins was not done on the ground that cent per cent weighment would involve huge expenditure and that these would be weighed at the time of issue In the same centre shortage of 5 000 empty bags valued at Rs 0 18 lakh was discovered at the time of transfer of charge from one Inspector (August 1970) These shortages involving loss of Rs 0 35 lakh had not been adjusted in accounts and formed part of closing balances (June 1974)

(12) *Outstanding Inspection Reports*

At the end of March 1974 the position of outstanding Inspection Reports and paragraphs issued up to 31st March 1973 was as under —

Year	Inspection Reports Outstanding	Paragraphs Outstanding	Amount involved (in lakhs of rupees)
Upto 1967 68	12	20	10 44
1967 68	4	13	0 43
1968 69	2	9	0 27
1969 70	4	19	0 49
1970 71	5	28	16 73
1971 72	2	18	27 13
1972 73	3	53	12 23
Total	32	160	67 72

The Committee Considered that in the following cases further action was necessary —

6(i) *Non recovery of Muddat charges (cash discount)*

The department stated in its written reply that the practice of *Muddat* was prevalent in the Fatehabad Mandi and the recovery was effected accordingly With regard to other *Mandis* of Hissar Distt viz Tohana, Hansi

Ratia Ellenabad and Hissar the practice of *Muddat* was only prevalent in Hansi during 1971 72 1972 73 and recovery had since been effected in full. As ascertained from Audit office at a personal level a sum of Rs 49 908 had been shown as recoverable from the commission agents on account of *Muddat* charges for the period under reference. Out of this amount only Rs 10,259 pertained to Hansi *Mandi* where the practice of *Muddat* was prevalent which had already been recovered as stated above. In addition recoveries of Rs 36 534 pertaining to Tohana Hissar Centres had also been effected. With regard to remaining *Mandis* necessary certificates were being furnished to the Audit office. In view of this there had been no loss to Government. The Haryana State Agriculture Marketing Board had already intimated *vide* their letter dated 3rd May 1973 that this practice had got no legal sanction. As the operations of purchase and sale of Agricultural produce in the market was being regulated by the Haryana State Agriculture Marketing Board under the Haryana State Agriculture Produce Markets Act, 1961 it was for them to ensure abolition of this unauthorised practice.

It was further stated that the practice of rebate on account of *Muddat* Charges was no longer prevalent in the State except Fatehabad Mandi in Hissar Distt. Information in respect of Gurgaon and Karthal Circles was yet to be received.

6(n) Replacement of gunny bags

To a question of the Committee what action had been taken against the defaulting officials due to which the replacement of gunny bags resulted in loss of Rs 10 71 lakhs the department stated in its reply that as the work relating to the fixation of responsibility was voluminous involving a large number of officers/officials it could not be finalized so far. However, departmental proceedings against 3 District Food and Supplies Controllers 7 Assistant Food and Supplies Officers 25 Inspectors and one Sub Inspector were in process. They had been served with the charge sheets under Rule 7 of the Punishment and Appeal Rules, 1952. On receipt of their replies to the charge sheets it was found that explanations given by them were not satisfactory and departmental enquiries had been instituted against them except three Inspectors Food and Supplies and one Asstt Food and Supplies Officer against whom the replacement was nominal and their cases had been decided. They were found guilty and punishment for the stoppage of two increments with cumulative effect and the recovery of the cost of gunny bags replaced concerning them had been inflicted upon them. Besides the above 23 centres it had also been decided to take action against the officers/officials of the other Centres in the State.

(10) Shortage in storage and in transit.

The department in its written reply to a question regarding the shortage of 1,337 quintals of wheat despatched to FCI (Food Corporation of India) and 202 quintals damaged in transit stated that the wheat was despatched to FCI by rail and by road so far as the shortages of 990 17 800 quintals and damage of 202 47 500 quintals that occurred during despatch of wheat by rail were concerned the responsibility of this department ceased after the stocks were super inspected by the Quality Inspector FCI at the time of loading of wagons and FCI had already been informed accordingly. Actual deduction on this account by FCI from this department was of Rs 7,645 for

the release of which, the matter had already been taken up with the FCI as no deduction was valid where stocks had been superinspected by FCI at the loading point

As regards shortage of 347 15 274 quintals which occurred in the despatch of wheat by road to Delhi Depot of FCI the responsibility for the same lay on the *Pucca Arhtia* Associations or the transporters. An amount of Rs 17,392 (for 205 65 274 Quintals) had already been recovered from the defaulters (concerned *Pucca Arhtia* Association of Hissar and Gurgaon Circle) and the balance loss of 141 50 000 quintals would be made good shortly after fixing the responsibility.

(11) *Shortage detected on physical verification*

To a question of the Committee as to what was the current position of the shortages noticed at Karnal Centre and how much more shortages were noticed at the time of issue from 38 sealed Bins the department stated that on finally emptying the godowns and Bins of Karnal P R Centre the total shortage of wheat found in storage during 1970 71 was as under —

(a) Shortage found in Godowns	141 00 000 Qtls
(b) Shortage found in 3 Bins	36 67 000 „
(c) Shortage found in remaining Bins	222 47 000

It was stated that orders for recovery of total cost of 177 67 000 qtls of wheat were issued on 12 September 1972 and Shri L D Gupta the then Inspector Food and Supplies who was the incharge of P R Centre Karnal was held responsible for the loss. He was removed from the service. The matter was being examined to recover the loss sustained by the Government through Civil Suit. Godown cards with regard to the bins wherein 222 47 000 qtls of shortage was found were not available at Karnal P R Centre nor the basic record i.e. P R 6 (stock register) conforms to the bin wise shortages. In the absence of such record which could only reveal the names of the officials responsible no decision regarding these shortages could be taken.

The Committee recommend that necessary certificates relating to the 'Muddat Charges' (cash discount) in respect of the remaining Mandis be furnished to the Accountant General, Haryana, expeditiously. As the recovery of Muddat Charges has no legal sanction, the Committee would like to know whether the practice of 'Muddat Charges' prevalent in Fatehabad Mandi and Mandis falling in Gurgaon and Kaithal Circles has since been stopped or not.

The Committee recommend that the departmental proceedings against the defaulting officials be finalised without any further loss of time and the detailed information containing the names with the designations of the officials found guilty and the action taken against each be intimated to the Committee at an early date.

