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HARYANA VIDHAN SABHA  
**PUBLIC ACCOUNTS COMMITTEE**  
**( 1979-80 )**

**(Fifteenth Report)**

**Report**  
**ON THE**

*Appropriation Accounts/Finance Accounts of the Haryana  
Government for the year 1975-76 and the Report (Civil)  
of the Comptroller and Auditor General of  
India for the year 1975-76 (excluding  
the paragraphs relating to  
Corporations/Boards)*



**VIDHAN SABHA SECRETARIAT,**  
**CHANDIGARH**  
**February, 1980**

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## COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE

## CHAIRMAN

1. Shri Kanwal Singh

(६) २२.६.७९ (२) १६.१२.७९

## MEMBERS

II 2. Chaudhri Bhag Mal

III \*3. †Chaudhri Khurshid Ahmed

4. Shri Karam Singh

\*5. †ao Ram Naram

\*6. ††Shri Sardar Khan

\*7. †Chaudhri Shiv Ram Verma

8. Sardar Sukh Dev Singh

9. Shri Surrender Singh

\*\*10. Shri Ishwar Singh

\*\*11. Shri Peer Chand

\*\*12. Shri Ram Kishan

\*\*13. Shri Shakrullah

## SECRETARIAT

1. Shri Raj Krishan, Secretary

2. Shri Sant Ram Sharma, Under Secretary

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\*Resigned from the membership of the committee w.e.f. 31-7-79 on their appointment as †Ministers/††Deputy Minister.

\*\*Elected w.e.f. 26-9-79 for the unexpired period of the year 1979-80.

## INTRODUCTION

I, the Chairman of the Public Accounts Committee, having been authorised by the Committee in this behalf, present this their fifteenth Report on the Appropriation Accounts and Finance Accounts of the Haryana Government for the year 1975-76 and the Report (civil) of the Comptroller and Auditor General of India for the year 1975-76 (excluding the paragraphs relating to institutions which are now within the purview of the Committee on Public Undertakings).

The Committee framed questionnaires on the followings :—

- (i) Appropriation Accounts and Finance Accounts of the Haryana Government for the year 1975-76 ;
- (ii) Report (civil) of the Comptroller and Auditor General of India for the year 1975-76 ;
- (iii) Report (Revenue Receipt) of the Comptroller and Auditor General of India for the year 1975-76 ;
- (iv) Appropriation Accounts and Finance Accounts of the Haryana Government for the year 1976-77 ; and
- (v) Report of the Comptroller and Auditor General of India for the year 1977-78 relating to Industries Department.

A brief record of the proceedings of the meetings of the Committee has been kept in the Haryana Vidhan Sabha Secretariat.

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 the 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 cooperation and assistance given by them.

**Chandigarh :**  
The 26th February, 1980.

**KANWAL SINGH**  
Chairman

## REPORT

### General

1. The present Public Accounts Committee was constituted by election vide notification No. PAC-3/79/28, dated the 14th May, 1979.

2. The Committee held 69 meetings in all so far at Chandigarh and other places.

3. The Committee observed that as in earlier years there were abnormal delays in the submission of written replies to the questionnaires of the Committee by the Departments. In certain cases, the replies were furnished at the eleventh hour or just before the commencement of the oral examination of the Departments concerned. As a result, there was little time for the Members of the Committee to go through the same or for the Accountant General to verify the facts. At times, the replies were incomplete and factually incorrect. The Committee felt concerned over this situation and discussed the matter with the Chief Secretary and Finance Secretary in its meeting held on 29-5-1979 urging them to take effective and tangible steps to ensure that the Departments submitted their replies with due promptitude to enable the Committee to complete its work and submit its Report to the Legislature without delay. On the request of the Chief Secretary, the Committee also raised the time limit for sending replies to the questionnaires from two weeks to four weeks. The Committee hope that in future the Departments will take care to submit the replies within the enhanced time limit and also ensure that the replies are comprehensive and based on facts.

#### *Excess over voted grants/charged Appropriations*

4. Cases of excesses over voted grants,/charged appropriations in Revenue and Capital portions for the year 1975-76 requiring regularisation by the Legislature in accordance with the provisions of Article 205 of the Constitution are detailed below :

Sr. No.	Particulars of grant	Original grant	Supplementary grant	Total grant	Expenditure	Excess
1	2	3	4	5	6	7
		Rs.	Rs.	Rs.	Rs.	Rs.
<i>I—Voted Grants</i>						
<b>(a) Revenue Portion</b>						
1.	2—General Administration	4,11,84,160	10,43,022	4,22,27,182	4,24,08,880	1,81,698
2.	4—Revenue	2,97,86,060	45,43,880	3,43,29,940	3,52,50,218	9,20,278
3.	8—Buildings & Roads	11,46,91,670	89,87,070	12,36,78,740	13,25,09,603	88,30,863
4.	9—Education	31,95,50,450	1,41,690	33,37,15,140	35,02,21,290	1,65,06,150
5.	14—Food & Supplies	1,19,97,800	—	1,19,97,800	1,21,63,898	1,66,098

Sr. No.	Particulars of grant	Original grant	Supplementary grant	Total grant	Expenditure	Excess
1	2	3	4	5	6	7
		Rs.	Rs.	Rs.	Rs.	Rs.
6.	18—Animal Husbandry	2,95,52,300	—	2,95,52,300	3,04,57,138	9,04,838
7.	20—Forest	1,39,04,310	13,28,430	1,52,32,740	1,55,39,635	3,06,895
<b>(b) Capital Portion</b>						
1.	15—Irrigation	27,47,81,700	11,04,88,430	38,52,70,130	41,08,82,141	2,56,12,011
2.	25—Loans & Advances	26,44,69,200	16,38,85,410	42,83,54,610	43,16,56,812	33,02,202
<i>II—Charged Appropriations</i>						
<b>(a) Revenue Portion</b>						
1.	1—Vidhan Sabha	45,100	1,400	46,500	46,521	21
2.	2—General Administration	13,11,500	1,87,500	14,99,000	15,62,705	63,705
<b>(b) Capital Portion</b>						
1.	8—Buildings & Roads	—	5,85,130	5,85,130	6,05,715	20,585
2.	Public Debt	86,92,88,946	9,62,28,747	96,55,17,693	1,41,17,01,705	44,61,84,012

The Committee are unhappy to note that cases of excess expenditure over the grants/appropriations continue to occur despite the Committee's observation time and again that the expenditure should be limited to the grants/appropriations as authorised by the legislature. The Committee do not feel convinced that the Departments are unable to assess their budgetary requirements accurately or to take timely steps to obtain additional funds through supplementary grants or by advances from the Contingency Fund, as the case may be, to meet the excess expenditure.

The Committee also observe that one of the main reasons for excess expenditure is the lack of proper reconciliation of figures by the Departments with those booked in the Audit Office. This omission was more evident in the case of various branches of the P.W.D. It is imperative that the Departments should take effective measures for regular and timely reconciliation of their figures with the Audit Office to enable them to formulate their budgetary requirements more accurately.

The Committee recommend that the cases of excess expenditure be investigated by the Finance Department in detail to determine and analyse the circumstances leading to such instances and take suitable remedial measures to eliminate their recurrence in future.

Subject to the above observations, 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.

## AGRICULTURE

### *Paragraph 3.1. Aerial spraying*

5 A sum of Rs. 1,26.56 lakhs was spent on aerial spraying of cotton and sugarcane crops during 1972-73 to 1975-76, as under :—

1972-73	Rs. 17.94 lakhs
1973-74	Rs. 68.70 lakhs
1974-75	Rs. 12.28 lakhs
1975-76	Rs. 27.64 lakhs

Important points noticed during audit (June-July 1976) are given below :—

- (i) Two advance payments of Rs 0.45 lakh each were made to a private aviation firm for aerial spraying on cotton on 27th and 30th August 1973. These were to be adjusted from the payment due for spraying. Only one advance was adjusted from the bills amounting to Rs. 4.52 lakhs paid during 27th August 1973 to 3rd October 1973 leaving the balance Rs. 0.45 lakh unrecovered. The department stated (January 1977) that the matter was being investigated.

- (ii) Area sprayed was to be determined with reference to the Revenue records. In the event of any dispute, the area was to be determined by actual measurement. During 1973-74 to 1975-76, the department paid to a firm Rs. 8.43 lakhs for spraying an area of 76,902 acres calculated on the basis of pesticides consumed.

According to the reports of the Agricultural Inspectors, the area actually sprayed was 72,001 acres. The excess payment worked out to Rs. 0.49 lakh.

- (iii) An area of 19,376 acres of sugarcane crop was sprayed in the Sonapat Sub-division between 14th September 1973 and 25th September 1973. According to the Deputy Director, Agriculture, Sonapat (June 1976), the area under sugarcane was only 4,050 acres. Overspray was more than the limit of 100 per cent prescribed later, on 27th September 1973, and involved, on that basis, unfruitful expenditure of Rs. 2.06 lakhs on 11,276 acres (operation charges : Rs. 0.45 lakh; flagging and deflagging charges : Rs. 0.11 lakh; cost of pesticides : Rs. 1.50 lakhs).

- (iv) The limit of 100 per cent for overspray was prescribed in September 1973 when the other *kharif* crops, viz., Jowar, Maize, etc., were not harvested and the pyrilla pest could migrate and take shelter there. According to the departmental inspection notes, by 10th October 1973 other *kharif* crops were harvested and only sugarcane crop was standing and overspraying was not at all needed. The Locust Control and Plant Protection Officer, therefore, suggested to the Director of Agriculture (7th November 1973) that spraying be done by means of helicopter which could be more specific. Meanwhile, spraying by means of fixed-wing aircraft was done between 28th October 1973 and 11th November,

1973 on 14,556 acres which included only 8,939 acres under sugarcane. If the latter area was sprayed by means of helicopter, there would have been less expenditure of about Rs. 0.30 lakh, after adjusting higher operational charges for spraying by helicopter (Rs. 0.21 lakh) against the saving in the use of pesticides (Rs. 0.51 lakh).

(v) Pesticides valuing Rs 0.15 lakh were issued between 1972-73 and 1975-76 in Hissar in excess of the prescribed scale of consumption for aerial spraying.

(vi) Pesticides were not purchased in 1975-76 owing to accumulation of stocks. As on 29th February 1976, the department was holding stock valuing Rs. 62.10 lakhs including time-expired pesticides valuing Rs. 34.06 lakhs. Chemical analysis of stock valuing Rs. 28.54 lakhs showed that it could still be used except for 2,174 litres of Metasystox 25% E.C. (purchased in August 1973) valuing Rs 1.30 lakhs which was found sub-standard. The department stated (January 1977) that replacement of the sub-standard material had since been made by the supplier. The remaining time-expired stock valuing Rs. 5.52 lakhs was not chemically analysed (January 1977).

(vii) Part of the cost of aerial spraying was recoverable from the beneficiary-cultivators. It was treated as *taccavi* loan to be recovered by the Revenue Authorities in lump sum by 31st December of the same year. The table below shows the position of overdues in Sirsa, Fatehabad and Sonapat areas.

<i>Year in which advance given (upto December)</i>	<i>Area</i>	<i>Amount treated as loan</i>	<i>Amount recovered up to March 1976</i>	<i>Overdues as on 31st March 1976</i>
<i>(in lakhs of rupees)</i>				
1972-73	Sirsa	2.20	2.18	0.02
	Fatehabad	0.15	0.15	..
	*			
1973-74	Sirsa	11.58	9.32	2.26
	Fatehabad	9.36	5.54	3.82
	Sonapat	1.56	0.21	1.35
1974-75	Sirsa	5.14	4.98	0.16
	Fatehabad	3.81	2.65	1.16
	*			
1975-76	Sirsa	7.22	6.27	0.95
	Fatehabad	3.26	..	3.26
	*			
Total		44.28	31.30	12.98

\*No outstandings for Sonapat.



It was also noticed that—

(a) files (for 1973-74) for creation of demand in the Revenue records were not passed on to the Revenue Department in Sirsa and Fatehabad tehsils and recoveries were directly effected by the Agriculture Department. (Recoveries made by that department from the cultivators and deposits into the treasury were not, however, entered in the cash book). The Revenue Authorities, therefore, could not take any action for the recovery of the outstanding amount of Rs. 6.08 lakhs.

(b) penal interest was not levied on delayed recoveries.

The matter was referred to the Government in September 1976; reply is awaited (February 1977).

(i)—(vi) To a question by the Committee relating to the pesticides, the department in their written reply stated as under :—

“The pesticides were purchased according to the target fixed by the Department of Agriculture. But since there was drought during 74-75 and consequently the spraying operation could not be carried out as per targets fixed. Therefore, the stock of pesticides remained unused. During the next year the conditions remained favourable & pests/diseases appeared in serious form and the stocks purchased during the previous year were used after getting chemically analysed so as to ensure their quality. Only those pesticides were used which were found fit. Therefore there is no body responsible for the excess purchased. Bulk of the material purchased before 1975-76 have been consumed and small quantity of those chemicals is lying in stock. Efforts are being made to liquidate the stock after getting these chemically analysed. Those stocks which cannot be used after the date of expiry are being got replaced from their manufacturer. The use of pesticide depends upon the appearance of the specific pest/disease/weeds and in case such menace does not appear the pesticides remain unused. But the department of Agriculture has to remain ready with pesticide and equipment to combat such menace because it is not possible to arrange the input at the eleventh hours.

(i) The various expired pesticides like phosphamidon, Malathien, Endosulfan, Endrin, Dimethoate, Metasystox, Sevamol and Anthio worth Rs. 5809130/- were got chemically analysed from Govt./ Govt. lab. The results of the test reports of these pesticides were found to be satisfactory and were consumed in aerial spray on cash crop.

(ii) Various insecticides, fungicides, rodenticides which could found sale were sold to the farmers through our Agri. Dev. Officer (PP).

(iii) Weedicides like 2-4-D, Ayadex, Ansar, etc. worth Rs. 356715/- have leaked and there is no alternative except write off the value.

of these weedicides. Reasons for leakage can be (i) Leakage during transit. (ii) Due to carrosive action of chemical on containers.

- (iv) Various insecticides, fungicides, worth Rs. 44415/- have expired which could not be sold/used because of expiry of selflife of these items. According to insecticide Act 1968, these old expired items have to be destroyed whether by burning or dumping as they can't be sold/used."

During the oral examination on 16-10-79 the department promised to hold an enquiry into the circumstances under which the leakage of pesticides worth Rs. 356715/- occurred.

The Committee feel concerned over the loss of Rs. 3 57 lakhs arising from the leakage of pesticides. This loss appears to be the result of inadequate precautions and care on the part of departmental officials. The Committee recommend that the circumstances leading to this loss may be fully investigated and responsibility fixed on the defaulting officials as early as possible.

The Committee further recommend that the purchases of pesticides and their subsequent utilisation should be so regulated as to minimise the chances of their remaining unutilised after the expiry date.

- (vii) The department in their written reply to a question by the Committee relating to the recovery of taccavi loan stated as under :—

The work regarding recovery of taccavi loan is with the Revenue Deptt. Accordingly the files have already been deposited with that deptt. for recovery except for the year 1973-74. In that year the aerial spray on cotton was carried out on compulsory basis. Most of the farmers of Fatehabad and Sirsa area did not cooperate with the plant protection staff in connection with the preparation of the loanee files and as such the work was delayed. Now the files are almost completed and being deposited with the Revenue Deptt. The farmers who have been creating trouble will have to pay penal interest too for this intervening period. In view of the facts explained above, the work of recovery could not be carried out within the scheduled time. The farmers are themselves responsible for not paying the aerial spraying charges in time. Hence they will now be charged penal interest.

The Committee view with great concern the non-recovery of huge amounts of taccavi loans for the last several years and recommend that the cases of recovery be pursued by the Department vigorously and progress made in this behalf be intimated. The Committee also recommend that Agriculture Department should maintain a close liason with the Revenue Department so as to ensure prompt recovery of these dues. In future, files for creation of demand should be transferred to the Revenue Department promptly.

Paragraph 3.5.

#### Distribution of taccavi loans in the form of chemical fertilizers

6. Fertilizers, as taccavi loans were issued upto March 1971 on the authority of sanctions/permits issued by the Agriculture, Development and Co.

operation departments. The recovery of the loan was to be effected by the Revenue Department at the next harvest. The loan sanctioning/permit issuing authorities were expected to ensure that an applicant did not get loan beyond his needs and had the capacity to repay it. They were also required to satisfy themselves about the identity of the applicant through the Lambardar or the Sarpanch, and about the surety being a person of substance from whom recovery would be possible if it could not be made from the loanee.

A test check (March 1976) of the loans given upto 31st March 1971 in three districts (Hissar, Mohindergarh and Sirsa) disclosed the following :—

(1) Individuals to whom *taccavi* loans amounting to Rs. 1.76 lakhs (Hissar) and Rs. 0.38 lakh (Sirsa) had been given were reported to be not traceable.

(2) In twenty three cases of Hissar District (loans given : Rs. 0.14 lakh), the loanees as well as the sureties had disowned liability for the loans due to their not having received the loans or not having stood as sureties therefor. The cases were stated to be pending in courts of law (March 1976).

(3) Loans amounting to Rs. 0.30 lakh were disbursed during 1966-67 to 1970-71 in the Mohindergarh District but the demands had not been noted in the Revenue records (March 1976). Action for the recovery of the loans could not, therefore, be initiated by the Revenue Department.

The matter was referred to the Government in September 1976; reply is awaited (February 1977).

To a question by the Committee the department in their written reply stated as under :

“According to the instructions issued by Govt./Agriculture Deptt., permits for fertilizers *taccavi* were to be issued after verifying the identity of the loanees from Lambardar/Sarpanch/Revenue Patwari/Local Govt. servant. The permits were issued by the officials of Cooperation, Development and Agriculture Deptts. Every care was taken at the time of issuance of permits to ensure that the applicants did not get loans beyond their needs and also had the capacity to repay it. In addition surty from responsible persons having land and immovable property was to be taken in each case. There might be some instances in which prescribed procedure might not have been followed/by the permit issuing authorities. Such instances could happen where the permits issuance authorities had close contact with the loanee or his surty. In most cases, surities are available in cases where loanees are not traceable. Necessary action for the recovery of loan from the surities in such cases is being taken by the Revenue Deptt.”

During the course of oral examination on 23-10-79 the department promised to supply figures showing the number of persons against whom *taccavi* loans were outstanding togetherwith the amount involved in each case and also the number of such cases where loanees as well as sureties were untraceable. It was also promised by the Department, to supply a list showing the names of officials who were responsible for not maintaining the proper

record of disbursements of taccavi and also for not realising the said loans. The promised information was not supplied by the department till the writing of this report.

The Committee are distressed to note the non-compliance of the prescribed procedure by the loan sanctioning/permit issuing authorities resulting in the accumulation of heavy arrears and other complications. The Committee recommend that stern action be taken against the officials at fault. The Committee further recommend that the promised information be supplied to them without any further delay.

*Paragraph 5.6. Shortages*

7. (vi) Plant Protection  
Inspectorate, Sirsa—  
Rs. 0 27 lakh

Shortages of 32 cases of pesticides (24 cases of Dithane Z-78 of 25 kilograms each and 8 cases of Dimecron 100 % E.C. of 15 litres each, together valuing Rs. 0.27 lakh) in the stores of the Plant Protection Inspector, Sirsa were reported on 30th August 1974 by a Storekeeper who took over charge of the stores from another Storekeeper. A departmental enquiry was conducted in November 1974. The case was reported to the police authorities in March 1976 for registering a case against both the Storekeepers. Further developments are awaited (February 1977).

The department in their written reply to a question by the Committee stated as under :—

“Physical verification of store was conducted on 25-5-74 and no/shortage was found.

The departmental enquiry was conducted by Shri N.D. Bhagat the then A.A.O.(PP). According to the enquiry report a case was registered with the Police against both store-keepers. The Police has completed the investigation and has reported the case untraced (See Annexure 'B').