The Committee would like to be informed of the result of the matter stated to have been taken up with the Food Corporation of India regarding the release of actual deduction of Rs 7,645 made on account of the shortage and damage of wheat despatched to the FCI by rail by the Food and Supplies Department of the Haryana Government.

As regards the shortage and damage of wheat that occurred in transit of the wheat despatched to the Delhi Depot of FCI by road, the Committee urge the Government to take effective steps expeditiously to make good the loss of 141 50 000 quintals of wheat by effecting recovery of the cost thereof from the defaulting officials, and the Committee informed in due course

TRANSPORT

Paragraph 7 8—Payment of Passenger Tax

29 The erstwhile Punjab Government granted exemption (April 1960) from payment of passenger tax (under the Punjab Passengers and Goods Taxation Act 1952) for free travelling of one porter in each of the Government buses plying on certain routes. The Haryana State Transport Department allowed (1968 69) free travel concession for one porter in each Government owned bus plying on inter State routes other than those exempted by the erstwhile Punjab State without seeking exemption from payment of passenger tax from the Punjab Government. The Excise and Taxation Officers Ludhiana/Ropar assessed a sum of Rs 0 35 lakh as Punjab passenger tax under the Act *ibid* in respect of free travelling of the Porters for the years 1967 68 to 1971 72 (for two depots). The assessment for the period April 1972 to July 1973 is yet to be made (June 1974). The assessed amount was deposited by the Transport Department in May June and July 1973.

The Department while withdrawing porters from such buses with effect from August 1973 filed appeals before the Deputy Excise and Taxation Commissioner Punjab, whose decision was awaited (June 1974).

The department stated that the facility of providing porters in buses plying on inter State routes had been withdrawn with effect from 1st August, 1973. This facility was not provided on reciprocal basis.

The department stated in evidence that 1968 73 was the period in which Haryana had also its porters in the buses. Apparently some kind of an informal arrangement did exist between the two Transport Organisations. But sometime in 1971 some assessments of passenger tax were made on the Punjab side on the porters while calculating the passenger tax which were awarded against porters travelling in Haryana Government owned buses.

The department further stated that the appeal filed by the General Manager, Haryana Roadways Ambala had been dismissed by the Deputy Excise & Taxation Commissioner, Punjab. An appeal against the orders of the Deputy Excise and Taxation Commissioner Punjab was being filed in the High Court. The Appeal filed by the General Manager Haryana Roadways Chandigarh was still pending with the Deputy Excise and Taxation Commissioner Punjab.

The Committee are dismayed to note that the Haryana Government paid the passenger tax to the Punjab Government in respect of free travelling of the porters for the years 1967 68 to 1971 72 (for two depots) but took no concrete steps to recover the same from the Punjab Government. The Committee feel that had the Transport Department of the Haryana Government, in close consultation with the Excise and Taxation Department, taken necessary steps

to assess the passenger tax in respect of porters travelling in the Punjab Government owned buses plying on routes in the State of Haryana, the position would have been otherwise

The Committee would like to be apprised of the out come of the appeal filed by the General Manager, Haryana Roadways, Ambala, against the payment of passenger tax to the Punjab Government as also of the appeal filed by the General Manager, Haryana Roadways, Chandigarh, in the Court of the Deputy Excise and Taxation, Commissioner, Punjab

CO OPERATION

Paragraph 7 10—Co operative Banks

30 There were nine central co operative banks in the State as on 30th June 1972 acting as financing agencies of primary societies Besides these there were two apex institutions namely Haryana State Co operative Bank Limited and Haryana State Co operative Land Mortgage Bank Limited The former provides medium and short term loans to co operative institutions while the latter provides long term finance to agriculturists The investments made and loans given by Government to these institutions as on 30th June 1971 and 30th June 1972 and profit earned by the banks during these years are detailed below —

Sr no	Particulars of the banks	Total paid up capital		Government investment in share capital	
		1970 71	1971 72	1970 71	1971 72
(1)	(2)	(3)	(4)	(5)	(6)
(rupees in lakhs)					
1	Central Co operative Banks	4 01 34	4 97 75	1 24 74	1 45 74
2	The Haryana State Co opera tive Bank Limited	1 48 04	1 64 64	65 90	75 90
3	The Haryana State Co opera tive Land Mort gage Bank Limited	1 75 32	2 10 97	59 78	69 78
Net profit		Reserves and Funds		Loans by Govern ment	
1970 71	1971 72	1970 71	1971 72	1970 71	1971 72
(7)	(8)	(9)	(10)	(11)	(12)
(rupees in lakhs)					
46 43	64 31	1 43 46	1 94 13	1 42	1 25
19 52	21 76	95 69	1 00 17	2 40	3 50
10 00	27 52	6 00	6 16	3 14 19	3 92 97
				(Debentures)	(Debentures)

In the central co-operative banks and the Haryana State Co operative Bank Limited loans amounting to Rs 7 87 24 lakhs and Rs 11 34 02 lakhs and interest amounting to Rs 44 08 lakhs and Rs 33 87 lakhs were overdue as on 30th June 1971 and 30th June 1972 respectively. Out of these Rs 96 11 lakhs and Rs 75 10 lakhs were outstanding for more than three years on 30th June 1971 and 30th June 1972 respectively. In respect of the central co operative banks there were 7 459 (as on 30th June 1971) and 7 170 (as on 30th June 1972) indebted societies out of which 60 per cent (4 459) and 71 per cent (5 108) respectively were defaulting societies. In these banks bad and doubtful debts as estimated by the departmental auditors were Rs 1 84 26 lakhs and Rs 2 19 25 lakhs as on 30th June 1971 and 30th June 1972 respectively against which reserves to the extent of Rs 49 95 lakhs and Rs 70 98 lakhs were provided in the accounts for 1970 71 and 1971 72 respectively.

The department stated in their written reply that the position of outstanding loans given by the Central Cooperative Banks alongwith the interest thereon as on 30th June 1975 was to the tune of Rs 4 312 38 lakhs.

The following steps were stated to have been taken by the Department for the recovery of overdues specially the loans outstanding for more than 3 years —

- (1) Special recovery campaigns were arranged and both the Department and institutional staff were involved in it.
- (2) All the old loanes had been indentified and the field staff had been asked to effect recoveries from such defaulters.
- (3) Coercive measures were being taken under Section 67A of the Punjab Cooperative Societies Act 1961.
- (4) The Police cells in the Cooperation Department had also been evolved for the recovery of loans against the old and big defaulters.
- (5) The Police authorities had also been approached for giving cooperation in the recovery of old loans.

It had also been stated that only Rs 272 00 lakhs were overdue for more than 3 years against a total loan of Rs 4 179 34 lakhs (including interest) which was only about 6 5%.

The Department further stated that the bad and doubtful debts were estimated at Rs 184 26 lakhs on the 30th June 1971 and against this bad and doubtful debt fund was standing at Rs 49 95 lakhs i.e. the bad and doubtful debt fund was about 27% of the bad and doubtful debts but now the position had improved considerably as was clear from the below given figures —

Estimated bad and doubtful debts as on 30 6 75	Rs 208 95 lakhs
Bad & doubtful debt fund as on 30 6 75	Rs 107 77 lakhs

It was also stated that all the estimated bad/doubtful debts were not recoverable as legal action for arbitration recovery of loans as arrears of land revenue and bringing the society under winding up process and appointing liquidators were taken.

The Committee recommend that the recoveries of loans be effected vigorously and the results of the special recovery campaigns be intimated to them.

R E P O R T
ON THE
ADVANCE REPORT OF THE COMPTROLLER AND
AUDITOR GENERAL OF INDIA
FOR THE YEAR
1972-73

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AGRICULTURE

Paragraph 1 Emergency Agricultural Production Programme

31 Apprehending that the *kharif* food grain crop would be adversely affected by the break *monsoon* conditions prevailing in the country during the last fortnight of July and the first week of August 1972 the Government of India Ministry of Agriculture formulated an Emergency Agricultural Production Programme for *rabi* 1972-73 and summer 1973 seasons to recoup the loss in the *kharif* crop

This Programme was to be financed by medium term loans and short term loans from the Centre to the States the former meant for undertaking quickly executable minor irrigation works and the latter for procurement of inputs The medium term loans were repayable in equal instalments over a period of 15 years The repayment was to commence from the first anniversary of the date of drawal The short term loans were repayable in two instalments, *i.e.* 50 per cent within 6 months and the balance of 50 per cent within 9 months of the date of drawal (subsequently relaxed to 9 months and 12 months respectively) Interest at 5 per cent was payable on both types of loans

Quick implementation of minor irrigation programmes, capable of augmenting irrigation water supply for the ensuing *rabi* and summer crops formed a major plank of Government of India's strategy The loan assistance to the States for this purpose was relatable to specific identifiable schemes in addition to provision already made in the States' annual plans for 1972-73 and the schemes selected for execution by the State Governments were to be such as could be completed by March 1973 or May 1973 at the latest Haryana State was given a medium term loan of Rs 12.00 lakhs which was to be spent on the following schemes —

	(Rs in lakhs)
(a) Energisation of 15 000 tubewells	600
(b) Installation of 100 augmentation tubewells along Bhakra Main Branch in Hissar District	72
(c) Installation of 100 direct irrigation tubewells in Ambala District	100
(d) Lined Carrier Channel of Western Jamuna Canal Augmentation Project	428
	<hr/> 12 00

Note —In addition a loan of Rs 100 lakhs was sanctioned for import of 30 diesel generating sets, but this was subsequently withdrawn as the sets were not imported

The State was also given a short term loan of Rs 10 lakhs for purchase and distribution of pesticides

The *kharif* loss in Haryana was estimated to be of 6 0 to 6 3 lakh tonnes of foodgrains. The programme in the State envisaged an additional production of 9 2 lakh tonnes in *rabi* crop 1973 over the 1971 72 level. To achieve this target the area under wheat was proposed to be increased from 11 77 lakh hectares in *rabi* 1971 72 to 14 lakh hectares in *rabi* 1972 73 and that under gram from 11 19 lakh hectares in *rabi* 1971 72 to 12 79 lakh hectares in *rabi* 1972 73. Production in wheat was sought to be increased from 24 02 lakh tonnes in *rabi* 1971 72 to 29 52 lakh tonnes in *rabi* 1972 73 and of gram from 6 47 lakh tonnes in *rabi* 1971 72 to 10 17 lakh tonnes in *rabi* 1972 73.

(2) The position in regard to the execution of specific schemes and their impact on agricultural production during *rabi* 1972 73 as seen in test check of accounts records etc, was as under —

A—Energisation of 15,000 tubewells (Rs 600 lakhs) —

In addition to the normal plan programme of energising 7 500 tubewells it was proposed to energise 15 000 tubewells under this programme. The records of the State Electricity Board revealed that in all 16 818 tubewells were energised upto March 1973 and 17 737 upto May 1973. As a result of energisation of tubewells under this programme no additional area was brought under cultivation because as stated by the State Agriculture Department, by and large areas where tubewells were energised were already under cultivation and got water supplies from sources other than electrically operated tubewells. However the energisation of tubewells was stated to have helped in enhancing the intensity of irrigation resulting in increase in area under high yielding variety of wheat from 7 96 lakh hectares in 1971 72 to 10 00 lakh hectares during 1972 73.

(u) The power position in the State had been unsatisfactory. In 1971 72 the power available from all sources was less than 50 per cent of the total demand. The Government had proposed to meet the additional power demand arising during 1972 73 as a result of energising of more tubewells by import of 30 diesel generating sets but the loan of Rs 100 lakhs available under the programme for this purpose was not availed of as the project could not get clearance from the Central Water and Power Commission. In view of the critical position, power supply to the agricultural sector was maintained on staggered basis by imposing cuts on all other categories of consumers. During January 1973 when there were no rains and more water was required to irrigate the growing crops the average supply to a tubewell was 298 units against the average of 403 units in the corresponding month of 1971 72. The increase in supply in the crucial months of February and March 1973 was also only marginal as compared to the corresponding months of the previous year. Inadequate supply of electricity was advanced as a reason by the Department of Agriculture for shortfall in the production of wheat during the year.