The A.P.P.O. Sirsa checked the store accounts register and found that 21 litres of Dimecron valuing Rs. 2260.65 was found transferred to A.D.O. Sirsa from the stocks of PPI Sirsa. But the transfer entry was not recorded in the stock register of PPI Sirsa. Shri Raj Singh store-keeper had included this pesticide in his charge report handed over on 3-8-79. While the cost of 21 lit. Dimecron had already been deposited into the treasury on 21-6-74. Thus there is now shortage of Rs. 24741.35 for which responsibility is being fixed. The matter has been investigated by the A.P.P.O. Sirsa. As per his report there was no shortage. The shortage occurred during handing over the charge by Sh. Raj Singh to Shri Chhajju Ram in between 25-7-74 to 3-8-74.”

During the oral examination on 24-10-79 the department told the Committee that departmental enquiry would be held in the case for fixing the responsibility for the shortage.

The Committee fail to understand as to why the case was reported to the police after more than one year of the departmental enquiry into the matter. This obviously is a serious lapse on the part of the department.

The Committee would like to be apprised of the results of the departmental enquiry in the case and also recommend that cases of this nature should be dealt with more promptly.

*Paragraph 6.23. Seed Depot Scheme.*

8. A Scheme for procurement of improved seed from open market, registered growers and departmental seed farms, was started in 1926 with the object of distributing the same to the cultivators. The scheme was to run on "no profit no loss" basis. Government declared the scheme as commercial in 1926. There is one seed depot in each district under the charge of a Deputy Director of Agriculture.

(1) *Working results*

Prior to September 1969, seed used to be sold through non-official agents/co-operative societies on commission basis. After 1969, seed is sold on cash basis through Agricultural Inspectors posted in the block areas.

(a) Consolidated *proforma* accounts of the Scheme have not been prepared by the Department since the formation of Haryana in November 1966. Even district-wise quantitative *proforma* accounts have been prepared only upto 1973-74. The table below summarises (i) the quantitative account of seeds purchased and sold and (ii) value of seeds sold, amounts deposited into treasury and outstanding at the end of each of the four years up to 1973-74 :

(i) <i>Particulars</i>	1970-71	1971-72	1972-73	1973-74
	<i>(in quintals)</i>			
Opening Stock	14,127	14,850	19,533	13,482
Purchases	27,985	26,615	20,215	13,604
Receipt by transfer, etc.	18,264	14,875	12,614	9,791
Total	60,376	56,340	52,362	36,877
Sale	27,093	21,472	25,582	16,349
Issue by transfer, etc.	18,293	15,162	12,700	11,029
Shortages	138	152	245	127
Closing balance	14,852	19,554	13,835	9,372
Total	60,376	56,340	52,362	36,877
	<i>(in lakhs rupees)</i>			
(ii) Sales of the year	49.27	36.54	42.84	35.63
Deposits against the sales of the year	45.30	35.59	41.91	34.21
Outstandings of the year	3.97	0.95	0.93	1.42
(iii) Outstandings of the previous year	19.33	18.34	17.87	16.69
Deposits against the previous years outstanding	1.08	1.45	1.94	0.99
Balance outstanding	18.25	16.89	15.93	15.70

Note : The variation in the figure of opening and closing balances each year was due to non-reconciliation of inter-block and inter-district transfers.

It may be observed from the above that—

(i) the closing balances of stock were heavy;

(ii) the amounts remitted into treasury were less than the sales made during the year, which shows that either all receipts were not being remitted into the treasury regularly or sales were being made on credit.

(b) As on 31st March 1971, Rs. 14.92 lakhs were outstanding for recovery from co-operative societies/commission agents for the period 1957-58 to 1969-70. Against this, Rs. 4.15 lakhs had been adjusted/recovered upto 31st March 1976, leaving a balance of Rs. 10.77 lakhs as per the details given below :—

<i>Recoverable from</i>	<i>Amount (in lakhs of rupees)</i>
(i) Commission agents	3.28
(ii) Agriculture co-operative societies	4.74
(iii) Marketing co-operative societies	2.08
(iv) Government officials	0.67
Total	10.77

It was stated (November 1976) by the Department that the matter was being referred to the Co-operation Department for help in effecting recoveries from co-operative societies and that action had been taken against Government officials.

Further progress of recovery is awaited (February 1977).

(c) It was also noticed that sale proceeds of seed by Agricultural Inspectors aggregating Rs. 3.24 lakhs were deposited late, the delay in depositing the amounts ranging from one month to one year. It was stated (November 1976) by the Department that provision for charging 9 per cent interest had once been made to discourage the tendency of late deposit.

## (2) *Old seed*

As on 31st March 1974, seeds valuing Rs. 4.71 lakhs were lying in four districts for more than 2 years. In two other districts, seeds more than three years old, valuing Rs. 2.47 lakhs were lying in stock as on 31st March 1975. Progress regarding disposal of the old stock is awaited (February 1977).

## (3) *Non-reconciliation of stores*

There was no system of reconciliation of balances shown in the central stock registers maintained at the district headquarters with those shown in the books of the Agricultural Inspectors. The table below indicates the details of difference as on 31st March 1974, which are yet to be reconciled (January 1977).

Item	Balance as per the stock registers of Inspectors	Balance as per the central stock re- gisters  (in quintals)	Difference	Approximate rate per quintal (Rs.)	Value of difference (in lakhs of rupees)
Wheat	854.28	1,389.99	535.71	100 00	0.54
Paddy	368.70	584.61	215.91	140.00	0.30
Maize	9.38	126.38	117.00	145.00	0.17
Bajra	466.73	699.31	232.58	650.00	1.51
Gram	4.25	105 05	100.80	92 00	0.09
Cotton	258.08	123 85	865.77	150.00	1.30
Dhaincha	34.01	117.63	83 62	52 00	0.04
Empty gunny bags (all sizes and in numbers)	53,493	1,07,020	53,527	1.00	0.54
				Total	4.49

To the questions by the Committee the Department in their written reply explained the position as under :—

This scheme was initiated in erstwhile Punjab. Under this scheme Department was required to procure seeds and sell them to the farmers on no profit no loss basis. Initially, in the year 1967-68, the entire work was centralised with the Deputy Director of Agriculture, Hansi to procure seeds on behalf of all the districts and distribute them according to the requirement. After 1968-69, the scheme was decentralised and each Deputy Director of Agriculture was authorised to procure and sell seeds in respect of his district.

Under the Seed Depot Account Rules, the Agriculture Inspectors were required to render their accounts to the Deputy Director of Agriculture immediately after the close of the financial year. These accounts were to be audited by the A.G. and subsequently consolidated for the entire State and sent back to A.G.

Unfortunately, however, this procedure was not scrupulously observed. The chief reason was that the Inspector who was the basic agency for sale of seeds, had no clerical staff whatsoever to help him in maintenance of accounts.

Secondly the proforma accounts suggested by the A.G. can only be made if the result of previous years in each case is known. In this particular

case on the formation of Haryana on 1-11-66 no accounts were maintained in erstwhile Punjab previous to this date and made available to Haryana. Efforts have since been made continuously but still the position prior to 1-11-66 is not known. As a result of this, proforma accounts have not yet been consolidated.

Proforma accounts in all the districts have been prepared upto 1976-77, and A.G. Haryana has been asked to conduct audit of these Seed Depot Proforma Accounts. Proforma Accounts for the years 1977-78 and 1978-79 are under preparation and are likely to be completed shortly.

(ii) Concrete steps for preparation of proforma accounts have been taken and a Date Bound Programme was prepared. Officers from the Directorate were specifically deputed for supervising and accelerating the work. The progress as indicated above is satisfactory.

Details of district-wise proforma accounts prepared upto—date are given as under alongwith latest yearwise figures :—

District	1974-75		1975-76		1976-77		1977-78	
	Income	Exp.	Income	Exp.	Income	Exp.	Income	Exp.
1. Ambala			377560	350000	188690	420000	94250	55000
2. Karnal			935260	115530	457300	652600	121000	652660
3. Rohtak			809320	99964	466790	949550	59938	34240
4. Kurukshetra			—	—	341300	139480	105350	1840
5. Sonapat	2095000	900000	548050	200000	366370	177000	67470	12730
6. Hissar			464440	69980	362310	662830	260470	364200
7. Sirsa			870230	599780	188100	182510	62970	899990
8. Mohindergarh			884140	826790	295000	467500	123020	82800
9. Bhiwani			—Not Available—					
10. Jind			751850	70240	358150	206000	98320	4400
11. Gurgaon			—Not Available—					

(iv) Seeds like Cotton and Kharif pulses etc. are procured during the months of January, February and March every year and sold in the following financial year. The sale proceeds are deposited in Treasury as soon as the seeds are actually sold. Secondly in the earlier years heavy advances for the purchase of Hybrid Bajra and Maize seeds has to be deposited with the National Seed Corporation for ensuring firm supply of seeds as per their terms.

(v) While fixing sale rates of various seeds every care is taken to avoid any loss. However, losses do occur under abnormal circumstances when certain unsold stocks are left over. However, assessment at the State as well as district level is monitored through monthly and annual seed sale and stock record, which is based on the record being maintained in each district in the prescribed proforma/Registers.

(vi) Annual physical verification of stock is regularly conducted at each functionary level. The shortfalls/outcome are carefully taken care of. Every delay in the deposits of Seed Depot income is seriously viewed. Outstanding recoveries relating to earlier years relate to seeds sold through Co-



operative Sectors. Various steps at the level of Central Cooperative Bank and Registrar Cooperative Societies have been taken for effecting recoveries. Instructions like disbursement of salary only after verifying the deposit of sale proceeds are issued from time to time.

(vii) Earlier closing stocks mainly relate to Hybrid Bajra seed which figure due to vagaries of season. Major carry-over stocks have already been disposed of after verifying their germination capability in the possible economic way.

The present closing stocks of various seeds are as under :-

1. Paddy	Nil
2. Bajra (HS-I)	133
BJ-104	15
PHB-14	194
3. Maize	Nil
4. Cotton	119
5. Kh. Pulses	Nil
6. G-Nut	24
7. Dhaincha	Nil
8. Wheat	Nil
9. Gram	Nil
10. Barley	Nil
11. Rabi Oil seeds	Nil

(Above balances relate to the year 1978-79)

Recovery of about Rs. 68,281/- has been effected upto 1976-77 and steps are continuing for effecting remaining recoveries from various agencies.

The major recoveries relate to Agents of Co-operative Societies. These recoveries, till finalisation, audit of seed Depot Accounts are not forthcoming.

The tendency to deposit the sale proceeds late has been curbed and instructions have been issued for releasing pay after verifying that the sale proceeds are timely deposited. No instances of late remittance have come to the notice of this office.

During the oral examination on 24-10-79 the department promised to supply a statement showing the break up of Rs. 67,000 recoverable from the Government officials and the action taken against the officials found responsible therefor. The promised information was not supplied to the Committee till the writing of the Report.

The Committee regret the lack of genuine efforts by the department to prepare the Consolidated Proforma Accounts of this scheme. The figures given in the departmental reply only represent the Income and Expenditure transactions and do not reflect the working results to show whether the scheme has been running on profit or loss. The non-availability of figures as on 1-11-66 should not pose any problem in the preparation of Consolidated Proforma Accounts as the ground balances could be adopted for this purpose instead of allowing these Accounts to remain in arrears for an indefinite period. The Committee urge that concerted efforts should be made to recover the heavy arrears outstanding against the various agencies towards the sale of seeds to them.

The Committee also observe that no tangible action was taken to reconcile the differences between the quantities shown in stock registers of Agriculture Inspectors. Immediate action should be taken to reconcile these discrepancies and the Committee apprised of any shortages coming to notice as a result thereof.

The Committee also desire that the promised information regarding breaks up of Rs. 67,000/- be supplied to them without any further delay.

The Committee also recommend that the Department should ensure that the sale proceeds are invariably deposited into Government Treasury immediately after their receipts.

## INDUSTRIES

### *Paragraph 3.6. Extra Expenditure*

9. On receipt of an indent on 13th December 1972 from the Locust Control and Plant Protection Officer, the Controller of Stores invited tenders for the purchase of Aldrin 30% E.C. The tenders were opened on 22nd January 1973. The rates offered by the lowest tenderer were Rs. 12.25 per litre in 1 litre packing, Rs. 10.95 per litre in 5 litres packing and Rs. 10.90 per litre in 20 litres packing, plus sales tax. The rates offered were valid upto 22nd March 1973. The Controller of Stores sought Government's approval to acceptance of the rates of the lowest tenderer on 19th February 1973 which was accorded on 23rd March 1973. A rate contract valid for one year was issued to the firm by the Controller of Stores on 27th March 1973.

On the basis of this rate contract, an order for the supply of 7,000 litres Aldrin 30% E.C. was placed on 3rd July 1973 by the Locust Control and Plant Protection Officer but the supplies were not made by the firm. The Controller of Stores issued notice to the firm on 24th August 1973 for the completion of supply of 7,000 litres within fifteen days failing which risk purchase would be effected. The firm stated on 29th August 1973 that its offer was valid upto 22nd March 1973 and since acceptance of the offer was issued after the expiry of the validity period it was not responsible for making supplies or for making good any extra expenditure to the Government.

The department thereupon purchased 16,972 litres Aldrin 30% E.C. between September 1973 and January 1974 in packings of 1, 5 and 20 litres at higher rates (Rs. 17.50, Rs. 16.00 and Rs. 15.50 per litre respectively). The delay in acceptance of the offer thus entailed an extra expenditure of Rs. 0.86 lakh.

The matter was referred to the Government in September 1976; reply is awaited (February 1977).

In reply to the questionnaire issued by the Committee the Department stated as under :—

"In this case tenders were invited and opened on 22-1-73. After scrutiny of the offers and processing of the case, in the office of the Controller of Stores, Haryana, Chandigarh it was sent to the Govt. in the Industries Department, on 19-2-1973, for approval. Validity of the rates was upto 22-3-1973. The approval of the Government was received on 23-3-73 in this office when the validity had already expired a day before i.e. on 22-3-1973. As such the acceptance of detailed rate contract could not be issued to the party within the validity period of the firm. Sh. T.L. Dewan Asstt. Store purchase Officer who was dealing with the case has retired from the Govt. Service and has also died."

The Committee are constrained to observe that the Department failed to process the tenders within due time and convey its acceptance to the lowest tenderer before the expiry of the validity period specified by it, resulting in an avoidable expenditure of Rs. 0.86 lakh and consequent loss to the State Govt.

The Committee recommend that the deptt. should avoid such lapses in future and make all out efforts to finalise the tenders within the validity periods offered by the firms. Wherever it is not possible to do so, extension in the validity period should be obtained well in time, otherwise such instances will be viewed seriously by the Committee. Apart from this, the Committee have also noticed some more cases where the Govt. was put to unnecessary extra expenditure due to non-completion of the requisite formalities before the validity dates had expired. The Committee would like that the Deptt. should take suitable steps to streamline the existing procedures to eliminate bottlenecks and to avoid these cases in future.

#### *Paragraph 3.11. Purchase of Mono-metal*

10. The Controller of Stores placed an order on firm A on 6th March 1973 for the supply of 5 tonnes mono-metal at Rs. 8,100 per tonne (F.O.R. destination). The supply was to be made to the Printing and Stationery Department. The supply offered was inspected at the firm's premises and samples were drawn for testing (April 1973). The test reports by a Government Institute and a recognised institute showed that the supply was not upto the specifications. Instead of pressing the firm to supply the material as per prescribed specifications, the Controller of Stores cancelled the order on 11th July, 1973.

Quotations were re-invited on 17th July, 1973. The lowest offer did not conform to the specifications. The second lowest offer of Rs. 9,990 per tonne from firm A supported by a test report was ignored on account of past performance, and the third offer of Rs. 10,359 per tonne from firm B was recommended to Government for approval (it was not supported by a test report). The Government did not approve of the proposal and all the offers were consequently rejected.

On 31st October 1973, the Indenting Officer stressed his urgent requirement of 2 tonnes. Quotations were thereupon again invited (31st October 1973) without test reports and an order was placed on 11th December 1973 on firm A at Rs. 10,050 per tonne which was duly executed in January 1974. Tenders, without test reports, for the balance requirement of 3 tonnes were refloats in

June 1974 and an order was placed on 9th August 1974 on firm B at Rs. 14,389 per tonne which was executed in December 1974.

Cancellation of the order placed on 6th March 1973 on firm A, and placement of orders on firms A and B in December 1973 and August 1974 respectively, involved an extra expenditure of Rs. 0.23 lakh.

The matter was referred to the Government in September 1976 ; reply is awaited (February 1977).

The Committee asked for information on the following points :—

- (i) Why was the order placed on firm A cancelled instead of pressing the firm to supply the material as per prescribed specifications.
- (ii) What were the exact grounds for the rejection of the subsequent offer of Rs. 9990/- by firm A and the third/lowest offer of Rs. 10359/- by firm B in July, 1973. How did the performance of the firm A improved by 11th December, 1973 when the order for two tonnes was placed on it at Rs. 10050/- per tonne.
- (iii) Why were tenders reinvited for the balance quantity of 3 tonnes and order placed on firm B at still higher rate of Rs. 14389/-. Was the possibility of purchase of this quantity from firm A considered when its rate was lower ?

The department in their written reply stated as under :—

No doubt a proposal was sent to Govt. by this office for rejecting the offer of M/s. Arora Metal Co; Rohtak because this firm could not supply this material in question according to the required specifications against supply order No. 236 dt. 6-3-73 but Govt. did not approve the suggestion of this office and desired to give equal opportunity to all the firms by re-inviting rates without test report (if the same was not required). The rates were therefore, re-invited without asking for the test report. This office recommendations for rejecting the offer of M/s. Arora Metal Co; Rohtak were based on the failure of this firm to supply the goods as per required specifications against supply order No. 236 dt. 6-3-73. In case the offer of this firm was again accepted without any time gap, it would have rejected in the first instance. The offer of this firm was accepted after a time gap of about 9 months. The second order was placed with the said firm on the merits of the case because they had quoted the lowest rates. The material was purchased as per original specifications.

In this behalf it may, however, be made clear that in the first instance the Indenting Officer had sent indent of 5 M.Tons. Subsequently, he curtailed his requirement to two M.Tons. Quotations were, therefore, invited for 2 M. Tons Monometal & the lowest offer @ Rs. 10,050/- per M.Ton as accepted as per rules.

A fresh requirement of 3 M.Tons Monometal was received much later i.e. after about 5 months of the placing of supply order. Since the demand for 3 M. Tons was received in a separate case, therefore, the two cases cannot be interlinked. Tenders through press advertisement were invited for the supply of 3 M.Tons Monometal separately (in a separate case) which was opened on 8-7-74 and supply order for the requirement in question as placed on 9-8-74

Tenders were, therefore, not re-invited for the old requirement but tenders were called only once on receipt of fresh indent from the Indenting Officer on 14-5-74. The Indenting Officer did not make reference of any of the previous case and therefore, the plea of the audit that the tenders were re-invited and order was placed on the higher rates is incorrect. The fresh indent of 3 M.Tons was received after about five months of placing of supply order (of two M.Tons) with M/s. Arora Metal Co ; Rohtak & therefore, even the possibility of placing repeat order could not be considered. According to Rules, repeat order could be placed within a period of 2 months of the issue of the initial order.

The Committee do not feel satisfied with the arguments advanced by the deptt. regarding the cancellation of the first order on firm A and for not accepting offers on the second occasion. The Committee deplore the casual manner in which this case seems to have been handled by the Controller of Stores. The Committee do not find any justification in cancelling the original order of 6th March, 1973 without asking the firm A to supply the material as per the prescribed specifications. It also appears that the offers received in reply to the second enquiry were rejected without proper thought. If the performance of firm A was not found satisfactory in July, 73, how could it be considered satisfactory in December, 73 i.e. after about only 5 months. This firm had duly executed the order placed on 11th Dec. 73 at higher rate.

The Committee also feel that there was no reason whatsoever for refloating tenders for 3 M.T. of mono-metal when the original demand of the indenter was 5.M.T.