B—Installation of 100 augmentation tubewells along Bhakra Main Branch in Hissar District (Rs 72 lakhs)—

C—Installation of 100 direct irrigation tubewells in Ambala District (Rs 100 lakhs)—

The work of installation of tubewells was entrusted to the Haryana State Minor Irrigation (Tubewells) Corporation. The State Government had reported (March 1973) to the Government of India that out of 200 State tubewells 119 had been completed by 15th March 1973 and the rest would be completed by 31st March 1973. As seen from local record the actual position was different. Of all these tube wells only three augmentation tube wells had been energised upto 31st May 1973. The actual progress on 31st May 1973 and 15th December, 1973 was as under —

No of tubewells

Name of Project		Drilled	Developed	Abandoned	Pumps installed	Energised
(As on 31st May 1973)						
1	Augmentation tube wells	110	61		32	
2	Direct irrigation tubewells	70	24	2	14	3
(As on 15th December, 1973)						
1	Augmentation tube wells	110	107		94	45
2	Direct irrigation tubewells	100	94	4	91	91

These projects had apparently no impact on the coverage/production during *rabi* 1972-73. Factors for delay were stated to be (i) the process starting from the drilling of tubewells down to their energisation being time consuming (ii) shortage of materials (Cement R C C-Pipes etc) for underground channels (iii) the *zamudars* were not readily agreeable to the laying of underground pipe lines in their fields and they had to be educated which was a slow process and (iv) the energisation of the tubewells was to be done by the State Electricity Board after laying fresh lines. The areas being cattered, the Board took quite sometime to complete the work.

The total expenditure booked by the Corporation on these schemes upto 31st May 1973 was Rs 1 87 26 lakhs which included expenditure on unutilised stores, plant and machinery totalling to Rs 1,34 24 lakhs.

D—Lined Carrier Channel of Western Jamuna Canal Augmentation Project (Rs 428 lakhs)—

The carrier Channel (estimate Rs 8,18 95 lakhs) is a unit of a bigger project known as the Augmentation Canal Project (estimate Rs 12 68 78 lakhs). It is a lined carrier channel 75.5 Km long starting from Yamuna Nagar and outfalling into Western Jamuna Canal near Munak designed to increase supplies in the two branches of the Western Jamuna Canal system namely, (i) Hansi branch (capacity 4 000 cusecs) and (ii) Delhi branch (capacity 3,000 cusecs).

both off taking near Munak to serve the arid areas of Rohtak Jind Hissar and Mohindergarh. The discharge reaching Munak was 2 000 cusecs during winter months which was insufficient to feed both these channels. The main object of the project was to increase supplies at Munak by,

(a) effecting savings of 471 cusecs in seepage/absorption losses in the main system and

(b) augmenting the supply from tubewells installed or to be installed along the carrier channel between Yamuna Nagar and Munak

Construction of the carrier channel was a continuing plan project started in 1971-72 and scheduled to be completed by December 1972. It did not thus constitute an additional work to further the objectives of the programme. Even otherwise provision for the expenditure of Rs 428 lakhs representing Central assistance for this scheme was not made by the State Government by supplementary demands placed before the Legislature during 1972-73 and expenditure over and above the provision of Rs 322 lakhs (included in Rs 560 lakhs for the entire Augmentation Canal Project) was met from savings within the grant. The additional expenditure on this Scheme (Rs 394.88 lakhs in addition to the original allotment) was booked at the cost of some other major and medium irrigation schemes on which either less expenditure was incurred in comparison with the allotment made earlier or nothing was spent—for example nine schemes where no expenditure was incurred out of a provision of Rs 387.88 lakhs and three schemes where expenditure was less than the allotment by Rs 126.88 lakhs.

(ii) The net saving in seepage/absorption losses was expected to be 471 cusecs i.e. 496 cusecs of absorption losses in the main canal which is *katcha* between Yamuna Nagar and Munak to be avoided by conveying water through the lined carrier channel less 25 cusecs expected to be absorption losses in the lined channel.

In actual working, the loss of water from January 1973 to April 1973 was found as under—

<i>Average discharge</i>	<i>January 1973 (10th to 31st)</i>	<i>February - March 1973</i>	<i>April 1973 (1st to 9th)</i>	
	<i>(in cusecs)</i>			
1 Discharge released at the head regulator	930	640	528	424
2 Add discharge contributed by augmentation tubewells	34	216	294	265
3 Total	964	856	822	689
4 Deduct discharge at the outfall point	755	645	700	538
5 Average loss of water	209	211	122	151

Thus against the anticipated loss of 25 cusecs of water in the lined channel the actual loss in these four months ranged from 122 to 211 cusecs. The department stated (April 1974) that vast reductions in the discharge of the Augmentation Canal during January 1973 to April 1973 could be due to erratic discharge data observed by the staff

(iii) The carrier channel was commissioned in January 1973 which was too late for increasing the area to be sown in the *rabi* season though it could help in maturing crops already sown. The Agriculture Department stated that only 18 000 hectares could be irrigated against the 55 200 hectares planned for *rabi* 1972 73

Briefly this Scheme as conceived and implemented did not serve the purpose of the Programme

E—Pesticides

Pesticides worth Rs 9 71 lakhs were actually purchased against the short term loan assistance of Rs 10 00 lakhs. Of this one pesticide Edrin Technical cost Rs 2 24 lakhs which was to be imported through the State Trading Corporation was received only in June 1973 and could not thus be used in the *rabi* 1972 73 season. Another pesticide Malathion U L V C (cost Rs 2 88 lakh) was used for control of pyrilla on the sugarcane crop though sugarcane was not included in the programme. The department stated that pyrilla generally migrates to newly germinated wheat crop and the pesticide was thus indirectly used on *rabi* crop

(3) Overall results of the programme

The programme was conceived on account of the apprehended decline in food grains production in *kharif* 1972. Against the anticipated *kharif* loss of 6 0 to 6 3 lakh tonnes in the State the actual *kharif* loss was 3 05 lakh tonnes (production of 10 95 lakh tonnes against the target of 14 00 lakh tonnes)

As stated in the introductory sub para the area under wheat was sought to be increased from 11 77 lakh hectares in *rabi* 1971 72 to 14 lakh hectares in *rabi* 1972 73 against which the actual area was 12 31 lakh hectares in 1972 73. Production was to be increased from 24 02 lakh tonnes in *rabi* 1971 72 to 29 52 lakh tonnes in *rabi* 1972 73 against which the actual production was only 21 60 lakh tonnes. As compared to 1971 72 there was thus a decrease of 2 42 lakh tonnes against the contemplated increase of 5 50 lakh tonnes in spite of the fact that the proportion of the area reported to be under high yielding variety to the total area under wheat (1000 1231) during *rabi* 1972 73 was relatively much larger than the corresponding proportion (796 1177) during *rabi* 1971 72