The Committee recommend that the case may be investigated in detail and responsibility for extra expenditure fixed on the defaulting officials, under advice to the Committee.

*Paragraph 3.12. Withdrawal in advance of requirement.*

11. According to the rules, moneys required for immediate disbursement should only be withdrawn from the treasury. Any sum remaining unspent should be promptly refunded into the treasury. A sum of Rs. 32.28 lakhs was withdrawn by the Directorate of Industries on the 31st of March 1975 for payment of outright capital subsidy for setting up new industrial units/expansion of existing industrial units in backward districts/areas and for subsidy on purchase of generating sets by industrial units. A sum of Rs. 0.05 lakh was refunded into the treasury in February 1976. Rupees 2.11 lakhs were disbursed within three months of drawal, Rs. 1.07 lakhs within 3-6 months; Rs. 0.05 lakh within 6.12 months and Rs. 13.00 lakhs after one year of the drawal. Rupees 16.00 lakhs were advanced to the Haryana Financial Corporation in April, 1975 for being paid as subsidy on purchase of generating sets by industrial units. The department stated (December 1976) that about a dozen applications had been received by the Corporation for the purpose and the balance after meeting the subsidy element would be refunded into Government treasury.

The matter was referred to the Government in September 1976 ; reply is awaited (February 1977).

In reply to the questionnaire issued by the Committee the Department stated as under :—

- (i) Regarding drawal of Rs. 32.28 lacs on 31-3-1975, it may be stated that a sum of Rs. 16.28 lacs was drawn under the Central Investment

Subsidy Scheme. This amount was required for disbursement to the parties whose cases had been sanctioned by the State Govt. during the year 1974-75. Regarding second amount of Rs. 16.00 lacs, it was drawn for the disbursement of generating sets subsidy, the position has been explained in the subsequent paras (ii) & (iii) below

- (ii) Regarding disbursement of Rs. 13.00 lacs after a year of drawal, it is stated that disbursement to units who avail of financial assistance from H.F.C. is made through them and the completion of formalities took time.

Broadly the terms of payment are that the parties are required to remain into production for a minimum period of 5 years after disbursement of subsidy. Further they are required to give security of 1½ times of the subsidy amount involved, in cases where the units obtain this facility direct from the department and in other cases where the units obtain financial assistance from H.F.C, the Department keeps the second charge on the assets mortgaged with H.F.C. H.F.C. releases subsidy alongwith loan in instalment, and as such, it takes time.

It may be stated that the amount which was placed at the disposal of the Corporation for disbursement was kept in a Saving Bank Account and interest accrued thereon was duly deposited into Government Treasury.

Para (ii) and (iii). There was an acute power crisis in the year 1974-75. In order to meet the power shortage being faced by the industrial units, the State Government decided to introduce the scheme for the grant of 20 % subsidy to S.S.I. units for the purchase of new generating sets. Since the power cuts imposed by the State Government were almost 80%, it was anticipated that a large number of small scale units would purchase generating sets and avail of 20 % subsidy. The decision to implement the scheme was taken in the last week of March, 1975 and an amount of Rs. 16 lakhs was got reappropriated under the scheme with a view to meet the expected requirements. As such an amount of Rs. 16 lakhs was drawn and placed at the disposal of H.F.C. for disbursement to industrial units. However, the finalisation of terms and conditions took quite sometime and these could be finalised in the last quarter of 1975-76 and by this time the power difficulty had eased. As a result, only 14 applications were received by the H.F.C. for the grant of this subsidy. Since the amount involved was not much, it was deemed fit to refund a sum of Rs. 12 lakhs into Govt. treasury. The amount was actually refunded on 25-1-1977 and 22-3-1977 alongwith interest, which had accrued thereon till then. Out of the remaining Rs. 4 lakhs, a sum of Rs. 3,45,241/- has already been disbursed to 19 S.S.I. units till date. Applications for a further amount of Rs. 2.11 lakhs are under process and after utilising the balance amount of Rs. 54,758, a further amount of Rs. 1,56,000/- would still be required to dispose of the pending applications.

The Committee do not agree that the drawal of funds from Govt. treasury without its being required for immediate disbursement was necessary on any grounds. There was obviously no justification for withdrawing large amounts.

of money out of Govt. funds when the requisite formalities for their disbursement were yet to be finalised. The Committee recommend that this practice should be stopped and money should be withdrawn from the Treasury in future only when it is required for immediate disbursement.

## MEDICAL AND HEALTH

### Paragraph 3.14. Family planning programme

12. Important points noticed during test check (April 1975-May 1976) of the accounts of the Chief Medical Officers (Family Planning), Bhiwani, Gurgaon, Hissar, Jind and Rohtak are mentioned below :—

(a) In the Gurgaon District, 6,449 cases of loop insertions (fees paid : Rs. 0.97 lakh) were shown to have been performed during August 1971 to March 1975 as per intra-uterine device register maintained in the office of the Family Planning Officer, Gurgaon. The number of loops issued was, however, only 2,920. Fees paid for 3,529 unaccounted cases of loop insertions at the rate of Rs. 15 per case amounted to Rs. 0.53 lakh.

(b) The departmental instructions prescribe maintenance of a survey register for each village/locality for watching progress of sterilization/intra-uterine device cases, and also to ensure genuineness of the cases. Such registers were not maintained in 4 districts, namely, Bhiwani, Gurgaon, Hissar and Jind during 1973-74 and 1974-75. In the absence of survey registers, the correctness of disbursement of Rs. 4.47 lakhs in connection with sterilization/intra-uterine device cases could not be verified. Again, in the districts of Bhiwani, Gurgaon and Hissar, cases of sterilization/intra-uterine device from other States, involving an expenditure of Rs. 0.50 lakh, were shown to have been performed during 1974-75 without reference to any survey registers or certificates from the Family Planning Officer of the areas where the volunteers were ordinarily-residing. The correctness of payments in these cases could not also be verified.

(c) Medicines valuing Rs. 2.72 lakhs issued from central stocks of the District Family Planning Officers to the subordinate offices during 1973-74 and 1974-75 were not accounted or were short-accounted in the stock accounts of the latter.

Similarly, medicines valuing Rs. 0.21 lakh issued by the Family Planning Bureau, Chandigarh to the various District Family Planning Officers during 1973-74 to 1975-76 were not accounted for or were short-accounted in their stock registers.

(d) Three chassis costing Rs. 0.90 lakh were sent by the Director, Health services, to the Nengal Workshop (run by the Bhakra Management Board) in October 1971 for fabrication of audio-visual bodies. Two vans were returned by the workshop after fabrication in October 1972. The third van completed by the workshop in December 1972 was still (November 1976) lying with the workshop reportedly owing to non-settlement of claim of the workshop for about Rs. 800.

(e) A contingent bill was originally prepared and passed by the Family Planning Officer, Rohtak for Rs. 60 in September 1974. The figure of Rs. 60 was subsequently changed to Rs. 6,00 and the amount embezzled after

encashment of the bill from the treasury. The official responsible for preparation of the bill and its encashment was suspended. The case was under investigation by the department (November 1976).

The matter was referred to the Government in October 1976; reply is awaited (February 1977).

(a) To the questionnaire issued by the Committee the Department in their written reply stated as under :—

“As per records available in the office of District Family Welfare Officer, Gurgaon, 10700 loops, as per details given below, were received by them from 1971 to 3/75 from Health Directorate and the same were distributed amongst the Primary Health Centres and Hospitals :—

14-2-72	2000	Loops
24-4-72	5000	„
26-11-76	500	„
1-1-75	700	„
21-1-75	2500	„
Total :	10700	

Balance in stock before 14-2-72—1080

Grant Total : 11,780

Thus 6449 loops were inserted correctly during the above mentioned period and the payments made accordingly. Hence no excess payment was made.”

The Committee do not feel satisfied with the reply furnished by the Department. They regret to observe that the Department took as long as four years to come forward with the above reply. They should have satisfied the audit when the inspection note or the draft audit para was sent to them by the audit.

The Committee recommend that the Department should reconcile the figures with the audit and intimate the Committee of the outcome thereof without any further loss of time.

(c) In their written reply the deptt. stated that out of the short accountal of articles worth Rs. 2.72 lakhs stock entries of articles worth Rs. 56,832 had since been traced out and got checked from Audit. Out of the remaining articles valuing Rs. 2.15 lakhs stock entries of articles for Rs. 1.81 lakhs had also been traced out and that orders for either tracing out the stock entries of remaining articles or effecting recoveries of cost thereof had since been issued.

During oral examination, it was stated by the departmental representative that they had decided to conduct cent per cent checking of stores.



The Committee recommend that cent per cent checking of the stocks be conducted as expeditiously as possible and the results thereof intimated to the Committee.

(e) The Department in their written reply stated as under :—

“Departmental enquiry has been completed and the following persons have been held responsible for the embezzlement :—

*Shri Rajinder Kumar Gupta, Clerk* who has been held responsible for fictitious preparation of bill, is under suspension and the case is in the Court.

*Shri S.S. Singla, Accountant* who has been held responsible for non-reconciliation of drawal with the treasury schedules and failure to point out the fraudulent excess drawal of amount to the authorities. His increment has been withheld without cumulative effect for this default on his part.

The case is in the court and further action will be taken in the light of the decision to be taken by the court.

The responsibility for the lapse on the part of D.D.O. will be fixed after the decision of the court.”

The Committee recommend that progress of the case pending in the court be intimated to them after every three months. The Committee be also informed about the decision taken by the Department with regard to the lapse on the part of D.D.O.

#### *Paragraph 3.16. Time barred Medicines*

13. In the Civil Hospital, Sonapat, certain medicines valuing Rs. 0.21 lakh were in stock in July 1973. Further stocks of these medicines costing Rs. 0.15 lakh were acquired in July 1973. Out of the total available stock of Rs. 0.36 lakh, medicines valuing Rs. 0.15 lakh were consumed upto August 1974 leaving a stock of Rs. 0.21 lakh, which was unuseable because of the expiry of its life. The department stated (June 1976) that the possibility of those medicines being transferred earlier to other hospitals and dispensaries could not be considered as the matter was not brought to the notice of the appropriate authorities.

The matter was referred to Government in September 1976; reply is awaited (February 1977).

In reply to a question by the Committee as to who were responsible for not bringing the matter to the notice of the appropriate authorities for transferring these medicines to other hospitals before their expiry date the Department stated in their written reply that the responsibility was being fixed.

The Committee are distressed to find that the deptt. could not complete the enquiry and fix responsibility in this case so far even though the omission was pointed out by audit over 3 years ago. The Committee regret the apathy shown by the Deptt. more so when it involves hazard to human life.

The Committee recommend that the enquiry in the case be finalised without further delay and suitable action taken against the erring officials.

#### 14. Paragraph 5.6. Shortages

(vii) Civil Hospital,  
Sonepat—  
Rs.—0.18 lakh

Shortages of stores including medicines valuing Rs. 0.18 lakh were noticed at the time of change in the incumbency of the Pharmacist of the Civil Hospital, Sonepat in October 1974. The department stated (August 1976) that dues of the official have been withheld pending investigation. Further developments are awaited (February 1977).

To a question by the Committee the department stated in their written reply as under :—

“The physical verification of stores maintained by Sh. Ram Nath Magho, Pharmacist was got conducted in January, 1976 and as a result thereof, more shortages of Rs. 4069 90 P and 6000/- respectively in respect of medicines in Civil Hospital Sonepat and stores of Family Planning Account were found respectively.

Necessary investigations are being carried out. Action against the delinquent official/officer will be taken soon after the enquiry is finalised.”

During oral examination, the departmental representative admitted that there was delay in completing investigation in this case and promised to expedite the same.

The Committee deplore the delay of about 5 years in completing the enquiry after the shortages came to notice and the official at fault has also retired from Govt. service in the meantime.

The Committee desire that enquiry in this case be completed at the earliest and action taken against the delinquent official/officer be intimated to the Committee within three months.

The Committee would also like to know as to why physical verification of stores could not be conducted on proper time and who was responsible for the omission.

### CIVIL AVIATION

#### Paragraph 7.3. Aviation club Hissar & Karnal

15. The Hissar Aviation Club, Hissar was registered in March 1965 under the Societies Registration Act, 1860.

The Karnal Aviation Club, Karnal was similarly registered in November 1966.

The affairs of the clubs are managed by a Managing Committee through its Secretary/Honorary Secretary. The accounts of the clubs are audited by

Chartered Accountants who have audited accounts upto the year 1975-76 (Hissar) and 1974-75 (Karnal). Between 1971-72 and 1974-75, grants given to the two clubs by the Government of India and the State Government were as under :—

Name of the club	Grants given by	
	Government of India	State Government
	(in lakhs of rupees)	
Hissar Aviation Club	4.89	6.76
Karnal Aviation Club	2.30	4.89

The grants by the Government of India were to enable the clubs to provide flying facilities to its members on payment of charges at rates prescribed by the Government. Similarly, grants by the State Government were made to enable the clubs to meet their expenses.

A test check by Audit (March 1976 to May 1976) disclosed the following points :—

**(b) Karnal Aviation Club**

(i) The club had been providing flying facilities to the cadets of the National Cadet Corps at Karnal. Rupees 0.77 lakh were paid to the club by the National Cadet Corps between 1969-70 and 1973-74; Rs. 0.40 lakh were accounted for in the accounts of the club (upto January 1974) leaving a balance of Rs. 0.37 lakh unaccounted for.

(ii) Flying charges amounting to Rs. 0.11 lakh (for 1973-74) were not recovered from the parties concerned.

(iii) According to the daily petrol and oil registers, cash sales amounting to Rs. 0.36 lakh were made to the visiting aircrafts during 1966-67 to 1973-74, but Rs. 0.18 lakh only were accounted for in the accounts upto 31st March 1974.

(iv) According to the agreement between the Director General, Civil Aviation and the club, the latter had to recover from members all charges in respect of membership, flying facilities, etc., in advance and no credit whatsoever in respect of any facility could be made available. As on 31st March 1974, a sum of Rs. 0.39 lakh was, however, shown as unsecured dues from the members although all such charges due from members were recoverable in advance. The amount continued to remain outstanding (February 1976).

The department stated (November 1976) that the above cases had since been reported to police; further developments are awaited (February 1977).

(b) To the questionnaire issued by the Committee the department in the written reply stated as under :—

The Karnal Aviation Club has referred the matter relating to the short

accountal of cash pertaining to this audit para to the Police for investigation. The Police had registered a case vide FIR No. 347, dated 19-4-1975 under section 409 of Indian Penal Code at Police Station, Sadar, Karnal. The said case is at present under trial by the court at Karnal and as such, the matter is subjudiced. S.P. Karnal and the Karnal Aviation Club, Karnal are being regularly reminded to pursue the case. The Karnal Aviation Club has intimated that Sh. Nathi Ram, Former Assistant Secretary of the Club has been named as accused in this case. The concerned para of the Audit Inspection Report has also been sent to the Police by the Karnal Aviation Club vide their letter No. KAC/76/164, dated 18-2-1976 as a case of suspected embezzlement. The matter is still under investigation by the Police. The responsibility for non-recovery of the flying charges would be fixed after the completion of police investigations.

The Committee would like to be informed about the decision of the Court in this case.

## REVENUE

### *Paragraph 3.13. Overpayment of Compensation*

16. In February 1966, the Government sanctioned to two claimants payment of compensation amounting to Rs. 25,455 in lieu of *jagir* resumed in Karnal District under Section 3 of the Punjab Resumption of Jagirs Act, 1957. The compensation was payable in ten annual instalments and an interim payment amounting to Rs. 12,409 made in 1961-62 in pursuance of the court order was deductible. The claimants had been paid upto 18th December 1973 an aggregate amount of Rs. 35,090 including the interim payment of Rs. 12,409. This involved overpayment of Rs. 9,635. On Audit pointing it out (March 1976), the Government ordered (July 1976) its immediate recovery. Further information is awaited (February 1977).

In reply to the questionnaire issued by the Committee the department stated as under :—

- (i) The matter has been enquired into by the D.C. Karnal and it has been found that the excess payment was made by Sh. Narain Chand the then dealing clerk of the D.C.'s Office Karnal. The reasons of this excess payment as explained by Sh. Narain Chand are that S/Shri Joginder Singh, the then dealing clerk of the Tehsil Office Karnal, and Amur Chand, the then Saddar Jagir Clerk of the Saddar Office, did not mention the amounts paid to this Jagirdar in the relevant record, during the period prior to 1972. Had they mentioned the payments made to this Jagirdar in the relevant Form B&C (compensation Jagir Register), then there was no cause of excess payment in the year 1972-73 through Shri Narain Chand. Sh. Amur Chand, the then Saddar Jagir Clerk, has since been retired from service and no action against him at this stage can be taken. Sh. Joginder Singh, the then Jagir Clerk, Tehsil Office, Karnal, has since been transferred from Karnal Distt. to Kurukshetra Distt. and the Deputy Commissioner Kurukshetra has been asked to take suitable action against this official.

- (ii) In this case in all Rs. 9634.79, were paid in excess to the Legal heirs of Sh. Gurinder Singh formerly Jagirdar of village Shamgarh and out of this amount, the sum of Rs. 9382.58 has been recovered from them and deposited in the treasury. Only a sum of Rs. 252.21 are outstanding and stern action to recover the said amount is being taken by the Deputy Commissioner Karnal.

In reply to a question during the course of oral examination on 18-9-79 as to whether any action has been taken against the supervisory staff and as to whether any officer(s) official (s) was held responsible for the over payment the departmental representative informed the Committee that an enquiry had been held and on the basis of the findings of that enquiry responsibility would be fixed.

The Committee would like to know the action taken against the concerned Jagir clerk of Tehsil office, Karnal who was stated to have been transferred to District Kurukshetra by the Deputy Commissioner, Kurukshetra.

The Committee also desire that the progress in regard to the recovery of the balance amount of Rs. 252.21 be intimated to them.

The Committee further desire that action taken against the supervisory staff found responsible on the basis of the findings of the enquiry be intimated to them at an early date.

## FISHERIES

### Paragraph 3.9. Development of inland fish-culture

17. A test check of the accounts and records of schemes for development of fisheries in the State was carried out by Audit during April-June 1976. The following points were noticed :—

(1) Plan outlay, budget provision and expenditure during 1969-70 to 1975-76 were as under :—

Name of the Scheme	Plan outlay	Budget Provision		Expenditure			
		Plan	Non-plan (in lakhs of rupees)	Total	Plan	Non-plan	Total
(A) For production of quality fish seed							
(i) Strengthening of seed farms	8.04 (1969-74)	19 22	4.56	23.78	13.72	4.71	18.43
	5.22 (1974-76)						
(B) For fish breeding in Village ponds, lakes and reservoirs by stocking fish seed							
(a) Village ponds							
(i) Impounded waters	..	..	4 96	4 96	..	4.67	4.67
(ii) Ponds under Applied Nutrition Programme	5.99 (1969-74)	3 20	1.62	4.82	2.22	1.50	3.72

1	2	3	4	5	6	7	8
(b) Lake fisheries	0 90 (1974-76)	2.82	..	2.82	2.51	.	2 51
(c) Development of fisheries in reservoirs	1.20 (1969-74)	1.89	0.91	2 80	1.35	0.83	2.18
	7 19 (1969-74)	7 91	7.49	15 40	6 08	7.00	13.08
	0.90 (1974-76)						—
<b>(C) For renovation/improve— ment of village ponds and to bring them under fish production</b>							
(i) Fish culture of carps in ponds and tanks	20.76 (1969-74)	23 57	3.89	27.46	16 36	3.48	19.84
	5 61 (1974-76)						
(ii) Centrally sponsored scheme -Crash Scheme for Rural Employ- ment	..	6 00	.	6 00	5 30	..	5 30
	20 76 (1969-74)	29.57	3.89	33.46	21.66	3.48	25.14
	5 61 (1974-76)						
Grand Total	35 99 (1969-74)	56 70	15 94	72 64	41 46	15 19	56 65
	11 73 (1974-76)						

## (2) Production of fish seed

(a) At the beginning of the Fourth Five Year Plan (April 1969), three seed farms—Ottu (Sirsa), Saidpur (Karnal), Badkhal (Gurgaon)—with 7 acres water area under nursery—were functioning. By the end of 1975-76, five more seed farms—Bishangarh (Ambala), Damdama (Gurgaon), Sampla (Rohtak), Tohana (Hissar) and Rohat (Sonapat)—with 8 acres water area under nursery—were added with expenditure of Rs. 13.72 lakhs, against 50 acres planned to be added by the end of the Fourth Five Year Plan (1969-74) with an outlay of Rs. 8.04 lakhs. The area of the farms, production potential and actual production of fish seed as per information supplied by the department

were as under :—

## STATE FARMS

	Ottu	Saidpur	Badkhal	Bishan- garh	Damdama	Sampla	Tohana	Rohat	Total
1. Year from which the farm started functioning	1971-62	1963-64	1963-64	1971-72	1971-72	1973-74	1974-75	1975-76	
2. Total area of the farm (acres)	5.5	7.6	6.3	4.0	10.2	16.0	14.5	7.0	71.1
3. Water area (acres)	4.0	5.6	5.0	1.5	6.0	2.0	7.0	2.0	33.1
4. Water area under nursery (acres)	2.0	1.50	3.50	1.0	3.0	1.0	2.0	1.0	15.0
5. Estimated production potential-fry/fingerlings (lakh numbers)	1.0	0.75	1.75	0.50 (from 1971-72)	1.50 (from 1971-72)	0.50 (from 1973-74)	1.0 (from 1974-75)	0.50 (from 1975-76)	7.50 (in full from 1975-76)
6. Actual production of fingerlings (lakh numbers)									
1969-70	1.00	0.56	1.55	..	..	..	..	..	3.11
1970-71	1.26	0.39	2.03	..	..	..	..	..	3.68
1971-72	1.56	1.66	2.15	0.36	.	..	..	..	5.13
1972-73	..	0.93	2.43	0.18	.	..	..	.	3.54
1973-74	0.87	1.32	1.82	0.19	.	0.40	..	..	4.60
1974-75	.	1.34	1.00	0.13	.	0.28	..	..	2.75
1975-76	2.00	0.99	1.71	0.25		0.26	0.34	0.05	5.60
	6.69	6.59	12.69	1.11	@	0.94	0.34	0.05	28.41

The fingerlings produced at the State farms over a period of seven years ending 1975-76 were 28.41 lakhs against their estimated capacity to produce about 36 lakh fingerlings and the Fourth Five Year Plan target of 100 lakhs during 5 years (1969-70 to 1973-74). The new farms produced a meagre quantity of 2.44 lakh fingerlings

(b) Other points noticed were as under :—

- (i) A tubewell installed at the Sampla Farm in March 1973 at a cost of Rs. 0.10 lakh for subsidiary water supply arrangement

@Production of the Damdama Farm has not been taken into account since production at the farm was from spawns collected from the overflow of water from the Damdama reservoir and the produce (fingerlings) was again put back in the Damdama reservoir.

had not been commissioned (November 1976) for want of electric connection. The Government stated (January 1977) that the commissioning of the tubewell was being expedited.

- (ii) For setting up the Tohana Farm land measuring 14.5 acres was purchased at a cost of Rs. 1.14 lakhs in 1971-72. Water area of 7 acres was also excavated at a cost of Rs. 0.81 lakh during 1972-73 and 1973-74. Production was started in the breeding season in 1975-76 by obtaining water supply from a canal through 2 inch diameter pipe-line in May 1974. The supply was not considered adequate for the farm. The department stated (November 1976) that a 3 inch diameter pipe-line had since been sanctioned estimated cost : Rs. 1,500) by the canal authorities

(3) *Stocking of village ponds, lakes and reservoirs*

A survey of village ponds conducted by the department indicated that only 400 acres out of 4,800 acres of culturable water available in the State had been brought under fish production upto the end of 1968-69. The Fourth Plan (1969-74) envisaged that additional area of 2,210 acres under village ponds and 1,000 acres under artificial reservoirs formed for flood and irrigation purposes would be stocked with fry/fingerlings reared at State farms with an outlay of Rs. 5.99 lakhs and Rs. 1.20 lakhs respectively. In addition, culturable water area under natural *talas* at Morni (100 acres) and Chakravarti lake (17 acres) was also to be brought under fish production. Expenditure incurred on schemes relating to stocking of culturable water area during 1969-70 to 1975-76 was Rs. 13.08 lakhs (establishment : Rs. 9.88 lakhs; contingencies : Rs. 3.20 lakhs) which was 85 per cent of the provision (Rs. 15.40 lakhs). The table below shows the culturable water area covered and fingerlings stocked:—

*Contents*

	Years							Total
	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	
Coverage (in acres)								
(a) Village ponds	240 50	341 00	219 00	217 50	224 00	114 00	554 50	1,910 50
(b) Lake fisheries	100 00	75 00	117 00	17 00	117 00	.	17 00	443 00
(c) Development of fisheries in reservoirs	315 00	220 00	350 00	210 00	225 00	300 00	375 00	1,995 00
Grand Total (a)–(b)–(c)	655 50	636 00	686 00	444 50	566 00	414 00	946 50	4,348 50

*Stocking of fingerlings (fingerlings in lakhs)*

(a) Village ponds	2 34	2 78	3 15	1 65	3 22	1 80	5 38	20 32
(b) Lake fisheries	0 01	0 01	0 36	0 30	0 55	.	0 19	1 42
(c) Reservoirs fisheries	0 55	0 83	1 15	1 45	0 83	0 55	2 54	7 90
Grand Total (a)–(b)–(c)	2 90	3 62	4 66	3 40	4 60	2 35	8 11	29 64



Average number of  
fingerlings Stocked  
per acre

(Average  
1969-70  
rto  
1975-76

	1	2	3	4	5	6	7	8	9
(a) Village ponds	973	815	1,438	760	1,438	1,579	972	1,064	
(b) Lakes	10	13	308	1,765	470	..	1,118	320	
(c) Reservoirs	175	377	328	690	370	183	677	396	

The actual coverage was much less than planned and the average stocking per acre was also less than the norm (fixed by the department) of initial stocking with 2,000 fingerlings per acre followed by annual replenishment with 1,000 fingerlings per acre. Besides, stocking was not done on a continuing basis with the result that additional area brought under effective fish production could not be determined. The department stated (September 1976) that fingerlings were supplied from Government farms on payment at the rate of Rs. 50.00 per thousand (Rs. 20 per thousand upto 1970-71 and Rs. 30 per thousand upto 1975-76) and that the panchayats which mostly owned village ponds did not evince much interest in purchasing the fingerlings on the ground that people were mostly vegetarian and averse to taking up fish trade.

#### (4) Production

(a) The Fourth Plan (1969-74) envisaged that various measures to be undertaken for development of fisheries would result in 1,230 tonnes of fish production during 1973-74. The extent to which this was achieved could not be determined as the department had no statistics of production in village ponds since disposal of produce was entirely within the domain of the panchayats. In respect of village ponds stocked under the scheme Applied Nutrition Programme, UNICEF was to supply equipment and other requirements to gram panchayats and the panchayats were to provide 10 per cent of the fish harvest or cash equivalent thereof to the Development Department. The Fisheries Department had no information as to how far the panchayats fulfilled their obligation. The production between 1969-70 and 1975-76 in Mornis and reservoirs which were in the direct charge of the department was reported to be 12.73 quintals (estimated production : 345 quintals) and 907 quintals respectively.

(b) *Lake fisheries* : Two natural *tals* at Morni having 75 and 25 acres culturable water area were stocked with 0.18 lakh fingerlings (expenditure between April 1969 and March 1974 : Rs. 0.73 lakh) and were expected to yield 345 quintals fish during 1971-74. The actual collection was only 12.73 quintals. The department stated (November 1976) that non-availability of an approach road to the location of the *tals* for a distance of 12 kilometres and the cost of transportation besides the risk of high mortality prevented full exploitation. The department added that fish worth Rs. 1.00 lakh were still available in the *tals*.

**(5) Renovation/improvement of village ponds**

A sum of Rs. 19.84 lakhs (establishment : Rs. 11.96 lakhs; contingencies : Rs. 7.88 lakhs) was spent by the department during 1969-70 to 1975-76 on the renovation/improvement of 139 ponds with 541 acres culturable water area against the target of 680 acres set for the Fourth Five Year Plan period (1969-74) with an outlay of Rs. 20.76 lakhs.

In consideration of financial assistance extended by the Government panchayats were to maintain water level of 4 feet in their renovated ponds and to stock them with fingerlings every year failing which money spent by the Government was refundable. The table below shows the yearwise number of ponds renovated/improved together with cost and the number of ponds brought under fish production by the end of 1975-76 by stocking fingerlings.

Year	Number of ponds renovated	Water area (in acres)	Works expenditure by Government (in lakhs of rupees)	Stocking by the end of 1975-76		
				Number of ponds stocked by the end of 1975-76	Water area (in acres)	Cost of renovation (in lakhs of rupees) of the ponds stocked
1969-70	21	104.5	0.48	12	41.5	0.28
1970-71	31	125.0	0.84	23	72.5	0.64
1971-72	18	67.0	0.55	10	40.5	0.33
1972-73	16	73.5	0.64	10	52.0	0.45
1973-74	12	49.0	0.42	6	25.5	0.18
1974-75	28	85.0	1.78	9	24.5	0.71
1975-76	13	37.0	0.75	4	14.0	0.25
Total	139	541.0	5.46	74	270.5	2.84

The department stated (November 1976) that the remaining 65 ponds (water area : 270 acres) could not be stocked due to non-supply of water to the ponds by the Irrigation Department and that a plan to lease them out to private parties was under consideration.

**(4) Production.**

In reply to a question of the Committee as to what were the reasons for shortfall in production in Morni Tals and Reservoirs which were directly under charge of the Department and necessary technical expertise was also available,

the department in the written reply stated—

'In so far as fish production from reservoirs which are directly under the charge of the Department is concerned, there had never been shortfall in the fish production from these waters. The observation made by the Audit Committee, therefore, is mis-conceived in so far as fish production from reservoirs is concerned. It may further be added that the reservoirs in the Haryana State are producing on an average above 40 Kg. fish per hectare per year as compared to the average national level production for reservoirs having production of only 10 Kg. per year per hectare. This statement is on the basis of Govt. of India publications. In so far as fish production in Morni Tals is concerned, it is a matter of regret that despite fairly high quantum of fish available in these two tals, the Department could not exploit fish from these waters for want of a road which was supposed to have been constructed by the P.W.D. as decided by the Haryana Tourism Department in its master plan. The fishermen parties have now and then been organised by the Department for exploitation of fish from these tals but since one way approach distance is about 12 kilometre, therefore, it is often noticed that even in winter months the fish could not be brought in fresh condition for sale in local markets at Ambala or Chandigarh. No transportation for carrying ice, nets and other fishing equipments is available except mules. Test netting made from time to time by the Department has shown that there is plenty of good stock of fish available in these two tals although fish catch is somewhat difficult due to rocky bottom and tree trunks. Efforts were made by the Department on number of occasions for leasing out fishing rights in open public auction. No contractors come forward on account of difficult approach to the tals with uneven bottom. Only once one contractor had taken lease of these waters for a month but could only do fishing in the tals for a day by engaging fishermen party from Bihar. It is evident that there had been no laxity of control or shortcomings in the implementation of the scheme.'

The Committee do not feel satisfied with the reply of the department so far as exploitation of potential of fish from Morni Tals is concerned. The Committee are of the firm opinion that the department should have kept these difficulties in view while developing Morni Tals for fish production. The Committee recommend that the Department should take immediate and effective steps to have the approach road constructed upto Morni Tals so that the fish crop is gainfully harvested from these Tals and the Committee be informed about this.

(5) *Renovation/Improvement of Village Ponds*

In reply to the questionnaire issued by the Committee the department stated that—

"Out of the remaining 65 ponds renovated only 18 ponds could not be stocked during the plan period. No extra expenditure has been incurred for stocking 47 ponds except for supply of fish seed to the Panchayat/fish farmers on payment towards the cost of fish seed. Since the charges for supply of fish seed have been realised from the Panchayats who own ponds, therefore,

the revenue from auction of the said ponds goes to them and as such no specific data on fish production is available with the Department. The reasons for having not stocked 18 ponds is being collected from the field and likewise information regarding the fish production or the auction amount realised by the Panchayats from the stocked ponds shall be collected by the Fisheries Department through the B.D.P.Os concerned.

- (ii) Since the property rights of these ponds vests with the Gram Panchayats, therefore, many of them continued to be reluctant for leasing out ponds to private fish farmers on long term lease basis. However, as aforesaid that with the recent awakening of local people about the return from fisheries, many of the Panchayats now have become inclined to lease out ponds for fish farming to individual fish farmers for a period of 10 years. The pond is put to open public auction by the Panchayats and the highest offer thus settled is the lease amount. A list of the ponds renovated specifically under this scheme which have been leased out by the Panchayats shall now be collected through the B.D.P.Os concerned."

During the course of oral examination on 13-6-79 the Department promised to inform the Committee about the reasons for non-stocking of 18 ponds as also to supply information regarding the fish production and the auction amount realised by the Panchayats for the stocked ponds. The Department further promised to supply a list of the ponds renovated specifically under this scheme which have been leased out by the Panchayats. The promised information had not been received by the Committee till the writing of the Report.

The Committee desire that the requisite data be sent expeditiously along with the reasons for delay.

### DEVELOPMENT AND PANCHAYATS

*Paragraph 1.13. Unspent Balance of Grants paid to Local bodies etc.*

18. According to the information furnished by the Examiner, Local Fund Accounts, Rs. 75.56 lakhs remained unutilised on 31st March, 1976 out of grants given to local bodies upto the end of March, 1975. Year-wise analysis of the unspent balances is given below :—

Unspent amount on 31st March 1976 and how long unspent :

Department which paid the grants	For more than 10 years	For more than 5 years but less than 10 years	For more than 3 years but less than 5 years	For less than 3 years	Total
(in lakhs of Rs.)					
Development & Panchayats	7.12	11.12	9.88	47.44	75.56

The unspent balances include deposits by local bodies with the Public Works Department for execution of works for which accounts of expenditure had not been rendered by the Public Works Department to the Local Bodies. These also include grants which were either utilised on the expiry of the prescribed period without approval of the Government represent amounts reported to have been spent, but accounts thereof were not made available.

In reply to the questionnaire issued by the Committee the department stated that—

“On the basis of the information collected by this Department from the various Panchayat Samitis, it has been revealed that only an amount of Rs. 4,49,604.26 in respect of grants given upto the Year 1973-74 and an amount of Rs. 4,35,387.11 in respect of grants given during the year 1974-75 was lying unspent as on 30-9-1976. Final extension for utilising the grants, given upto the year 1973-74, was given upto 30-9-1976. The Panchayat Samitis were asked to refund the unspent amount of Rs. 4,49,604.26 into the treasury. Out of the 87 Panchayat Samitis, so far replies have been received from 81 Panchayat Samitis. Out of which 75 Panchayat Samitis have confirmed that they have refunded the unspent balance. An amount of Rs. 29,092.80 yet remains to be refunded by 3 (three) Panchayat Samitis who have been directed to deposit the same into the treasury immediately and the 3 (three) Panchayat Samitis have reported that they have utilised the amount of Rs. 12,168.51 after the final date of extension viz. 30-9-1976. The matter is being pursued vigorously with the remaining six Panchayat Samitis, whose reply is yet awaited, for expediting the figures and confirmation of the refund of amount.

As regards the unspent amount of Rs. 4,35,387.11 pertaining to the grants given during the year 1974-75, it may be stated that the final time limit for its utilisation was extended upto 31-3-1979 and there is every possibility of this amount having been utilised by the Panchayat Samitis within the extended period. However, instructions are being issued to all the B.D.P.Os. to refund the amount of these grants (given upto 1976-77) lying unspent as on 31-3-79.

In fact only Rs. 4,49,604.26 were lying unspent in respect of the grants given upto the year 1973-74 out of which only Rs. 61,085.50 now remains to be refunded into the treasury. As regarding 1974-75 figures of unspent amount are under collection from field offices.”

In reply to a question as to why could not the unspent balances be adjusted against grants paid to the local bodies during the subsequent years the department stated in the written reply that the issue was already under consideration of the Government.

During the course of oral examination on 31-7-79 the departmental representative admitted that no information was available with the Director of Panchayats as to how much amount out of the grants paid to local bodies had actually been spent and how much was lying un-utilised with each local body. He, however, promised to collect this information from the field and supply

the same to the Committee within three months. Till the writing of the Report the said information had not been received from the Director of Panchayats.

The Committee observe that there was a vast difference between the figures of un-spent grants lying with the local bodies as shown in the Audit Report on the basis of information supplied by the Examiner, Local Fund Accounts and the figures shown by the department in their written reply.

The Committee recommend that immediate and effective steps be taken by the Department to reconcile the figures of un-utilised grants with the Examiner, Local Fund Accounts. The information promised to be supplied by the department during oral examination be furnished after such reconciliation.

The Committee also desire that the decision of the Government regarding the adjustment of unspent balances of grants given to the local bodies against the fresh grants in the subsequent years be expedited and intimated to the Committee.

The Committee are distressed to note that the Development and Panchayats Department which releases grants to the local bodies to the tune of lakhs of rupees every year was not exercising any effective control so as to ensure that the grants were spent by these bodies during a reasonable time for the purpose for which grants were given to these bodies. The Committee recommend that a proper and effective procedure be evolved for this purpose and the Department should maintain suitable record of the grants given, amount spent and the balance lying unspent with each local body at the Directorate level so that the pace of utilisation of these grants could be properly watched.

#### BUILDINGS AND ROADS

##### *Paragraph 4.7. Recoveries due from a contractor*

19. In the Ambala Provincial Division, the work of constructing protection work on Tangri Nadi (estimated cost : 5.90 lakhs) was entrusted to a contractor in March 1972 for Rs. 4.50 lakhs for completion within six months exclusive of the rainy season. Before the start of the rainy season of 1972, the contractor completed nearly 30 per cent of the work as against 56 per cent of work stipulated for completion by that time. Despite several notices issued to the contractor, he did not resume the work after the rainy season. In November 1972 the department levied 10 per cent compensation amounting to Rs. 0.45 lakh and instructed the contractor to accelerate the progress failing which further action to get the work done at his risk and cost would be taken. The contractor did not resume the work.

Tenders were thereupon invited in December 1972 for the residual work and the work was entrusted to another contractor in March 1973. The work was completed in October 1973 at an extra cost of Rs. 0.42 lakh. The department stated (November 1976) that notice for the recovery of extra cost (Rs. 0.42 lakh) from the first contractor would be issued shortly.

Against the recoverable amount of Rs. 0.87 lakh (compensation and extra cost), Rs. 0.12 lakh representing amounts withheld as security from running payments and the value of work done since last payment were available with the department.

The matter was referred to the Government in September 1976; reply is awaited (February 1977).

The department in their written reply to the questions by the committee explained as under :—

- (i) It is not correct to say that the recovery of Rs. 45000/- is due from the contractor. The factual position is that the Executive Engineer levied a compensation amounting to Rs. 45000/- against the contractor for his alleged failure to complete the work. The contractors have applied to S.E. for hearing under clause 2 of the contract Agreement. According to the contract Agreement, the decision of the S.E. is final with regard to compensation and he has the power to reduce the compensation to any extent. Thus, unless the case is finally decided by the S.E., the amount cannot be said to be due to the Deptt.

The S.E. has fixed 7 hearings in this case but did not decide the case finally as the firm failed to attend the hearings. The S.E. has been asked to decide the case without further delay after observing all formalities. In this case, the work was further allotted to Mrs. Satya Singla Contractor and got completed at the risk and cost of M/s Bakshi & Co., contractors at an additional cost of Rs. 41079/31 paise. This additional cost stands recovered/adjusted from M/s Bakshi & Co. and thus there has been no loss to the State as the extra cost involved in execution of work has already been recovered.