Similarly, whereas the area under gram was sought to be increased from 11 19 lakh hectares in *rabi* 1971 72 to 12 79 lakh hectares in *rabi* 1972 73 the actual area in *rabi* 1972 73 was 9 29 lakh hectares that is even less than in 1971 72. Production of gram was to be increased from 6 47 lakh tonnes in *rabi* 1971 72 to 10 17 lakh tonnes in *rabi* 1972 73. The State Government fixed the target still higher viz 13 00 lakh tonnes. Against this the actual production was only 5 22 lakh tonnes that is instead of an increase of 3 70 lakh tonnes production of gram was less by 1 25 lakh tonnes

Taking all crops together the total foodgrains production during *rabi* 1972 73 was 28 48 lakh tonnes against the production of 31 81 lakh tonnes during *rabi* 1971 72

Reasons for the shortfall given by the department (October 1973) were as under —

Wheat —

- (i) Rains in the last week of November delayed sowing ,
- (ii) widespread failure of winter rains inhibited growth of plants
- (iii) high velocity hot winds which started blowing from the middle of February caused immature drying of the crop ,
- (iv) less canal water supply in the main system of Western Jamuna Canal and Bhakra canals as compared to the previous year
- (v) completion of Augmentation Canal Project in January 1973 when it was too late for sowing on larger acreage ,
- (vi) unsatisfactory position of supply of chemical fertilizers during *rabi* (1972 73) crop,
- (vii) unbalanced use of fertilizers and
- (viii) inadequate supply of electricity

Gram —

- (i) Insufficient moisture for the germination of gram due to cessation of *monsoon* in early August 1972 ,
- (ii) absence of winter rains , and
- (iii) cold spell

The Agriculture department stated that gram is grown predominantly under rain fed conditions in the State

The Agriculture Department in their written reply furnished the broad outlines of the Emergency Agriculture Production Programme adopted in Haryana as follows —

- (a) Energization of 15 000 Tubewells
- (b) Installation of 100 augmentation tubewells along Bhakra Main Line in Hissar District
- (c) Installation of 100 direct irrigation tubewells in Ambala District

(d) Lined Carrier Channel of Western Jamuna Canal Augmentation Project

(e) Provision of pesticides

This was drawn up on the basis of the proceedings of the meetings of various departments held on 12th August 1972. The Agriculture Department did not prepare any Scheme which had the above programme in its fold. The concerned department got their proposals approved on their own.

It was further stated that the energisation of tubewells was completed as scheduled but the installation of augmentation tubewells was delayed to some extent. The belated completion of work would not effect the continued usefulness of the wells in the years to come.

To an enquiry as to why no additional area could be brought under cultivation after energising the tubewells it was stated that by and large tubewells were energised in the region where the area was already under cultivation and got water from sources other than electrically operated tubewells. However the department promised to supply the information regarding enhancing the intensity of irrigation.

When asked as to how far the inadequate supply of electricity to agriculture as a result of cut imposed to meet shortage of power affected the agricultural production it was stated that the information will be collected and furnished later on.

The Committee observe that the main reason of delay for accomplishing the Emergency Agriculture Production Programme within the stipulated period was due to lack of co ordination among the various Departments who were concerned with the Programme. The Committee feel that proper co ordination is the pre requisite to accomplish any project effectively. They, therefore, strongly recommend that all the concerned Departments should maintain complete co ordination among themselves as and when such crash programmes are taken up in the State in future.

The Committee would like to have the information early which was promised to be sent during oral examination.

DEVELOPMENT AND PANCHAYAT

Paragraph 2 Crash Scheme for Rural Employment

32 In view of under employment in rural areas in the country the Government of India formulated in February 1971 the Crash Scheme for Rural Employment for the entire country to provide immediately and directly employment to some specific numbers in each district. The scheme which was to continue for three years from 1971-72 onwards was financed by grants from the Central Government but was to be implemented through the State Governments. It was intended to employ 1 000 persons in every district. Taking a year as consisting of 10 working months and a month of 25 working days the scheme aimed at generating employment of 2 50 lakh mandays in every district for which Rs 12 50 lakhs were allotted to each district. The basic objectives of the scheme were (i) direct generation of additional employment in all the districts

of the country through the execution of labour intensive projects and (ii) production of assets of a durable nature in consonance with local development plans so as to assist in all round development of the districts. Government of India issued directions and guidelines to ensure that these basic objectives were fulfilled.

A review of the implementation of the scheme during 1971-72 and 1972-73 in Haryana supplemented by a test check in a few selected districts indicated that these guidelines were not invariably followed and the objectives of the scheme were not entirely fulfilled.

(2) In accordance with the norms laid down by the Central Government for generation of 2.50 lakh mandays of employment on an average per district a sum of Rs. 12.50 lakhs per annum was required for every district. For the seven districts of Haryana the Government of India allocated Rs. 87.50 lakhs each for the years 1971-72 and 1972-73. The amounts were to be distributed equally among all the districts so as to generate the required quantum of employment in every district. But the State could allot with the approval of the Government of India more or less than Rs. 12.50 lakhs to any district for reasons such as differences in the size of the rural population or alternative opportunities of employment.