The contractor/firm has not applied for arbitration but has approached the S.E. for hearing under clause 2 of the Agreement as explained above.

- (ii) Since no arbitration has been applied for, by the contractor, the same does not exist. However the S.E. is being asked to finalise the hearing under clause 2 within next 3 months. The question of recovery would arise after the S.E. has decided the amount of compensation.
- (iii) There are rights and remedies available to the Department under the Agreement for situations in which the contractor does not fulfil his contractual obligations i.e. he causes delay like levying compensation under clause 2, recovering the outstanding amount from other contracts of the same contractor executed by him with any department of the Govt., to get the work executed at his risk and cost and to go in for arbitration for disputes. For these reasons there remains no ground for black listing the contractor. The contractor is no more working with the Department and the question of black-listing him does not arise.
- (iv) A sum of Rs. 0 42 lakhs has since been recovered/adjusted from the pending bills of the contractor. The detail of recovery adjustment is as under :—

1. T.E. No. 8 dt. 21-3-74 Provl. Divn. No. 1. Ambala	Rs. 10772.24
2. T.E. No. 2 dt. 6/77 of Provl. Divn. No. 1. Ambala	Rs. 19937.00
3. T.E. No. 3 of 12/77 of Provl. Divn. Jagadhri	Rs. 11370 07
Total :—	<u>Rs. 42079.31</u>

Thus all excess amount on account of extra expenditure involved has since been recovered except 10% penalty which is not a loss to Govt. and on which S.E.'s decision is awaited.

During the oral examination on 8-1-80 the department promised to check up the correctness of transfer entry No. 8 dated 21-3-74 Provincial Division No. 1 Ambala, and also to conclude the penalty proceedings at the earliest and inform the Committee accordingly.

The Committee do not accept the views of the department regarding compensation of Rs. 0.45 lakh. Unless the S.E. had passed specific stay orders, the compensation levied on the contractor for unusual delay in the completion of the work should have been recovered. It is evident that the contractor is trying to delay matters as he has failed to appear at the 7 hearings fixed by the S.E. The department need not wait indefinitely for the contractor to appear before the S.E. for finalising the case.

The Committee recommend that immediate action should now be taken to settle the matter and to recover the compensation finally levied on the contractor and the committee informed. The Committee would also like to be informed about the correctness of the transfer entry No. 8.

#### *Paragraph 4.8. Motor grader*

20. A motor grader purchased in 1956 at a cost of Rs. 0.89 lakh was delivered to a firm of Ambala City in April 1964 for preparing a detailed estimate for repairs. It was expected to run another four years after repairs. The grader was dismantled by the firm and it sent to the department an estimate of Rs. 0.27 lakh for repairs. Since the estimate furnished by the firm was considered to be on a high side, it was decided to repair the grader departmentally. In March 1965, the firm asked the department that the grader in dismantled condition be shifted; otherwise Rs. 100/- per day would be charged. The team of officials deputed (March 1965) for shifting the grader reported that it could not be removed without being assembled. The firm did not allow departmental persons to assemble the grader in its premises and claimed Rs. 30,200 (April 1973) towards storage and dismantling charges. The grader is still (February 1977) with the firm.

The Government accorded sanction only in February 1974 to the institution of a civil suit against the firm for not returning the grader. The value of the suit was determined at Rs. 3.10 lakhs towards (a) cost of the grader (Rs. 0.42 lakh), (b) loss suffered by government owing to illegal retention of machinery by the firm (Rs. 2.10 lakhs) and (c) differences between the current cost of repair and the cost of repair in 1964 (Rs. 0.58 lakh). Further developments are awaited (February 1977).

In reply to the questions of the committee the department in the written reply stated as under :—

- (i) The Motor Grader was given to the firm during April 1964 by



the erstwhile Punjab Govt. The dispute between the firm and the Executive Engineer Ambala/Patiala arose on the question of payment of repair charges which remained unsettled till the formation of Haryana State on 1-11-1966. In fact the Police help should have been sought by the P.W.D. authorities of the Composite Punjab Govt. for recovery of the Motor Grader at the initial stage. The Haryana P.W.D. received this case from Punjab Govt. at a stage when many complications had already arisen and when it had become very difficult, rather impossible to get possession of the machine in a normal way. The matter was brought to the notice of Haryana Govt. and the advice of L.R. was sought who advised during 4/76 that a criminal case under section 406 I.P.C. for misappropriation of this Motor Grader (Govt. property) be registered against the firm. Accordingly the Police authorities Ambala were approached who refused to register the case on the plea that this case being a civil nature case could not be registered. The matter was also taken up with the I.G. Police, Haryana to help the Deptt. in getting the case registered as per advice of the L.R. but the I.G. also advised that it was a civil nature case and Police was unable to interfere in the matter.

- (ii) As already stated at question (i) Supra that the Grader was delivered to the firm by the P.W.D. authorities of erstwhile Pb. Govt. as such it is not known as to what were the considerations under which the Grader was given to the firm without settling the terms for preparation of repairs estimate. The Grader was handed over by Shri J.S. Rikhi, S.D.E. Chandigarh and Shri Naranjan Singh, XEN. However enquires from Pb. Govt. have revealed that steps were taken by the Executive Engineer Patiala to fix responsibility for this lapse. Ultimately Shri Satya Bhushan, S.D.O. P.W.D. (B&R) was found responsible for getting the Grader dismantled and action against this S.D.O. was initiated by Pb. Govt. but the S.D.O. was retired from service during 12/69, pending decision on this case. The Haryana P.W.D. is not aware of the considerations under which the Grader was delivered to the firm without settling the terms for preparing the estimate for its repairs, so far as the question regarding prior knowledge of the fact that the said Grader would have to be dismantled for the purpose of preparing of estimates for repairs is concerned that might be in the knowledge of officers of Pb. Govt. who had delivered the order to the firm.

The Grader was handed over to the firm by Shri J.S. Rikhi the then S.D.E. Chandigarh during April, 1964.

The question of preparation of estimate of repairs departmentally was to be decided by the then P.W.D. authorities of composite Pb. Govt. and Haryana P.W.D. is not in a position to comment on this point at this belated stage.

- (iii) Haryana P.W.D. did not make any payment on account of storage and dismantling charges to the firm. It may however be stated that the firm prepared a claim against Haryana Govt. on 4.4-78 by serving notice under section 80 C.P.C. for Rs. 38,000/- as per details

given below :—

(i) Dismantling Charges	1800.00
(ii) Rent for storage for the vehicle from 28-4-64 to 27-4-67 Rs. 100/- P.M.	3600.00
(iii) Rent for storage of the vehicle from 28-4-61 to 31-3-78 Rs. 200/- P.M.	26,200.00
(iv) Other expenses incurred by the firm and for the loss and damage suffered in the work in searching spare parts in other markets including Delhi	6400.00
	<hr/> 38,000.00 <hr/>

The case was referred to L.R. for advice during the year 1976, who opined that the notice be ignored and a civil suit against the firm be filed in the court. The case could not be filed so far due to non availability of certain documents which pertain to the period prior to 1-11-66, i.e. prior to formation of Haryana State. The steps were taken for the wanted documents from various offices of P.W.D. B & R of the Pb. Govt. stationed at Patiala but the documents were not so far been made available by the P.W.D. authorities Punjab, Patiala.

- (v) Complete details of not filing the suit in the civil court have already been explained in replies against questions (i) & (iii) above.
- (vi) During December, 1978 a meeting was held between the Chief Engineer and the representative of the firm for settling the case out of court. The firm's representative was persuaded not to claim rent for the storage of the machine which comes to Rs. 32,000/- (odd) upto 31-1-79 and the department is ready to consider the firm's claim for dismantling the machine and other expenses incurred by the firm amounting to Rs. 8000/- (odd). However negotiations are going on between the S.E. (Mech.) Karnal and the firm to settle the claim out of court. It may however be stated that this Motor Grader has outlived its life as it had worked for about twelve thousand hours against its life of ten thousand hours. The present value of the Grader as assessed by the Executive Engineer (Mech.) Ambala works out to Rs. 24,633/-. It would not be worth while to pay the firm Rs. 40,000/- (forty thousand) as claimed by it.
- (vii) The Grader is still lying with the firm in dismantled condition. The dishonest intentions of the firm will be clear from the above.

The Committee are shocked at the wholly inadequate and ineffective action taken to retrieve the motor grader handed over to a private firm more than 15 years back for preparing estimate for repairs. It appears that the

grader was given to the firm without proper thought and first settling the terms for preparation of the estimate etc. No tangible steps appear to have been taken to recover the grader even after Haryana was formed. Even the sanction accorded by Government in February, 1974 and the advice given by the Legal Rememberancer in 1976 for instituting a Civil Suit against the firm have remained unimplemented.

The Committee urge that steps should now be taken to finalise the matter and to recover the grader from the firm.

The Committee would like to know the outcome of the joint meeting which was proposed to be held by the Home Secretary, Inspector General of Police and Legal Rememberancer and action proposed to be taken in this behalf.

#### *Paragraph 4.9—Irregular Payment*

21. An order for the supply of 176 tonnes of mild steel rounds of 20 mm and 40 mm sizes was placed by the Controller of stores on a firm of Delhi in August 1971 on behalf of various circles/divisions of the Public Works Department (Buildings and Roads Branch). Delivery was to be made within 15 days. Ten per cent of the value of the contract was to be deposited with Government as security (Rs. 0.27 lakh) within a week of the supply order. The firm did not furnish any security deposit.

The supply order provided for payment of 98 per cent of the value only after inspection and despatch of the material. Two Sub-Divisional Engineers paid to the firm Rs. 0.31 lakh as advance payment in October and November 1971 for supply of 20 tonnes of mild steel rounds. Actual supplies received were 8.55 tonnes in October 1971 (4.72 tonnes) and in 1973 (3.83 tonnes). An amount of Rs. 0.16 lakh, after adjustment of Rs. 0.01 lakh deposited by the firm in cash on 30th September 1973, is recoverable from the firm for supplies paid for but not received.

The department stated (November 1976) that the whereabouts of the firm were since not known.

The matter was referred to the Government in January 1976; reply is awaited (February 1977).

In reply to the questions by the committee the department stated that—

- 22.11 (i) This para covers two Sub \*Divisions, Nuh & Palwal and only two Sub Divisional officers, Shri O.P. Bajaj and Shri J.D. Mittal have been held responsible for making advance payment to the firm M/s. Saraswati Sales Corporation, New Delhi. The third S.D.O. Shri R.S. Saran was not found involved as the payment was actually made by Shri Mittal in respect of Palwal Sub Division and not by Shri Saran. Recovery orders for Rs. 8176/- have already been issued against Shri O.P. Bajaj vide Govt. letter No. 11572-PWIII (2)-76/38330 dated 9/76 at the rate of 1/3rd of his pay and a sum of Rs. 5508/- stands recovered from him upto the end of June, 1979. The recovery for the balance amount is in progress:

As regards the other officer, Shri J.D. Mittal who has been held responsible for the advance payment to the firm thereby

causing a net loss of Rs. 9677/- a chargesheet has already been served upon him on 20-7-79 and the case will be finalised soon on receipt of explanation of Shri Mittal to the chargesheet".

During the oral examination the departmental representative told the Committee that they were examining the pros and cons of the matter and were trying to analyse the condition of security deposit to make the procedure more economical and safer.

The Committee desire that the final outcome of the analysis and examination of the matter of security deposit be intimated at the earliest.

The Committee further desire that the progress of recovery of the remaining amount from Shri O.P. Bajaj be intimated to them.

The Committee feel unhappy over the unusual delay by the department in finalising the case of Shri J.D. Mittal, Sub Divisional Officer who was held responsible for overpayment of Rs. 9677 and recommend that the recovery in this case be also expedited.

## BUILDINGS & ROADS AND IRRIGATION

### Paragraph 4.13—Delay in issue of posting orders

22 According to the rules, the period of compulsory waiting by a Government servant pending orders of Government posting him to a particular post is treated as duty for all purposes and the Government servant gets full pay and allowances without performing any duty. In the Public Works Department (Buildings and Roads and Irrigation branches), during May 1974 to June 1976, treatment of such period as duty was ordered by the Government in the case of 32 Gazetted Officers involving payment of about Rs. 0.51 lakh, as under :—

	Compulsory waiting Public Works Department (Irrigation Branch)			Payment allowed	Public Works Department (Buildings & Roads Branch)			Payment allowed
	No. of cases	Period			No. of cases	Period		
		Mini- mum	Maxi- mum			Mini- mum	Maxi- mum	
(a) after being relieved from a particular charge	7	18	66	8,045	2	171	215	11,285
(b) after reporting for duty on re-instatement	7	18	66	10,401	..	..	..	..
(c) after reporting for duty on return from leave/deputation/foreign service	2	30	85	4,309	3	34	68	5,171
(d) after reporting for duty consequent upon closing down of divisions/circles	11	13	71	12,071	..	..	..	..
Total	27			34,826	5			16,456

The matter was referred to the Government in September 1976; reply is awaited (February 1977).

The departments in their written reply to the questions by the committee explained as under :—

(i) B&R DEPARTMENT

(i) The cases of following five officers relate to P.W.D. (B&R) involving an amount of Rs. 16456/- . All these cases were regularised by the Govt. as per Govt. letter mentioned against each :—

- |                            |  |
|----------------------------|--|
| 1. Sh. O.P. Verma, S.D.E.  | Govt. Memo. No. 1564-PWIV(5)-76/5380 of 18-2-1976.   |
| 2. Sh. M.M. Bhatia, S.D.E. | Govt. Memo. No. 2436-PWIII(5)-76/18499 of 26-5-1976. |
| 3. Sh. H.C. Sethi, Xen.    | Govt. Memo No. 233-PW/3(B)-75/17363 of 14-6-76.      |
| 4. Sh. K.G. Gupta, S.D.E.  | Govt. Memo. No. 12754-PWIII(5)-75/18083 of 24-5-76.  |
| 5. Sh. H.K. Sharma, S.D.E. | Govt. Memo. No. 16177-PWIII(5)/75/1360 of 13-1-79.   |

The brief reasons due to which the posting orders could not be issued immediately in respect of each officer are as under :—

**1. Shri O.P. Verma, S.D.E.**

Proposal of posting of Shri O.P. Verma, S.D.E. was received from C.E. office on 7-1-75. The matter remained under correspondence between Chief Engineer's office and the Govt. and certain queries raised by the Govt. were settled. Final proposal of posting orders was received from C.E.'s office on 23-6-75. In the meantime Sh. O.P. Verma was suspended and attached with the Chandigarh Constn. Division No. II where he reported his arrival on 28-7-75. Thus from the final proposal and date of suspension there is about 35 days delay which is immaterial because there is a long channel for approval of posting orders at the Govt. level. Since there was no un-necessary delay, the Govt. regularised this period as compulsory waiting period after obtaining the required information and complying the required formalities.

**2. Sh. M.M. Bhatia, S.D.E.**

Sh. M.M. Bhatia, S.D.E. was sent on deputation to U.T. Chandigarh on 28-7-75 but the U.T. Govt. did not allow him to join and desired that panel of S.D.E.'s may be sent to them. The panel was accordingly sent to U.T. Govt. and the name of Shri M.M. Bhatia was also included therein. The U.T. Govt. had selected Sh. O.P. Chopra, S.D.E. and Shri M.M. Bhatia was not selected. His proposal of posting had been received from C.E.'s office on 24-10-75. The matter remained under correspondence between

C.E.'s office and Govt. Final proposal of posting were received from C.E.'s office on 12-12-75 and orders of his posting were issued on 13-1-76 and he joined the Sub Division on 15-1-76. Thus there is one month's delay from the final proposal and issue of posting orders which is immaterial because of the long channels at the Govt. level.

In view of this position, the Govt. had regularised the period as compulsory waiting period. Hence there was no delay.

### 3. Shri H.C. Sethi, Executive Engineer

Proposal of posting of Shri H.C. Sethi on return from abroad had been received from C.E.'s office on 10-10-74 and posting orders were issued on 26-11-74. In this case there is 1½ months delay which is also insignificant for the same reasons explained in above cases.

There are number of channels at the Govt. level for examination of proposals of positings.

In view of the position explained above, the Govt. had regularised the period as compulsory waiting period;

### 4. Shri K.G. Gupta, S.D.E.

Sh. K.G. Gupta, was on deputation. His deputation period was upto 24-7-75 but he was relieved from deputation on 5-5-75. The proposal of posting of Shri K.G. Gupta, was received from C.E.'s office on 13-6-75. After some queries the final proposal of posting had been received from C.E.'s office on 23-6-75 and orders were issued on 16-7-75. The officer took over the charge on 21-7-75. Thus there was 24 days delay between the final proposal and issue of posting order, which is immaterial because there are number of channels at the Govt. level.

In view of the above position period was regularised as Compulsory waiting period.

### 5. Shri H.K. Sharma

Shri H.K. Sharma was sent on deputation to Town & Country Planning Department. Shri H.K. Sharma was relieved from Department on 7-12-73. His period of deputation for one year expired on 16-12-74 but he was relieved from the foreign employment on 18-11-74 and his proposal of posting had been received from C.E.'s office on 22-11-74. His posting orders were issued on 18-12-74. There is about 26 days delay which is immaterial because of a number of channels at the Govt. level.

In view of the above position, period was regularised as Compulsory waiting period.

## (ii) IRRIGATION DEPARTMENT

(i) The figures in respect of Irrigation Branch mentioned in Audit report are wrong and are as under :—

Category	No. of cases as reported in Audit Para	No. of cases as per Departmental record
(a) After being relieved from a particular charge	7	4
(b) After reporting for duty on return from leave/deputation/foreign service	2	3
(c) After reporting for duty on re-instatement	7	6
(d) After reporting for duty consequent upon closing down of Divns./Circles.	11	14

The reasons for delay in issuing posting orders are given as under :—

Before giving brief reasons as asked for by PAC, it would be very appropriate to mention here for the information of the Committee the procedure involved in issuing posting orders of officers.

Govt. is competent to issue posting orders in respect of Executive Engineer or above. The posting orders of S.D.O.'s are issued by the Engineer-in-Chief after obtaining written concurrence from the Government. Generally in the cases where an officer is made surplus and directed by his senior to report for posting orders to Chief Engineer or in the case where deputationist reports arrival, this office prepares proposals for orders by the Engineer-in-Chief. This procedure takes about 5 to 10 days. In such cases, before proposing the posting, the service particulars are required to be consulted in order to make full adjustment. Moreover, it is also to be examined whether proper adjustment of the officer can be made directly, because this department though a civil one is having civil, Mech. and Electrical Engineers. Mechanical Electrical Engineers are supposed to be posted in Mechanical and Sub Divisions/Divisions, because this category can not work properly in a Civil Division. The time spent on the said examination of the cases, before proposals are formulated, is in the interest of work. After the orders with regard to posting proposals are approved by the Engineer-in-Chief, one or two days are required in preparing draft and typing out the same before it is signed by the competent authority. Thereafter the proposal is sent to the Government for necessary action. These proposals take time as concurrence of the Hon'ble Minister concerned and that of the Hon'ble Chief Minister due to ban on mid-term transfer is required. In case Minister or the Chief Minister is on tour, the time taken is from

two to three weeks. After receiving concurrence from the Hon'ble Minister, the Govt. issues necessary instructions which require atleast two or three days time. Under the circumstances, the brief reasons for compulsory waiting in the process explained is unavoidable inspite of best efforts to avoid delay.

(ii) In the case of officers reinstated, by the Govt. it is always desired to send necessary posting proposals in respect of officers reinstated from this office, as the Govt. have no vacancy statement and service particulars of the officers with the Secretariat. The posting proposals are always asked from the Engineer-in-Chief. The procedure mentioned above, for submitting posting proposals has to follow.