The allotments made to each district, expenditure incurred and employment said to have been generated during 1971-72 and 1972-73 were —

District	Allocation (Rs. in lakhs)			Expenditure (Rs. in lakhs)			Employment (Mandays in lakhs)		
	71-72	72-73	Total	71-72	72-73	Total	71-72	72-73	Total
1. Karnal	12.66	13.18	25.84	12.68	13.94	26.62	3.14	3.53	6.67
2. Ambala	12.50	12.48	24.98	12.57	12.67	25.24	2.73	2.73	5.46
3. Hissar	10.81	13.54	24.35	10.59	11.51	22.10	2.53	3.14	5.67
4. Mohinder garh	12.88	12.09	24.97	12.89	11.81	24.70	2.71	4.12	6.83
5. Gurgaon	12.50	12.70	25.20	11.69	12.79	24.48	2.82	3.30	6.12
6. Rohtak	13.55	12.88	26.43	13.08	13.08	26.16	2.71	3.21	5.92
7. Jind	12.50	10.63	23.13	12.55	7.10	19.65	1.74	1.67	3.41
Total	87.40	87.50	174.90	86.05	82.90	168.95	18.38	21.70	40.08

No reason was recorded for allocating Rs. 10.81 lakhs to Hissar in 1971-72 (Rs. 24.35 lakhs in 1971-73 taken together) against Rs. 12.66 lakhs in 1971-72 (Rs. 25.84 lakhs in 1971-73) to Karnal and Rs. 12.50 lakhs in 1971-72 (Rs. 24.98 lakhs in 1971-73) to Ambala when the rural population of Hissar (1971 census) was 17.93 lakhs of Karnal 16.44 lakhs and of Ambala 7.54 lakhs. Central Government's approval to the deviation was also not obtained. The State Government stated in March 1974 that differential allocations were made depending on the size of the district and the extent of rural unemployment in it.

(3) Funds to the various departments were allotted by the Development

and Panchayat Department Expenditure incurred in 1971 72 and 1972 73, on different types of projects by various executive agencies was —

Type of projects	Expenditure (Rs in lakhs)			Percentage to total expenditure	Employment said to have been crea ted (Mandays in lakhs)				Percent age to total expen diture	Employ ment said to have been cre ated (in mandays) for an expendi ture of Rs 100	
	71 72	72 73	Total		71 72	72 73	Total				
PWD (B&R) Branch											
(i) Road building	57 90	38 16	96 06		57 12 18	9 77 21 95		55	23		
P W D (Irrigation) Branch											
(ii) Link drains/minor irrigation/Bund	15 77	13 79	29 56		17 3 12	3 69 6 81		17	23		
Forest											
(iii) Afforestation	7 75	9 96	17 71		11 1 67	2 05 3 72		9	21		
Agriculture											
(iv) Digging of water courses/soil conservation	4 63 —	14 14 0 42	18 77 0 42		11 1 41 —	4 17 5 58 0 14 0 14		14	30		
Panchayats											
(v) Development of village ponds/ village paths/ shamlat land	—	4 93	4 93		3 — 1 40	1 40		4	28		
Fisheries											
(vi) Improvement of village ponds	—	1 50	1 50		1 — 0 48	0 48		1	32		
Total	86 05	82 90	168 95		18 38 21 70 40 08						

(4) The works to be taken up under the Scheme were to be in addition to projects included in the Fourth Plan or any other scheme of the State and were not to include normal annual repair or maintenance work etc. The State Government had decided in 1970 71 to link every village with a metalled road by January 1973 as a part of the State's Fourth Plan. Work on these roads had commenced before the Scheme was launched. But when Central assistance for the Scheme became available these roads were transferred to this scheme for debiting the cost of labour on earthwork, soling and consolidation and part of the expenditure on materials depending on the stage of progress on the road at the time. In three districts out of the total expenditure of Rs 19 08 lakhs on 26 link roads during 1971 72 and 1972 73 Rs 4 45 lakhs were debited to the Scheme and the balance of Rs 14 63 lakhs to the Plan budget. In another district expenditure of Rs 3 11 lakhs and Rs 3 43 lakhs on 19 and 86 roads already booked as Plan works during 1971 72 and 1972 73 respectively was transferred to the Scheme. The Chief Engineer Public Works Department Buildings and Roads stated (March 1974) that the expenditure booked to the Plan budget was transferred to the Scheme due to financial stringency. While expenditure of Rs 96 06 lakhs and generation of 21 95 lakh mandays

were reported the objective of generating additional employment was not fulfilled nor were any assets created beyond what was already planned. In this connection the report of the Assistant Commissioner (Rural Employment) after his visit to Gurgaon district in May 1973 to examine implementation of the scheme is of interest. He recorded that when asked as to why separate identifiable road schemes to be constructed entirely from Crash Scheme for Rural Employment funds could not be taken up as an addition to the plan and non plan schemes of the State Government the explanation given was that even before the introduction of the Crash Scheme for Rural Employment the State Government had drawn up a comprehensive programme of saturating the countryside with the village approach roads and therefore there was no more scope for taking up any more village roads under the Crash Scheme for Rural Employment.

Similarly Rs 2.57 lakhs spent by Irrigation Branch on 31 drains which formed part of the State Flood Control programme and Rs 0.17 lakh on maintenance works of drains could not be considered as having generated additional employment or having created assets which would otherwise not have been created.

(5) Works under the Scheme were to be labour oriented i.e. maximum expenditure on material was not to exceed 40 per cent on any one work or 30 per cent on the average in a district. Out of the estimated cost of Rs 66.10 lakhs of the 26 link roads mentioned in paragraph 4 above Rs 40.55 lakhs were to be spent on material and only Rs 25.55 lakhs on wages and during 1971-72 and 1972-73 Rs 7.06 lakhs were spent on wages and Rs 12.02 lakhs on material. The department stated (April 1974) that the material component in *pucca* roads is always heavy and it is impractical to limit it to 40 per cent. The road building programme was not generally labour intensive.

(6) It had been stipulated that only local unemployed and under employed persons were to be selected for work and the projects were not to be executed through contractors.

In the districts of Hissar and Mohindergarh where records were test checked labour was not employed directly by the Agriculture department for construction of water courses. The reasons stated for employing labour contractors (called labour leaders) were that the department could not mobilize the labour directly and the practice in the department was to execute soil conservation works through Labour leaders and not by workers directly employed. It was however seen that the maintenance of water courses was being done by the department by labour directly engaged on muster rolls. The work done through these contractors (labour leaders) was measured by the Agriculture Sub Inspector/Surveyors and recorded in the Measurement Books. Some of the Agriculture Sub Inspectors are promoted from *Beldars* who have no technical qualifications. On the basis of these measurements payments for work done were made to the contractors who were expected to distribute the amounts received among labourers engaged by them according to work done by each but not exceeding Rs 100 per month.

No record was available except in one office of the number of labourers actually engaged day to day or of wages actually paid to them. In the office where such records were available it was seen that some labourers received wages exceeding the above limit (in a few cases Rs 1,000 in a month as the same labourer was shown working on different works in the same period).