However, in case of officers returning from leave the delay in issuing posting orders is mainly due to the fact that the officer concerned never bothers to inform the department as to whether he is to join duty or not. Generally it is believed that the officer will get leave extended, so it was always considered proper to wait the intimation of the officer. When the arrival report of the officer is received, the procedure as mentioned above, has to be followed by the office.

(iii) Yes, before regularising the period of compulsory waiting, it is always ensured that the vacancies in the cadre are actually available and the sanctioned strength of the cadre does not exceed.

(iv) All out efforts are however, being made to reduce the period of compulsory waiting in the future cases. Government have imposed Ban on Mid-term transfers except with the approval of Hon'ble Chief Minister in order to minimise the transfers.

The Committee/desire that the procedure regarding the issuance of posting orders be streamlined to ensure that the period of compulsory waiting is reduced to the minimum in future or completely avoided as otherwise delay in issue of posting orders involves unnecessary payments without the officers actually doing any work.

## IRRIGATION

### *Paragraph 4.2—Payment for earth work.*

23. Earthwork undertaken departmentally under the Crash Scheme for Rural Employment between January 1973 and March 1973 on a bund in the Mohindergarh Tehsil was stated to be 19.75 lakh cubic feet for which payment amounting to Rs. 2.44 lakhs by way of wages, etc., was made. The work remained suspended from April 1973 to October 1973 owing to a stay order granted by the Court. Fresh levels taken in October 1973 in the context of getting the work resumed through other agencies indicated that the work executed was only 8.44 lakh cubic feet. Proportionate cost of work shown to have been executed but not found at site works out to Rs. 1.40 lakhs.

The department stated (May 1976) that the matter was being enquired into. Further developments are awaited (February 1977).



The department in written reply to the questions by the committee explained as under :—

- (1) The Superintending Engineer has stated that payment to labour employed on construction of Dhadhor Bund was made on work charged rolls and not on Muster Roll basis. He has further added that there is no provision in the Rules for recording progress on work charged rolls. Therefore, no progress of work was recorded on work charged rolls of each month before making payment. However, the progress achieved by the labour was recorded by Sectional Officers in M.B. No. 93-L. However, no check measurements were made by the S.D.O. before making payments on work charged rolls each month. The check measurements were done later on by Shri Param Vir Singh, S.D.O. in M.B. No. 93-L page 26-28. The percentage of his check measurement was 94.28 % viz. 18,61,970 cft. against 19,75,028 shown in the Audit Report Para.

(2) (a) The Superintending Engineer has fully investigated the case and has fixed responsibility on the following officers/officials due to various lapses on their part as indicated below :—

- (i) *Shri R.K. Gupta, S.D.O.*

He is responsible for not getting proper out-turn from labour employed and also for not check measuring the work done during his incumbancy to the tune of 13,06,208 cft. earthwork.

- (ii) *Shri Pramvir Singh, S.D.O.*

He is responsible for excessive check measurements done in M.B. No. 93-L at page 26-28 in order to justify the poor out turn of earthwork given by the local village labour.

He is also responsible for not getting proper out turn from the labour employed to do 6,68,820 cft. as measured during his incumbancy.

- (iii) *Shri Ashok Chopra, S.O.*

Measurements for 1,13,058 cft. were made by Shri Ashok Chopra, S.O. and entered at page No. 15-A to 18-A of Measurement Book No. 93-L. These measurements were found excessive on check measurements by Shri Param Vir Singh, S.D.O. Shri Ashok Chopra, S.O. is, therefore, responsible for making excessive/inflate measurements in M.B. and also for not getting proper out turn from the village labour employed on the work.

- (iv) *Shri Fareed Ahmad, S.O.*

Shri Fareed Ahmad, S.O. had taken over charge of this work from Shri Ashok Chopra, S.O. and a quantity of Earthwork to the tune of 18,61,970 cft. was done during his incumbancy and as such he is responsible for the poor out turn of earth work from the labour employed on work charged rolls by him for the aforesaid quantity of earthwork.

This S.O. is also responsible for excessive measurements as made by him on pages 21-A, 23, 24-25 and 26-28 of measurement Book No. 93-L.

Shri Fareed Ahmad, S.O. was an adhoc employee and has since left the

service in 1974 and as such no action is possible against this official at this belated stage.

(v) to (vii) *Shri Hukam Chand, Shri A.K. Raheja & Shri Harcharan Singh S.Os.*

S/Shri Hukam Chand, A.K. Raheja and Harcharan Singh, S.Os. who made joint measurements of 18,61,970 cft. of earthwork alongwith Shri Fareed Ahmad, S.O. on 31-3-73 vide page 26,28 of measurement book No. 93-L and as such they are responsible for excessive measurements. These S.Os. are also responsible for poor outturn of earthwork as some of the work charged rolls were also prepared by them.

(b) A perusal of the record of work charged rolls on which the payment was made to the village labour clearly indicates that the payment was made correctly to the rural labour. There is also no other evidence available from the record to show that wrong payments were made by any Govt. officials/officers.

No doubt that the measurements of the work as entered in the M.B. by the S.O. and check measured by the S.D.O. are excessive/and thus wrong but the payments were made correctly to the labour employed on work charged rolls basis, and as such there is no malafide intention. It appears that the excessive measurements were entered in M.B. in order to justify the poor turnout of earthwork as given by the local labour.

The full progress of earthwork from the villagers could not be expected as the villagers are not the type of professional earthwork labour like that of Rajasthan and Madhaya Pradesh labour.

Some percentage of excessive measurements is also contributable to undulation of the area, sandy tract, but the same cannot be determined at this stage. The site has been inspected by the Executive Engineer Bunds and Investigation Division, Narnaul and he has confirmed that the soil in this area is sandy and high winds storm are very common in this area.

Since the excess payment of Rs. 1.40 lacs has been made to the village labour employed Departmentally under programme of Crash Scheme for Rural Employment (C.S.R.E. Scheme) which mainly resulted because of poor outturn given by the village labour, therefore, question of recovery thereof from any official/officer does not arise.

(3) As explained under reply to Question No. 2 above, the payments were made correctly to the labour employed on work charged basis and therefore, no recovery can be effected from any officer/official held responsible for excessive.

The Committee do not feel satisfied with the reply given by the department. Under the provisions of Rule 7.12 of D.F. Rs the labour employed on daily wages should have been paid on Muster Roll Basis. Even if the payments were to be made on the work charged as contended by the department, the committee do not see any ground for the excess payment of Rs. 1.40 lakhs. While the department has tried to justify this payment, it has also held responsible certain officials for various lapses. The committee feel that all the facts have not been brought to surface and an attempt has been made to water down the serious irregularities committed in this case,

The Committee recommend that a thorough investigation be conducted into the matter and suitable action taken against the officials responsible for recording fictitious measurements and consequent over payments. The question of default on the part of supervisory officers be also determined and the Committee informed.

## PUBLIC HEALTH

### Paragraph 4.10. Rural Water Supply

24. The Government undertook rural piped water supply schemes initially under the 'National Water Supply and Sanitation Programme' initiated by the Government of India in 1954. According to the programme, upto the Third Five Year Plan period (1961-66), the Government of India and the State Governments were to share 50 and 38 per cent of the cost respectively, the balance 12 per cent being recoverable from the beneficiaries (5 per cent in cash and 7 per cent in the form of land and labour). In the Fourth Five Year Plan period (1969-74), the Central assistance was reduced to 30 per cent by way of block grants. In order to give relief to the people of drought affected/sub-mountainous areas, the State Government also met, on occasions, 5 per cent share payable in cash by the beneficiaries out of famine relief grants.

In 1972-73, the Government of India introduced another programme under which 100 per cent Central assistance was provided for schemes to be taken up in difficult regions or areas where the population was in urgent need of assured and safe source of drinking water or where the economically weaker section of society lived.

In January 1967, the State Government constituted a Sanitary Board to deal with water supply schemes in the urban and the rural areas. The schemes were to be approved by the Board which was also responsible for seeing that grants were properly expended on the objects for which they were released. The Government placed annually a lump sum amount at the disposal of the Board which sanctioned funds for execution of individual water supply schemes. The schemes were executed through the State's Public Works Department, (Public Health Branch).

The Funds representing Central and State Government's share released to the Sanitary Board and cash contribution of the beneficiaries were adjusted in the accounts as deposits on behalf of the panchayats.

Between 1966-67 and 1975-76, Rs. 11,56.88 lakhs were provided from the following sources for rural water supply schemes within Haryana :-

<b>Government of India</b>	
Specific grants	Rs. 2,55.62 lakhs
<b>Government of Haryana</b>	
Plan provision	Rs. 7,99.74 lakhs
Non-Plan provision—	
out of famine relief grants	Rs. 1,01.52 lakhs
	<u>Rs. 11,56.88 lakhs</u>

The expenditure aggregated Rs. 10,44.75 lakhs. The balance of Rs. 1,12.13 lakhs remained as deposit with the Public Works Department (Public Health Branch).

The schemes approved by the Board between 1966-67 and 1975-76, their estimated cost and expenditure during these years were as under :—

<i>Year</i>	<i>Number of schemes approved</i>	<i>Estimated cost</i>	<i>Expenditure</i>
<i>(In lakhs of rupees)</i>			
1966-67	10	13.19	14.55
1967-68	49	8,96.12	28.39
1968-69	47	95.46	48.13
1969-70	20	33.10	78.45
1970-71	140	4,26.43	1,09.26
1971-72	65	2,68.46	2,32.45
1972-73	82	12,94.28	1,67.39
1973-74	25	2,80.25	1,47.74
1974-75	77	4,53.05	1,07.73
1975-76	44	3,71.46	1,10.66
<hr/>			
Total	559	41,31.80	10,44.75
<hr/>			

According to the information furnished by the department, at the end of March 1976, 186 schemes (estimated cost : Rs. 8,12.34 lakhs; expenditure : Rs. 6,55.38 lakhs) were completed/commissioned, 100 (estimated cost : Rs. 8,16.59 lakhs; expenditure : Rs. 3,88.48 lakhs) were under execution, 34 (estimated cost : Rs. 2,01.75 lakhs, expenditure : Rs. 0.89 lakh) were not started after survey, etc., 65 (estimated cost : Rs. 4,51.43 lakhs) were not started due to non-receipt of beneficiaries' share and 174 (estimated cost : Rs. 18,49.69 lakhs) were not taken up for want of funds.

The Chief Engineer, Public Health stated that by March 1976, safe drinking water had been supplied to a population of 11.45 lakhs.

Important points noticed during test-check by Audit (July-August 1976) are mentioned below :—

(i) Only such schemes which could be completed by March 1974 were to be undertaken under the programme introduced by the Government of India in 1972-73, referred to above. Eight schemes approved by the Government of India, for which grants of Rs. 80 lakhs and Rs. 60 lakhs were paid

to the State Government during 1972-73 and 1973-74, were as under :—

<i>Serial number</i>	<i>Name of water supply scheme</i>	<i>Number of villages</i>	<i>Estimated cost (in lakhs of rupees)</i>	<i>Expenditure 1972-73</i>	<i>Expenditure during 1973-74</i>	<i>Expenditure to the end of 1975-76</i>
<i>(in lakhs of rupees)</i>						
<b>Hissar District</b>						
1.	Rawalwas group of villages	14	47.97	6.58	15.86	24.90
2.	@ Biran group of villages (now in Bhiwani District)	7	19.41	18.49	1.62	20.53
<b>Gurgaon District</b>						
3.	Khushpura group of villages (now in Mohindergarh District)	24	32.64	30.02	1.84	38.99
4.	Kherla group of villages	12	10.73	7.53	(—) 1.57	8.50
5.	Seekri group of villages	28	38.27	10.56	9.03	27.29
<b>Mohindergarh District</b>						
6.	Khatod group of villages	15	24.97	6.08	6.48	14.38
7.	Palri group of villages	11	20.06	2.01	2.32	8.17
8.	@ Mandoli group of villages (now in Bhiwani District)	24	56.28	41.34	7.31	54.62
		135	250.33	122.61	42.89	197.38

Out of the above 8 schemes, two (serial nos. 2 and 3, expenditure : Rs. 59.52 lakhs) were stated (December 1976) to have been completed in July 1974 and six (serial nos. 1, 4, 5, 6, 7 and 8, expenditure : Rs. 1,37.86 lakhs) were under execution (December 1976).

(ii) *Recovery of cost from the beneficiaries*

A sum of Rs. 51.77 lakhs in respect of 169 schemes remained to be

@ Schemes at serial nos. 2 and 8 were already under execution but were included in the programme introduced in 1972-73.

recovered from the beneficiaries (March 1976).

(iii) *Non-recovery of maintenance charges*

The maintenance and running of the schemes was the responsibility of the Public Works Department. According to a decision taken by the Government in January 1965, the maintenance charges of water supply schemes except those falling in hilly and sandy areas were to be recovered from the panchayats. In April 1976, the Government decided that from the year 1976-77 such charges may be recovered from the panchayats of all areas in the form of water rate on the basis of house tax.

Rupees 2,23.72 lakhs were spent on maintenance of water supply schemes during, 1966-67 to 1975-76. The amount which was due to be recovered from the panchayats of areas other than hilly and sandy areas was not worked out and recovered (September 1976). While the Public Works Department, Public Health Branch considered that recovery was to be made by the Panchayat Department, the latter stated (September 1976) that recovery was the business of the former.

As against the above recovery due from the panchayats, charges were collected from private connection holders by the Public Works Department during that period towards supply of water on behalf of the panchayats; details of and aggregate collections were not readily available (February 1977).

(iv) *Non-recovery of water charges in respect of private domestic connections*

It was noticed during test check of six divisions that a sum of Rs. 0.77 lakh due on dates between July 1975 and March 1976 was outstanding at the end of March 1976 against 1,086 private connection holders; amount due during this period in respect of 566 connections was not worked out (March 1976).

The department ordered disconnection of 325 unauthorised domestic connections between May 1975 and August 1975. A sum of Rs. 2.09 lakhs, calculated by the department on the basis of the maximum rates applicable to the relevant consumers and the period during which water was used, however, remained to be recovered from the beneficiaries (December 1976).

(v) In the Public Health Division, Ambala Contonment, machinery valuing Rs. 0.11 lakh purchased in 1972 and 1974 was lying unused as the design/specification of the works on which it was to be installed was changed subsequently.

(vi) In the Industrial Area Public Health Division, Faridabad, seven works (estimated cost : Rs. 1.68 lakhs) were entrusted to a contractor who executed the works to the extent of Rs. 1.54 lakhs upto April 1975. In June 1975, the contractor informed the department that he was unable to carry out the left-over portion of works due to illness. Recovery of Rs. 0.82 lakh was due from the contractor on account of material issued to him in excess of requirements but not returned to the department (Rs. 0.42 lakh) and penalty (Rs. 0.40 lakh). Only a sum of Rs. 0.16 lakh was with the division as security deposit of the contractor. The contractor is stated to have died in March 1976.

In the same division, a Sectional Officer was found taking away material worth Rs. 0.14 lakh outside Haryana in a truck on 8th March 1975. On physical verification of stores the following day, shortages valuing Rs. 0.32 lakh were noticed. The Sectional Officer was placed under suspension on 30th April 1975. The case was pending in the Court (December 1976).

(vii) *Scheme for providing safe potable water supply to village Thurana (District Bhiwani)*

The above scheme was completed in September 1972 at a cost of Rs. 5.01 lakhs to meet the needs of a population of 7,800. It was complained by the people that the water supplied gave foul smell. In a communication to the circle office (July 1976) the division stated that the quality of water being supplied was not satisfactory owing to the factors mentioned below:—

(a) The canal supply to the water works from the Petwar Distributary through a *Katcha* inlet channel got contaminated by the salt peter present in large quantity in the earth.

(b) The water level which was about 6.5 feet below the ground level had risen in recent years and was above the bed level of storage tanks, filter beds, etc. The various structures at water works were not initially designed to prevent the percolation of sub-soil water and the highly brackish water with contents of salt peter percolated into the storage tanks, and contaminated the canal supplies leading to foul smell, scour and saline taste.

The department proposed to overcome these difficulties by lining the inlet channel and laying layers of cement concrete in the bed of storage tank, filter beds, clean water tank, storage and sedimentation tanks and suction and scour wells at a cost of Rs. 3.31 lakhs; estimates were awaiting sanction (October 1976).

(viii) *Scheme for providing water supply to village Kakrod (District Jind)*

A sum of Rs. 2.29 lakhs was spent on the scheme upto November 1974. It was partly commissioned in December 1974 with two stand posts against 15 provided in the estimate for the work. There were complaints about cracks in *pucca nallah* and pump chamber and the work having not been carried out according to specifications. The matter was under investigation by the Vigilance Department since November 1974. Further developments are awaited (February 1977).

(iii) *Non-recovery of Maintenance charges*

The department in their written reply to a questions by the committee explained that—

(a) 9 Nos. schemes in the area other than hilly and sandy areas were completed upto 1975-76.

(b) Maintenance charges in respect of each schemes have been worked.

out, detail of which is given as under :—

Name of village	Amount recoverable upto 1975-76	Recovered	Balance
Mullana	87256/-	—	87256/-
Bullun	35673/-	4000/-	31673/-
Staundi	8845/-	—	8845/-
Kachwa	21157/-	—	21157/-
Arjaheri	1355/-	—	1355/-
Kalsanes	11730/-	—	11730/-
Ismailabad	14956/-	—	14956/-
Uchana Khurd	3236/-	—	3236/-
Kaul	12202/-	—	12202/-

(c) The Public Health Department is executing agency and also maintaining the rural water supply schemes on behalf of Panchayats Department. Recovery in respect of 9 schemes detail given in sub-para (b) above was only to be recovered from concerned panchayats. Due to the loan financial position of the Panchayat the amount of the maintenance charges could not be paid by them. The funds for maintenance charges of the schemes fallen in hilly & sandy areas are given by the Govt. (Panchayat Department) under head "314—Community Development." It was proposed that funds for maintenance charges for these scheme should also be paid by the Panchayats Deptt. Out of "314—Community Development" as is being done in the case of hilly and sandy areas schemes.

The matter is still under consideration in Panchayats Department."

The Committee desire that the decision taken regarding the recovery of maintenance charges from the concerned Panchayats be expedited and intimated to them.

(iv) *Non-recovery of water charges in respect of private domestic conditions*

To the questions by the committee the department in their written reply stated—

(iv) (a) Water charges from private domestic connection holders are not recoverable in advance. Out of this amount Rs. 46312.00 has since been recovered and Rs. 31025.50 only remains to be recovered. Efforts were made to recover the whole amount, but full recovery could not be effected. Now the matter is being taken up with concerned Deputy Commissioner by the Executive



Engineers of this Department for effecting recovery as land revenue arrear.

- (b) These connections are stated to be in Public Health Division, Jind/Sirsa, detail position of which is given below :—

Name of Division	Total Connection	TOTAL AMOUNT		
		Recoverable	recovered	balance
Jind	*79	45920.00	—	45920.00
*(There are only 79 connection against 250 shown in the para)				
Sirsa	182	30103.30	11747.80	18355.50
Fatehbad	14	3892 00	584.00	3308.00
Do	120	recovery made upto 3/76.		
<b>TOTAL</b>	<b>395</b>	<b>79915.30</b>	<b>12331.80</b>	<b>67583.50</b>

- (c) The field officers have been asked to fix the responsibility for not working out the water charges in time, and also not effecting recoveries from the consumers.
- (d) Out of 325 Private connections, one connection relating to Public Health Division No. II Hissar was legal, which was sanctioned by the Department on 28-3-67. The remaining 324 were detected during 1975 and disconnected during 5/75 to 8/75.

The field staff have been instructed to keep strict watch over unauthorised private connections. These connections could not be detected earlier due to in-sufficient supervision by S.O./S.D.E. in-charge, against those action is being taken.

- (e) The amount is still to be recovered. Case is being referred to Deputy Commissioner by Executive Engineer, P.W.D. Public Health Division No. 2, Hissar for effecting the recovery from the concerned.

The Committee feel concerned that heavy arrears on account of water charges were allowed to accumulate against private domestic consumers and that there was a large number of unauthorised connections which remained undetected for long. Prompt and effective steps do not seem to have been taken to recover the dues after their detection.

The Committee recommend that progress made in the matter of recovery of water charges in respect of private domestic consumers and the action taken against the officials found responsible for not working out the water charges in time as well as not effecting recoveries from the said consumers be intimated.

The Committee further desire that the progress of recovery of water charges

from the unauthorised consumers together with the action taken against the officials at fault be also intimated.

(vi) The department in their written reply to the questions by the committee explained as under :

- (a) The Department become active immediately after the Contractor left work, to recover the unutilized material and all possible efforts were made to achieve the end to prevent loss to Govt.
- (b) Neither the material nor its cost has been recovered so far from the heirs of the deceased, inspite of all possible efforts in this respect. Latest position is given as under :—

Reference was made to L.R. for seeking advice whether the department should file any civil suit or resort to Arbitration for the recovery of amount due from the Contractor. In case the opinion is in favour of filing a civil suit a request was also made to issue necessary instructions to the District Attorney Gurgaon for filing the civil suit. Necessary instructions were issued by L.R. to Distt. Attorney Gurgaon for filing the civil suit against the Legal heirs of the deceased contractor to recover the amount due from him. L.R. on a reference made by Distt. Attorney Gurgaon, instructions issued for filing a civil suit against legal heirs of deceased contractor, with drawn vide his letter No. 23149 CO. 9(191)77 dt. 28-11-78 and advised to refer this matter to the Arbitrator. Action to refer the matter to the Arbitrator is under process.

- (c) As reported by the Executive Engineer, security has been accounted
- (d) It has been intimated that the Truck was not of the Govt., so no action was taken against the driver and all were handed over to the Police Department.
- (e) The case is still under process in the Court of Law and the S.O. is also under suspension.

The Committee desire that the decision of the Arbitrator and action taken thereon be intimated.

The Committee further desire that the progress of the case against the concerned S.O. in the court of law be intimated to them.

(viii) *Scheme for providing water supply to village Kakrod (Distt. Jind)*

The department in their written reply to a question by the committee stated that the case was still under investigation with the vigilance department and their findings were awaited and the relevant record was with vigilance department.

The committee desire that the out come of the investigation by the vigilance department and action taken thereon be intimated to them.

*Paragraph. 4.11. Excess issue of material.*

25. The rules provide that material should not be issued to a contractor in excess of immediate requirements. In the Public Health Division, Ambala Cantonment, five works of providing water supply and sewerage installations (aggregate estimated cost : Rs. 2.24 lakhs) and one work of providing and fixing laboratory table in a Government High School (estimated cost : Rs. 0.94 lakh) were entrusted to a contractor in 1971-72 and 1972-73. The works were completed or nearly completed by September 1972 but final bills were not passed (November 1976). It was noticed in audit (January 1976) that material worth Rs. 0.46 lakh (at issue rate) which was returnable was not returned by the contractor. According to the terms of the agreement, recovery of material not returned is to be effected at double the issue rate.

After setting off the value of work done (Rs. 0.02 lakh) since last running payment made in April 1973 and amount of security (Rs. 0.11 lakh) available with the department, the amount recoverable from the contractor works out to Rs. 0.79 lakh. The whereabouts of the contractor were stated to be not known to the department (January 1977).

The matter was referred to the Government in September 1976; reply is awaited (February 1977).

To the questionnaire issued by the Committee the Department explained the position in their written reply as under :—

(i) The final bills of all the four works have since been prepared and amount due from the Contractor is given against each :—

(1) Prov. W/S S.I. & Sew. in MIG/LIG Quarters at Ambala City	Rs.	26614.72
(2) Prov. W/S S.I. & Sew. in Police line Ambala City	Rs.	17254.77
(3) Prov. W/S S.I. & Sew. in Teachers cum scout Huts at Ambala Cantt	Rs.	1113.96
(4) Prov. Lab. table in Govt. High School Barwala	Rs.	6809.66

The amount of bills at Sr. No. (1) & (4) has been placed in the schedule of P.W. Misc. advances against the Contractor vide T.E. No. 17, 18 of 7/77 and 18, 19 of 8/77.

Bills at Sr. No. (2) & (3) have been checked but could not be passed in the absence of proper agreement work order.

(ii) All the works were got executed by Sh. B.C. Taxali, Sub-Divisional Engineers S.O., and he was transferred from Ambala with the result the final bill could be prepared.

(iii) Information regarding total value of material issued to the Contractor for each work, value of material issued after the payment of last running bill and value of material consumed in the works

done after the last running bill, is given below :—

Sr. No.	Name of Work	Total cost of material issued to the Contractor for each work	Cost of material issued to the Contr. after last running bill	Cost of material consumed by the Contr. after last R/bill
1.	Prov. W/S S.I. & Sew. in LIG & MIG Qr. IInd phase A/City	100212.53	—	2246.09
2.	Do in Police Barrack No. II Police line A/City	48160.72	6398.45	265.65
3.	Do in Scout hut A/City	16702.25	—	—
4.	Prov. Lab. Tables in Govt. High School Barwala Distt. Ambala	18647.60	14431.65	—

(iv) Sarvshri B.C. Taxali, Sub Divisional Engineer, S.P. Kanwal, Sub Divisional Engineer and Denesh Chopra, S.O. are responsible for the excessive issue of material. Charge-sheet against them are under process.

The Committee regret to note that material was issued to the contractor much in excess of requirements. There was also considerable delay in passing the final bills of the contractor. It is regrettable that the process of recovery of cost of excessive materials from the officials responsible for the same has not been finalised even after a lapse of about four years.

The Committee recommend that the charge sheets issued to the officials at fault may be processed as quickly as possible and suitable action taken against them. The Committee would also like to know whether the contractor has since been traced out or not and what steps were taken to locate him.

#### *Paragraph 4.12. Recovery due from a contractor*

26. In the Project Public Health Division, Faridabad, the work of providing estate sewerage and water supply in Industrial-cum-Housing Estate, Faridabad (estimated cost : Rs. 2.90 lakhs) was entrusted to a contractor in March 1966 for completion within 12 months. The date of completion was later extended upto 31st December 1967. The contractor executed work of the value of Rs. 2 lakhs by December 1967 when he stopped the work. The department levied in June 1968 ten per cent compensation amounting to Rs. 0.29 lakh for delay in execution of the work. In August 1968, the contractor represented against the levy of compensation on the ground that he was not responsible for the delay. The representation was considered by the Superintending Engineer on 19th February 1969 when the contractor stated that he had taken up the work in hand and would complete it before 30th June 1969. The Superintending Engineer ordered that a report be sent to him about the state of work in the middle of June 1969 and meanwhile the amount of Rs. 0.29 lakh be withheld and running payments for work done be made to the contractor.

The contractor did re-start the work in February 1969 but did not complete it. The matter remained under correspondence between the department and the contractor and a final notice was issued to the contractor on 7th February 1972 requiring him to resume the work within 10 days failing which the work would be completed through another agency at his risk and cost. Eventually the contract was rescinded in May 1972 and the residual work was entrusted to another contractor at an estimated cost of Rs. 0.58 lakh which would involve extra expenditure of Rs. 0.21 lakh when compared with the cost of work at the original contractor's rates. The second contractor also stopped the work sometime in 1974 after executing work of the value of Rs. 0.47 lakh and the residual work was allotted to still another contractor in July 1976 at the risk and cost of the second contractor. The work was in progress (January 1977).

In March 1975, the compensation levied on the first contractor was reduced as a result of arbitration from Rs. 0.29 lakh to Rs. 290. The department made final payment to the contractor (Rs. 2,166) and released security (Rs. 0.23 lakh) in December 1975 after making deduction of Rs. 290 but without withholding any amount towards the extra cost (Rs. 0.21 lakh) recoverable from him which was not referred for arbitration. Information as to the action taken for effecting recovery of Rs. 0.21 lakh was called for from the department in April 1976; reply is awaited February 1977).

The matter was referred to the Government in September 1976; reply is awaited (February 1977).

In reply to the questionnaire issued by the Committed the Department stated as under :—

- (i) The contractor stopped the work some time in the month of July, 1969 after restarting in 2/69.

As regards the reasons for issue of notice to the contractor in 2/72 it is submitted that a letter was written to the contractor by the Executive Engineer, Project Public Health Divn. Faridabad vide his Memo. No. 1554-65 dated 1-12-69 in continuation of S.D.E. Project Public Health Sub Divn. No. 2, Faridabad memo No. 1671-72 dated 20-11-69 requesting therein for taking up the balance work in hand within a week of the issue of letter failing which action under clause 2 and 3 of the agreement shall be taken for which the contractor shall solely be responsible. The notice given in 2/72 was a follow up action of the above letter dated 1-12-69 though the reference to the said letter has not appeared in the letter dated 7-2-72.

- (ii) The compensation was reduced from Rs. 29,000/- to Rs. 290/- by the Superintending Engineer P.W.D. Public Health Circle, Faridabad vide his memo No. 2106-7 dated 3-3-75 by virtue of the powers conferred upon him under clause 2 of the Contract Agreement after hearing both the parties. As the above decision was given by the S.E. after hearing both the parties and the decision being given under clause 2 of the Agreement being final, which was not open to challenge and as such the department did not consider it desirable to go into appeal against the said decision.

- (iii) The extra expenditure hypothetically involved in works carried out by the second contractor was of the order of only Rs. 3546/-. However, in view of the fact the nature of work had changed altogether the recovery of this amount from Shri Hans Raj was not contemplated and could not have stood either in Arbitration or in court of law. Therefore, the agreement of Sh. Hans Raj was rescinded under clause 3(a) of the Agreement.

The further point in favour of Sh. Hans Raj was by 1968 when the land was acquired the premiums were higher on an average by more than 15% and by the time the work could actually be done below spring level in 1972 had risen to 100 per cent approximately against 10% in 1966. The work had been postponed due to shortage of cement as works below spring level need large quantities of cement. In 1972 the supply position of cement had eased and hence the balance work has taken up. After exhibiting the time limit of 12 months the department is morally bound to see that all pleas of works exhibited are available for completion in 12 months or a little time thereafter and not after 2 years which means more than additional 12 months. Ultimately, he backed out not because it was delayed but because the work was of different nature as compared to the original allotment and hence he could not do it. For the same reason, responsibilities can not be fixed on any one of the departmental functionary.

- (iv) The work was completed by the third contractor Shri Nand Lal Kalra on 13-8-77 at a cost of Rs. 4562/02.

The second contractor Sh. Vijay Kumar was allotted the work for Rs. 30000/- vide Executive Engineer Project. Public Health Division, Faridabad memo No. 6002 dated 12-5-72 which he completed much before 24-5-74, but the deptt. subsequently asked the contractor to do some additional work of const. of Chowkidar Qrs. boundary wall, cement concrete Road, etc. and the agreement amount was enhanced from Rs. 30,000/- to Rs. 58,000/- vide S.E. Public Health Circle, Faridabad memo No. 13297 dated 12-12-74. The enhanced work, however, could not be completed by the contractor for which he cannot be held responsible. As such no action was deemed fit to be taken against the contractor by the Deptt. The contractor was not legally bound to do the additional work in view of fluctuations in the cost of material and as such the remaining enhanced work Rs. (58,000-30,000-28,000-16,647-78) i.e. 11352 22 could not be got done at risk and cost of the contractor.

- (vi) As regards the original date of completion of 3/67 land was made available in the year 1968 and therefore there was no question of the work being useful in 1967. The storm drainage was used for the rainy season of 1969, as the second part which was allotted to other agency simultaneously with Sh. Hans Raj was completed by that time. In that case also land acquisition for part of the storm drainage was done in the year 1968 and by that time that drain also went below spring level due to heavy rains and had to be completed with great difficulty. Since the

completion of drain in 1969 we have been using the entire storm drainage system with temporary pumping arrangements from one of the manholes till 1973 when the pump chamber was constructed by Sh. Viyay Kumar was brought in used. In view of this so far the impact due to the delay in the implementation is concerned there was not much of it as by 1969 only a few houses had been constructed in Sector-7 and due to remaining vast open land there was no effect of flooding.

The Committee fail to understand the reasons due to which the amount of penalty imposed on the contractor in June, 1968 for non-completion of work was reduced from Rs. 0.29 lakh to Rs. 290 in March, 1975 even though the contractor had left the work incomplete after restarting it in February, 1969. It is not clear as to why the department did not go in appeal against the decision of the S.E.

The Committee also regret to observe that the dues of the Contractor including the security deposit of Rs. 0.23 lakh were released without deducting the extra cost of Rs. 0.21 lakh which was incurred for getting the work done from the second contractor.

The Committee desire that the whole matter should be got investigated by the Vigilance Department immediately with particular reference to the following points :—

- (i) whether the reduction in March, 1975 of the amount of penalty imposed on the contractor from Rs. 29000/- to Rs. 290/- was justified.
- (ii) whether the release of security amounting to Rs. 23000/- without recovering the extra expenditure of Rs. 21000/- from the contractor was proper ; and
- (iii) what were the reasons for delay in the acquisition of land and the persons responsible therefore.

The Committee would like that the result of the enquiry by the Vigilance Department be intimated to them at the earliest.

#### CO-OPERATION

##### *Paragraph 3.8. Payment of rent*

27. The Co-operative Training Institute, Rohtak hired a private building in April, 1963 at a rental of Rs. 593 per month. The rent was raised to Rs. 661 per month from 16th April, 1967 on account of provision of two additional rooms.

In April 1973, the owner of the building issued a notice for eviction. He, however, agreed (June 1973) to withdraw the notice if the rent was enhanced. The institute approached (June 1973) the Rohtak Provincial Division for reassessment of rent at the current market rates which reassessed it as Rs. 1,335 per month (August 1973), but pointed out that in accordance with the practice

obtaining no reassessment could be made and rent originally assessed was to be paid.

In November 1974, the Registrar, Co-operative Societies sought Government sanction for paying rent at Rs. 1,335 per month stating that the court, on a petition by the owner, had ordered increase in rent from 5th June, 1973. The Government issued (November 1974) the sanction accordingly for payment of rent at the enhanced rate of Rs. 1,335 per month from the 5th June, 1973.

On a query by Audit, the Registrar, however, stated (August 1976) that in fact the court had not raised the rent but filed the case as the owner did not pursue it presumably because he had been paid the rent he desired. The rent paid in excess amounted to Rs. 0.22 lakh (upto February 1976).

The matter was referred to the Government in October 1976 ; reply is awaited (February 1977).

To a question as to why was the rent at enhanced rate of Rs. 1335/- p.m. paid when the P.W.D. authorities had clearly stated that rent at higher rates was not payable and rent originally assessed was to be paid and whether any agreement had been executed with the owner and if so did it contain a provision for revision of rent, the department in their written reply stated that :—

“Initially the premises in question were taken of rent @ Rs. 593/- p.m. from Sh. P.S. Duaulta. The rent of the said building was enhanced from Rs. 593/- to 661/- p.m. w.e.f. 16-4-67 as the landlord had made additions/ improvements by constructing two more rooms on the said premises. On 27-11-71 the ownership of the premises was transferred in favour of Sh. Bulgan Singh son of Sh. Partap Singh Daulta resident of Rohtak. He (the successor landlord) was adamant to get this building vacated and hence he filled a civil suit for ejection under section 13 of the Haryana Urban (Control of rent) Eviction Act, 1973 on the ground of personal necessity. It was likely to be decreed by the competent Court. In case the prayer of the petitioner would have been accepted by the competent court, no alternative suitable accommodation even at the enhanced rate was available to accommodate the trainees. Moreover, it would be appropriate to mention here that under the direction of the then Hon'ble Cooperative Minister, the rent of the building was got assessed from the competent P.W.D. authority who assessed the rent 1325/- P.M. w.e.f. 5-6-73. Keeping in view the facts the payment of the rent at the enhanced rate was made with the prior sanction of the Government.”

To another question as to what were the circumstances in which incorrect information was originally furnished to Government stating that the Court had ordered increase in rent from 5th June, 1973 and whether responsibility had been fixed for furnishing incorrect information, the Department in the written reply stated that :—

“The position in fact is that for the year 1974-75 there existed a provision of Rs. 7300/- only in the departments 'budget for the payment of rent of the hired building of the C.T.I. Rohtak. The



landlord of the building instituted a civil suit for ejection and it was necessary to make regular payment of the rents" during the pendency of the suit as otherwise non payment of the rent, the court could legitimately pass ejection orders. On the request of the principal C.T.I. Rohtak the State Government was approached on 25-7-74 to permit the incurring of the expenditure amounting to Rs. 6510/- over & above the budgetary provision of Rs. 7300/- subject to necessary reappropriations in due course. On another communication of this office Memo No. Legal/74/6661 dated 23-7-74 the State Government had accorded sanction vide No. 5302-CIV-74/31142 dated 18-9-74 to the continued hiring of the building for the C.T.I. Rohtak at the reassessed rent of Rs. 1335/- p.m. w.e.f. 5-6-1973. In the light of these orders, the Government desired a proposal from this office for allocating the reassessed rent of Rs. 1335/- p.m. No doubt the information furnished to Government stating that the court had ordered increase in the rent from 5-6-73 was wrong but it did not merit much in view of the Government decision conveyed in September, 74 (i.e. two months earlier) for continued hiring of the building w.e.f. 5-6-73 at the reassessed rent of Rs. 1335/- p.m. Any how the incorrect information conveyed to the State Govt. is very much regretted and in view of the position explained the question of fixation of responsibility does not arise".

During oral examination, the departmental representative was asked to indicate as to whether the enhancement of rent in 1976 was made in respect of all the buildings taken on rent by the department or in respect of this building only. It was stated that this information was not available with them and would be supplied to the Committee.

The Committee are surprised at the manner in which the case regarding enhancement of rent was dealt with, despite the advice of the Public Works Department as well as of the Legal Remembrancer to the contrary. It is strange that incorrect information was furnished to Government in November, 1974 stating that the court had ordered increase in rent from 5th June, 1973 although the court had simply filed the case. The Government also seem to have accorded sanction to the payment of increased rent without verifying that the court had passed any order to this effect.

It appears that there were some extraneous circumstances under which the matter regarding enhancement of rent of the building was pushed through. The Committee recommend that the case be investigated afresh to determine whether the payment of enhanced rent was bonafide. The responsibility for furnishing incorrect information to Government, be also fixed.

The information regarding increase in rents of other buildings promised during oral examination be also supplied without further delay.

#### *Paragraph 7.4. Financial assistance to Co-operative institutions.*

28. Investment by the Government in the share capital and debentures of the co-operative institutions at the close of 1974-75 and 1975-76 and the

return thereon were as under :—

Year	Number of institutions	Amount invested	Dividend/ interest received	Percentage
(in crores of rupees)				
1974-75	2,730	15.53	0.51(a)	3.3
1975-76	2,054*	20.35	0.58(b)	2.8

The loans and subsidies/grants paid by the Government to various co-operative institutions during 1974-75 and 1975-76 were as under :—

Year	Loans				Subsidies/ Grants paid dur- ing the year
	Balance at the end of the previous year	Disbursed during the year	Repaid during the year	Balance at the end of the year	
(in lakhs of rupees)					
1974-75	93.58	0.38	5.60	88.36	8.34
1975-76	88.36	0.75	9.04	80.07	14.07

According to the information furnished by the department, the principal and interest overdue for recovery upto 31st March 1976 amounted to Rs. 18.12 lakhs and Rs. 11.55 lakhs respectively. Its break-up was as under :—

Period	Principal	Interest	Total
(in lakhs of rupees)			
Below three years	9.64	5.06	14.70
Three years and above but less than five years	4.38	2.69	7.07
More than five years	4.10	3.80	7.90
Total	18.12	11.55	29.67

The department in their written reply stated that—

“There were 2259 Cooperative Societies having Government Share capital invested during 75-76, the details of profits, dividend declared

\*Number of institutions is reduced as a result amalgamation of Agricultural Service Societies.

(a) From 23 institutions.