As no reliable record of persons actually employed by labour leaders was available employment generated was not based on actual labourers employed but was determined notionally by dividing the amount paid by three three representing the assumed daily wage rate. Total quantity of earth work done through such contractors in the above districts was 528.45 lakh cubic feet. On the basis of Public Works norm of 150 cubic feet earth work per man per day the mandays required for that quantity of work were 3.52 lakh mandays against 4.65 lakh mandays reported by the department.

(7) In Karnal district Rs 2.67 lakhs were spent on the supply of plants, digging of pits, plantation, fencing and maintenance for a farm forestry project. On similar farm forestry projects executed under the State Plan, only plants are supplied free of cost, other items being the responsibility of the farmer to whom the plants are supplied. No reason was recorded for deviating from the usual pattern which led to an additional expenditure of Rs 1.66 lakhs.

(8) Out of expenditure of Rs 19.19 lakhs incurred by Agriculture department, Rs 18.77 lakhs were spent on digging of *katcha* water courses in Hissar, Mohindergarh and Gurgaon districts. Under the provisions of the Northern India Canals and Drainage Act 1873, these water courses were to be constructed at the cost of cultivators. The Government stated (September 1973) that (i) provisions of the Act do not debar the Government from spending money on water courses, (ii) the provisions of the Act were right with regard to construction of irrigation water courses in the command areas of the existing water channels, but the position of lift irrigation projects undertaken in the drought prone areas was different and (iii) the farmers of the drought prone areas have no money to spend on the construction of water courses. It could not be ascertained whether the water courses constructed by the Agriculture department (expenditure Rs 18.77 lakhs) would be durable as the area is sandy and water courses get filled up with sand and become silted because supply in the parent channel is highly seasonal. In fact desilting had to be done in Hissar soon after the water courses were completed.

(9) Rupees 4.93 lakhs were spent by Panchayat and Development department during 1972-73 on earth work for development of village paths (43 schemes), ponds (16 schemes) and *shamlai* lands (20 schemes). All expenditure was on wages for earth work and there was no material element. It could not be ascertained whether all these works, for which no material was used, would be durable. The department however contended (April 1974) that even though no material component was involved, these works did constitute assets of durable nature.

(10) Rupees 1.50 lakhs were spent by the Fisheries department during 1972-73 on earth work to raise the height of existing embankments of 33 village ponds meant for stocking of fish. The ponds were not put to any use during 1972-73. The department stated (April 1974) that during 1973-74 stocking of fish was done in 10 ponds and the remaining ponds could not be utilized because of scanty rain fall. Non utilization of the ponds was likely to affect the earth work done.

(11) Test check in Karnal district brought out that mandays reported were not based on actual count of mandays from muster rolls, the cost of which was directly debited to the Scheme but included figures added notionally for expenditure initially booked to Plan allocations and subsequently transferred.

to the Scheme Other reasons for difference in reported and actual figures were (a) adoption of *ad hoc* figures computed by dividing the total expenditure by wage rate without ascertaining actual figures from muster rolls and (b) in certain cases inclusion of the expenditure on material/carriage of material by trucks and bullock carts as wages The extent of such increases noticed was —

Sr No	Department	No of units (offices) covered	Reported figures of employment generated (mandays in lakhs)			Actual figures of employment generated as per muster rolls relating to CSRE			Figures of employment generated under CSRE reported in excess
			71 72	72 73	Total	71 72	72 73	Total	
1	P W D B&R	5	2 15	1 75	3 90	1 63	1 14	2 77	1 13
2	Irrigation	2	0 25	0 87	1 12	0 24	0 61	0 85	0 27
3	Forest	1	0 22	0 37	0 59	0 21	0 32	0 53	0 06
4	Fisheries	1	—	0 15	0 15	—	0 11	0 11	0 04
	Total		2 62	3 14	5 76	2 08	2 18	4 26	1 50

(12) Out of the total expenditure of Rs 86 05 lakhs and Rs 82 90 lakhs incurred during 1971 72 and 1972 73 respectively Rs 36 60 lakhs and Rs 19 15 lakhs respectively representing 42 per cent and 23 per cent of the total expenditure were spent in March alone In 1972 73 no road work which accounted for 46 per cent of total expenditure under the scheme was done between April and June 1972 In Hissar district work on roads started in July 1972 and in other districts from August 1972 onwards In Karnal and Ambala districts works entrusted to the Fisheries department were executed in June 1972 and then again in February and March 1973 the Panchayat department executed works entrusted to it only between January and March 1973 Thus the objective of offering sustained employment for 10 months was not achieved on some works employment was offered for less than 15 weeks in a spell

(13) The rate of wage to be fixed for any district was to be equal to the off season rate for agricultural labourers in the district but was not in any case to exceed Rs 4 per day or Rs 100 per month Off season rates were not fixed in any district On the contrary during test check payment of wages in excess of Rs 4 per day/Rs 100 per month were noticed in Construction Division and Drainage Division Karnal in 728 cases Wages paid by Provincial Division Karnal were generally Rs 4 40 per day

(14) Analysis of wages paid in 1971 72 as reported to the Government of India indicated that (a) average wage rates paid for the same type of work in various districts were not uniform but ranged from Rs 3 12 to Rs 4 42 for roads Rs 3 33 to Rs 4 44 for link drains etc Rs 3 70 to Rs 5 30 for afforestation/soil conservation etc and (b) different rates were paid for different type of work within the same district as shown below —

District	Department	Average wage rate (Rs)	Department	Average wage rate (Rs)
Hissar	Agriculture	3 00	Irrigation	4 44
Gurgaon	P W D B&R	3 95	Forest	3 70
Rohtak	P W D B&R	3 68	Forest	4 20

(15) Only those labourers were to be employed who belonged to families where no other adult member was employed. A person who was not likely to find employment anywhere was to be given preference over one who was likely to find some employment somewhere. Similarly as between two persons the one who was more needy was to be given preference over the other. Suitable machinery was to be devised for selecting labourers for employment on the basis of criteria mentioned. No such machinery was devised by the State Government. The Government stated (May 1973) that projects were executed at places where the problem of rural employment was acute and the needy people were employed. It was also stated that an attempt was made to employ one adult from a family that had no earning member but no record in support was shown to audit. Test check in Karnal district revealed that more than one member of the same family was employed simultaneously. Employment to inhabitants of other States was also provided on some works though the scheme was meant only for local labour.

The department in their written reply state that the objective of the scheme were duly fulfilled as laid down in the guidelines issued by the Government of India. A study in this respect was conducted by the Evaluation cell of the Development and Panchayat Department and that of the Irrigation Department also. Employment was thus provided to the needy persons in the various districts.

When asked whether the Government could show the Muster Rolls from which it could be verified whether 40.08 lakh persons actually got employment the witness stated that it might not be correct to follow this procedure as some persons might have worked for 12 hours a day instead of 8 hours in which case $1\frac{1}{2}$ mandays were counted. They however promised to collect the information district wise and department wise and supply the same to the Committee in due course.

To another enquiry made by the Public Accounts Committee the witness promised to furnish the Report of the Evaluation Cell in due course as also reply to the question raised whether the persons who were provided with employment under the Scheme were still continuing in employment.

In regard to shortfall in the expenditure incurred district wise the information being not available with the departmental representative it was promised to be sent in due course.

The department further stated that it was not possible to supply the break up into labour and material component for each of the numerous

works executed under the Scheme as this involved a considerable labour in collecting the data from the field offices

The Committee feel that proper coordination was not maintained among the various departments involved e.g. Buildings and Roads, Irrigation, Forest Agriculture, Fisheries, etc., through whom the scheme was got executed. As such a coordination is a pre requisite to accomplish any project effectively, the Committee recommend that in future necessary steps should be taken in the initial stages when any such scheme is taken up.

The Committee would like to have the information within the period of three months positively.

The Committee would urge that the break up into labour and material component in the works of road construction programme, which should have been collected earlier to ensure whether the scheme was being implemented according to the prescribed guidelines, may be collected now and the Committee informed of the outcome.

The Committee was not convinced that employment to the extent claimed was in fact generated.

APPENDIX

Statement showing the outstanding recommendations/observations of the Public Accounts Committee contained in the various reports (upto 9th Report of the Haryana Public Accounts Committee) on which the Government is yet to take final decision

Sl No	Name of the Department	Paragraph No	Brief Subject
Reports of the Public Accounts Committee of the Composite Punjab Vidhan Sabha			
7th Report			
1	Irrigation	99	Irregular payments
11th Report			
2	Irrigation	45	Loss owing to excess purchase of Surkhi
3	—do—	53	Irregular and excessive purchase of spare parts
13th Report			
4	Irrigation	15	Change in classification of earthwork
5	—do—	16	Irregularities in connection with the excavation of a distributary
14th Report			
6	—do—	15	Loss owing to delay in disposal of materials
7	—do—	17	Shortage of stores
Reports of the Public Accounts Committee of the Haryana Vidhan Sabha			
1st Report			
8	Industries	9	Outstanding recoveries of lease money
3rd Report			
9	Industries	10	Unutilised grants
10	Development and Panchayats	16	Embezzlement of Government money
5th Report			
11	Irrigation	6	Excess payments to contractors
12	Buildings and Roads	15	Delay in investigation and fixing responsibility involving shortages and loss of stores
13	Industries	37	Government Training Institute Rewari
14	Education	44	Alleged embezzlement of Government money
15	—do—	45	Taking over of a privately managed school
16	Excise and Taxation	57	Under assessment of tax
6th Report			
17	Industries	5	Industrial Estates

Sl No	Name of the Department	Paragraph No	Brief Subject
18	Industry	6	Grant of loan to a firm
19	—do—	8	Investments
20	—do—	9	Other investments
21	Transport	10	Haryana Roadways
22	Agriculture	16	Seed farms
23	—do—	17	Purchase of hybrid maize seed
24	Animal Husbandry	19	Government Livestock Farm Hissar
25	Education	22	Withdrawal of funds in advance of requirements/amounts kept outside Government account
26	Technical Education	36	Junior Technical Schools
27	Irrigation	37	Arrears in collection of revenue and other receipt
28	—do—	41	Nugatory expenditure
29	Haryana State Elec Board	49	Other points of interest
30	—do—	50	Purchase of tower material
31	—do—	52	Purchase of Conductor

7th Report

32	Agriculture	5	Purchase of gypsum
33	—do—	6	Intensive agricultural district programme
34	Animal Husbandry	7	Reclamation and cultivation of agricultural land
35	Education	8	Care School Feeding programme
36	—do—	9	Idle equipment/machines
37	Industries	10	Establishment of focal points
38	—do—	11	Extra expenditure on purchase of polythene bags
39	—do—	12	Credit facilities for development of small scale industries
40	—do—	13	Investments
41	—do—	14	Recovery of underwriting commission/improper accounting advances
42	—do—	15	Other Investments
43	Haryana Khadi and Village Industries Board	16	Gobar gas plants
44	—do—	17	Utilisation of grant in aid loans

Sl No	Name of the Department	Paragraph No	Brief Subject
45	Haryana Khadi & Village Industries Board	18	Palm gur industry
46	Haryana State Small Scale Industries Export Corporation Ltd	19	Mis appropriation of cash/stores Rs 1 26 899
47	—do—	20	Outstandings against an ex officer of the Corporation—Rs 21 960
48	Industrial Training	21	Re organisation of Government Institute of Surgical Instruments Technology Sonapat
49	Co operative	22	Financial assistance
50	—do—	23	Completion of audit
51	—do—	24	Review on the working of Co operative Banks
52	—do—	25	Working of Co operative Consumers Stores
53	—do—	26	Review of working of sugar mills
54	Development and Panchayats	28	Democratic decentralisation
55	Urban Estates	29	Irregular draws of payments of land charges
56	Excise and Taxation	30	Under assessment of Tax
57	—do—	32	Arrears in assessment and collection of sales tax
58	Building and Roads	33	Payments for work done
59	Public Health	34	Deposit works
60	—do—	36	Outstanding recovery against a contractor
61	Haryana State Electricity Board	47	Delay in investigation for shortages and loss of stores
62	Common Paragraphs	49	Arrears in collection of revenue and other receipts
63	—do—	50	Grants in aid
64	—do—	51	Misappropriations defalcations etc
65	—do—	52	Outstanding Audit Objections and Inspection Reports
66	Finance	53	Implementation of observations/recommendations contained in the earlier reports of the Public Accounts Committee

8th Report

All paragraphs are outstanding

9th Report

All paragraphs are outstanding

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