(b) From 42 institutions.

is given below:—

No. of Socs. in profit	No. of socs. in loss	Total	No. of socs. declared dividend	No. of socs. deposited dividend	Amount deposited
1440	819	2259	60	60	5279010.67

Societies having marginal profits do not declare dividend each year but carry the undistributed profits to the next year for distribution. Sometimes Cooperative Societies distribute the profits by allocation to different funds maintained by a Cooperative Society to strengthen its financial position. It is as such not necessary that every society in profit must declare dividend each year.

(ii) the share capital investment made by Government in Cooperative Societies is meant only for the following objectives:—

- (1) Strengthening the economic position of the society.
- (2) Enhancing the borrowing power of the Society.
- (3) Inspiring public confidence. The Societies have been organised for service motive and not for profit motive.

As already explained, it is not necessary that every society must declare dividend each year”.

To another question by the committee as to what was the latest position of yearwise recovery of principal and interest from various cooperative institutions and as to why could not the recovery be effected on due dates the department in their written reply gave the position as under:—

Period	Amount of Pl.	Amount of intt.	Total
(a) Amount of overdues at the end of 1975-76	18.12	11.55	29.67
(b) Recoveries effected	2.25	1.88	4.13
(c) Overdues at the end of 1977-78	15.87	9.67	25.54

Yearwise break up of overdues is as under:—

Period	Amount of principal	Amount of instt.	Total
(a) Below 3 years	8.07	3.88	11.95
(b) 3 to 5 years	4.12	2.44	6.56
(c) More than 5 years	3.68	3.35	7.03
	15.87	9.67	25.54

Out of Rs. 15.87 lacs principal and Rs. 9.67 lakhs interest a sum of Rs. 11.42 as pl. and Rs. 6.74 lakhs as interest is outstanding against consumers stores. The remaining amount of Rs. 4.49 lakhs pl. and 2.93 lakhs as interest is outstanding against small agri. Service/Farming/Marketing/Cold stores and Rickshaw Puller Societies etc.

The matter regarding converting the loan outstanding against the Co-operative Consumer Stores into share capital is under consideration with the Government. As such the due instalments of loan are not being paid by the Consumers Stores.

The remaining amount was invested in other above mentioned societies. Efforts are being made to recover this amount from the Societies for which the field staff has been instructed.

The Committee note with great concern that out of a total investment of Rs. 15.53 crores, only 3.3% dividend interest was received during the year 1974-75. This situation became more alarming during the year 1975-76 because of the fact that although the investment went upto Rs. 20.35 crores the dividend/interest on the investment came down to 2.8%.

The Committee are also unhappily to note that out of 2259 societies about one-third of them were in loss.

The Committee suggest that the department should take effective steps to improve the working of these societies and to bring them at par with private companies in the matter of decalaration of dividends.

The Committee are also not satisfied with the pace of recovery of dues of principal and interest from the various co-operative institutions and recommend that their recovery be accelerated and results thereof intimated to the Committee. The Committee would like to be informed of the decision on the proposal for conversion of outstanding loan against co-operative consumer stores into share capital.

#### Paragraph 7.5. Co-operative Banks :

29. As on 30th June 1975, there were 12 Central Co-operative Banks in the State, acting as financing bodies for primary societies. Besides, there were two apex institutions, namely, the Haryana State Co-operative Bank Limited and the Haryana State Land Development Bank Limited. The former provides medium and short term finance to the co-operative institutions while the latter provides long term finance to the agriculturists. According to their audited accounts, Government investment in these institutions as on 30th June, 1974 and 30th June 1975, and other financial data as

on those dates, were as under —

Sr. No.	Name of the institution	Number of banks	Paid up Capital		Government investment in share Capital	
			30th June 1974	30th June 1975	30th June 1974	30th June 1975
(in lakhs of rupees)						
1.	Central Co-operative Banks	12	6,10.66	7,53.46	1,35.77	2,05.05
2.	Haryana State Co- operative Bank Limited	1	2,14.33	2,28.91	95.90	95.90
3.	Haryana State Land Development Bank Limited	1	2,54.00	2,61.07	69.78	69.78

Sr. No.	Net profit		Reserves and Funds		Loans by Govern- ment	
	1973-74	1974-75	30th June 1974	30th June 1975	1973-74	1974-75
1.	59.72	1,03.38	2,42.26	2,88.28	1.06	0.86
2.	47.15	66.88	1,36.45	1,74.33	8.69	4.86
3.	45.23	52.72	83.89	63.11		

In 12 Central Co-operative Banks and the Haryana State Co-operative Bank Limited, the amounts of overdue loan and interest as on 30th June 1975 were Rs. 15,70.75 lakhs and Rs. 94.74 lakhs respectively. Out of these, Rupees 2,06.82 lakhs and Rs. 6.47 lakhs were outstanding for more than three years.

In respect of the Central Co-operative Banks, there were 8,347 indebted co-operative societies as on 30th June 1975. Out of these, 5,746 societies had defaulted in repayment of loans. Debts considered bad and doubtful amounted to Rs. 3,89.93 lakhs (principal : Rs. 3,31.97 lakhs and interest : Rs. 57.96 lakhs), against which there was a reserve of Rs. 1,28.00 lakhs only.

To a question by the committee as to how many societies were still indebted to the cooperative Banks and how many of these had defaulted Bank-wise in repayment of loans the department in their written reply stated that—

5234 Socs. are in debt to the Central Coop. banks as on 30-6-79 out of

which 3583 socs. are in default. The bank-wise detail is as under :

Sr. No.	Name of the Bank	No. of indebted socs.	No. of socs. in default
1.	Ambala	354	305
2.	Karnal	764	324
3.	Kurukshetra	310	264
4.	Sonepat	422	412
5.	Gurgaon	722	551
6.	Mohindergarh	176	132
7.	Jind	389	213
8.	Rohtak	353	257
9.	Sirsa	322	236
10.	Bhiwani	633	298
11.	Hissar	590	439
12.	Rewari	199	152
Total :		5234	3583

During the course of oral examination on 11-9-79 the departmental representative explained that a list of the societies in default was maintained and some of the societies after some days of having been shown in the default list clear their default but continue to be on the default list because sometimes necessary corrections in the list are not made in time. He thought that there might be some such societies in the figures stated above and promised to supply the latest figures about them.

The Committee are unhappy to note that as many as two-third of the indebted societies were in default and urge the department to take suitable steps to remedy the situation.

The Committee also desire that the latest figures be supplied to the Committee as promised during oral examination.

The Committee would further recommend that strenuous efforts should be made to liquidate the overdue amounts of loans and interest as expeditiously as possible. In particular, the loans outstanding for more than 3 years should be thoroughly investigated and tackled first.

#### 7.6. Co-operative consumers stores

30. There were 14 Central Co-operative Consumers Stores in the State

as on 30th June 1975 ; one of them had not started functioning. Besides, there was one apex institution, namely, the Haryana State Federation of Consumers Co-operative Wholesale Stores Limited.

According to their audited accounts, the financial data of the Central Co-operative Consumers Stores for the years 1973-74 and 1974-75 were as under :—

Year	Number of Stores	Paid up capital	Government investment in share capital	Loans obtained and out standing	Reserves and Funds	Turnover	Net Profit
(amounts in lakhs of rupees)							
1973-74	10	16.11	10.97	22.99	8.90	6,13.47	2.64
1974-75	13	24.61	18.30	23.32	11.80	9,42.63	8.81

During 1974-75, twelve stores earned a net profit of Rs. 9.53 lakhs while the remaining one store (Faridabad) sustained a loss of Rs. 0.72 lakh.

A perusal of the audited accounts of these stores for the year ended 30th June, 1975 disclosed the following :—

- In eleven stores, Rs. 6.40 lakhs (cash/stores) were alleged to have been mis-appropriated/embezzled.
- In seven stores, debts to the extent of Rs. 3.18 lakhs were considered bad and doubtful against which there was a provision of Rs. 2.55 lakhs only.
- Six stores were advanced loans/subsidies by the Government aggregating Rs. 5.17 lakhs for the construction of godowns/ buildings and acquisition of delivery van, furniture, equipment, etc. Out of this, a sum of Rs. 2.13 lakhs was utilised for purposes other than that for which it was intended.
- In eight stores, the closing stock included damaged stock valuing Rs. 0.91 lakh.
- In the Stores at Jind, no Purchase Committee was constituted as required under the bye-laws. The purchases during the year (Rs. 62.37 lakhs) were made mostly from the local market and other places, without calling quotations and placing formal orders.

The Department in their written reply stated as under :—

The reasons of this loss are decrease of sale, heavy payment of demurrage, high rates of carriage and loading & unloading charges, heavy amount of establishment and interest to bankers. In comparison to the figures of last year, the store has paid Rs. 48,598.39 excess salary of the staff this year, while the sale of this year is poor than that of the last year. This year, the store has paid interest to bankers Rs. 78180.01 while last year only Rs. 22,494.26 were paid to the banks. In addition to it a shortage of Rs. 1,65,403.12 has

been detected against the salesmen and Rs. 23752.29 of Jambori camp while the position of recovery was very poor. On other hand the purchases have not been made systematically as per need because most of the handloom clothes are lying un-sold since long.

This shows lack of supervision on the part of the then General Manager Sh. B.B. Sexana. He was placed under suspension by the Govt. but later on he expired. The responsibility of mis-management of the affairs of the store was fixed on Sh. Sexana, the then General Manager. Because of his death the local management could not follow up the case. The store showed the following sale during subsequent years :—

Year	Sale	Profit/Loss
1975-76	79.05 lacs	+Rs. 0.25 lacs
1976-77	78.34 lacs	—Rs. 0.74 lacs
1977-78	73.28 lacs	+Rs. 1.10 lacs

- (i) With the introduction of common cadre amongst the employees of the stores, the action has been initiated against the concerned officials. A few officials were transferred who have developed thicker relations with the local shop-keepers to mis-utilise their position. Other officials have been charge sheeted. Responsibility is being fixed for wrong purchases on the concerned officials. Two Salesmen are under suspension since June 79 because of the serious irregularities committed by them. Services of two salesmen have been terminated on 25-6-79. An experienced General Manager has been posted to improve the working of the store.
- (ii) The departmental committee made 11 recommendations, out of which decision regarding 5 recommendations have been taken by the Govt. Out of these recommendations at five have been accepted by the Govt. while the final decision regarding the remaining recommendations has not still been taken by the Govt.

The following steps have been taken to improve the working of the stores :

- (i) The security of the salesmen has been increased from existing scale of Rs. 1000 cash & Rs. 5000/- tangible to Rs. 2000/- in cash and two tangible securities from two persons of Rs. 25000 each.
- (ii) The bulk purchase system of main items has been started by Confed. It has contributed a lot in streamlining the purchase system. The following items have been covered under the bulk purchase system :
  - (1) Controlled cloth, (2) Tea, (3) Soaps, (4) Cycle tyres & tubes, (5) Soda ash, (6) medicines, (7) ex-note books etc.

The Federation intends to cover all items after obtaining more financial assistance from Govt. of India for which it has submitted a share capital case of Rs. 57 lacs to Govt. of India. Instructions have been issued by the Federation as well as R.C.S. to the Field staff to ensure more frequent checking of the stocks/sale at the counters in the stores. Because of shortages where ever detected are vigorously pursued by referring the cases to arbitration/police. Imme-



mediate action is taken against the defaulters/negligent staff of the stores. With the introduction of the common cadre rules, amongst the employees of the stores, the entire administration has been toned up. Action is promptly taken against them. In case they are found involved in the shortage, case or other serious irregularities. Transfers are also being made amongst the officials of the stores. It has improved the working of the stores a lot. Hitherto, salesmen had been working at their respective stores for long periods ranging from 10 to 15 years. They developed thicker relations with the local public/parties/leaders consequently resulting in the creeping of enough shortages in the stores. Common cadre of the General Managers and lower level staff is being strengthened to build up a strong cadre of officers to man the stores. More financial assistance is being provided to the stores from Govt. of India to facilitate them in the discharge of their duties. The stores have been given the working of distribution of cement. In spite of the tricks, i.e. under-weighment, adulteration, creating artificial scarcity conditions, stealing sales tax, octroi etc which the private trade can resort to, the stores are struggling hard to make feel their existence in the private market.

The following factors are responsible for mis-appropriation/embezzlement —

- (i) Slackness on the part of supervision of staff.
- (ii) Physical verifications are not generally undertaken by the staff sincerely.
- (iii) Proper security was not taken from the sales staff.
- (iv) The staff in the stores because of their long stay ranging from 10 to 15 years developed thicker relations with local parties. Consequently, they resorted to wrong practices with their influence. Various steps have now been taken to remove these shortcomings. Strict action is being taken against officials who were found involved in such cases ranging from salesmen to General Manager. These shortages were detected by audit and departmental officers at different times. These cases were detected in the previous quarterly physical verifications.

As earlier stated, field staff of the store has been pulled up to exercise more supervision and control and to take prompt action as and when such cases are detected. Physical verifications are conducted more frequently. Instructions have been issued from Confed as well as from R.C.S. office to conduct such monthly frequent checking. This discourages the sales staff to show shortages. The quantum of security has also been increased. Deterrent action is taken against staff found involved in embezzlement/shortage cases. Embezzlement cases are registered with Police in serious cases. Arbitration proceedings are also initiated against the defaulters. Necessary action has been taken for the recovery of the amount.

According to audit reports of 7 stores, the actual figure of bad and doubtful debts is Rs. 5.42 lacs instead of Rs. 3.18 lacs. Provision of Rs. 2.51 lacs has been made. In this connection, it is pointed out that bad and doubtful debt as classified by the audit are not the actual bad and doubtful in real sense. In fact more than 50% recovery of these dues pertaining to Govt. deptt./local bodies and other institutions. Stocks are issued by the stores to them on credit depending upon the circumstances and the urgent demand of the institutions and the amount is also recovered in due course. The standing of dues from these institutions is a continuous process. For example, in

Karnal store recovery of Rs. 34500/- has been made from the total figure of Rs. 57000/- shown on 30-6-75. Similarly in Yamunanagar store, out of Rs. 28000/- recovery of Rs. 7000/- has been made.

(C) The concerned stores are Yamunanagar, (ii) Karnal and (iii) Jind.

(i) Jind Store :—The store has fully utilised balance amount of Rs. 3215/- in the purchase of furniture.

(ii) Karnal Store :—The store has also fully utilised Rs. 80090/- in the construction of godown.

(iii) Yamunanagar Store :—Similarly this store has also utilised Rs. 66442/-. The remaining amount of Rs. 18558/- will be utilised by the store in the next two months. The store has assured to purchases a suitable godown. Store is making negotiation with the concerned Property dealer. The amount has been utilised for which it has been sanctioned in all the above mentioned three stores.

Instructions have been issued by R.C.S. office to the field officers to ensure timely and proper utilisation of the financial assistance sanctioned to the stores. The progress is reviewed in the monthly meetings of the General Managers held by the Federation.

(d) The details of dead and damaged stock is as under :—

(i) Yamunanagar Store	Rs. 6312.00
(ii) Karnal	Rs. 5746.30
(iii) Sonapat	Rs. 2919.00
(iv) Panipat	Rs. 43277.06
(v) Rohtak	Rs. 5500.00
(vi) Faridabad	Rs. 2922.74
(vii) Jind	Rs. 16605.99
(viii) Hissar	Rs. 8601.64
Total	Rs. 91884.73

The latest position out of the above shown amount is as follows :—

(i) Yamunanagar Store :—The store has totally disposed off the stocks by auction for Rs. 2976/-. The store has been asked to fix the responsibility for the amount of loss suffered by the store.

(ii) Karnal :—Stock found damaged in the store was very insignificant keeping in view the total stock valuing Rs. 7.31 lacs,

- (iii) Sonepat:—Stock of Rs. 2120.00 has been disposed off.
- (iv) Panipat:—The Board of Directors of Panipat Store has constituted a sub committee in their meeting held on 19-6-79 to dispose off dead and damaged stock. For the delay in initiating the case in this regard, the previous General Manager has been charge-sheeted. Action is going on against him. Rather he was placed under suspension keeping in view his work and conduct.
- (v) Rohtak :—Stocks have totally been dispose off.
- (vi) Faridabad :—Store has taken action to disposed off the stocks.
- (vii) Jind Store :—Stocks worth Rs. 9437/- have been disposed off by allowing discount. Store is taking action to dispose off the remaining stocks
- (viii) Hissar Store :—Stocks worth Rs. 6600/- have been disposed off. The remaining stocks have been written off by the local Board.

In a business concern, a small portion of the stock do become dead and damaged because of their deteriorating in their handling, storage, quality, consumer taste, breakage etc. Regarding Panipat store, General Manager has been instructed to fix the responsibility for these damaged stocks. In other stores, action is being taken to dispose off their stocks. For example— in Ambala Super Bazar, dead and damaged stocks worth Rs. 1,45,227 was found by the auditors as on 30-6-78. This was accumulated position. The Board of Directors of the Ambala Store decided in their meeting held on 31-8-77, constituted a sub committee to dispose off this stock. The committee made necessary recommendations after examining the matter. The Board in their meeting held on 18-9-78 has accepted the recommendations of the said sub committee and authorised the General Manager to dispose off the stocks at reduced rates and it further resolved that the then General Manager/ Asstt. General Manager responsible for this negligence be held responsible for the losses which the store has suffered in this account. Out of this the store has sold stock worth Rs. 43363/- at 20% less. The position of other stores is as follows :—

(i) Bhiwani	Nil
(ii) Kaithal	Nil
(iii) Kurukshetra	Nil
(iv) Gurgaon	Nil

The stores have been instructed to dispose off the remaining stock promptly.

(e) Out of the total purchase of Rs. 62.37 lacs, stock worth Rs. 47.35 lacs consisting of controlled items/rationed goods like controlled cloth, food-grains, K.Oil, Sugar etc. So much so, that only controlled item was of Rs. 25.35 lacs. The remaining balance of Rs. 15.02 lacs consisting of other goods. Most of the goods concerned this stock were also purchased from the local

dealers/stockists. For example, local dealers/stockists appointed by M/s D.C.M., Hindustan Levers, Tata Oil Companies etc. However, purchase sub-committee has been constituted on 13-2-76. Similarly, the main items are now supplied by the Federation. Bulk purchase system started by the Confed to meet the requirements of the store of the State. Purchase Committee consisting of 5 persons including C.E.O./B.M., four General Managers by rotation. However Board of Directors of the concerned Jind store has been asked to find out if there is any negligence/irresponsibility on the part of the then General Manager in making these purchase in violating any such procedure/tradition.

(a) The Committee regret to observe that the department has not been able to complete the investigation even after 4 years of the serious irregularities coming to its notice.

The Committee desire that enquiry in the matter be completed at priority level and action taken against the officials/salesmen found responsible for making wrong purchases and committing serious irregularities etc., thereby causing loss to the Co-operative Consumer Store, Faridabad be intimated to the Committee. The Committee would also like that decision on the remaining six recommendations made by the departmental committee to improve the working of the Co-operative Consumer Stores be expedited and the Committee informed. The Committee also recommend that as a matter of policy the tenure of officials/salesmen of a consumer store should not be more than two years at one place to avoid malpractices in connivance with the local dealers.

(b) The Committee recommend that strict action be taken against the official at all levels found responsible for the misappropriation/embezzlement of cash stores to the extent of Rs. 6.40 lacs in eleven stores. The Committee would like to be informed of the final action taken within six months.

(c) The Committee would also like to be apprised of the action taken against the officials found responsible for the loss caused at Yamunanagar, Panipat and Ambala Stores due to dead and damaged stocks.

The Committee further recommend that effective steps be taken by the department to improve the inventory control system so as to reduce such losses in future as far as possible. The Committee are constrained to observe that no action was taken by the department to investigate whether there had been any negligence or irregularities in making the purchases at Jind Stores. The Committee recommend that the enquiry entrusted to the Board of Directors of the Stores be completed at the earliest and its findings alongwith action taken thereon be intimated to them.

The Committee also recommend that in future purchases should be made according to the prescribed procedure.

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