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Punjab Legislative Assembly

SECOND REPORT

OF THE

Public Accounts Committee

(SESSION 1953-54)

PPROPRIATION ACCOUNTS OF THE PUNJAB GOVERNMENT

FOR THE YEAR

1950-51 and the Audit Report, 1952



CHANDIGARH :

**Printed by the Controller of Printing and Stationery, Punjab,
1954**

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**REPORT OF THE PUBLIC ACCOUNTS COMMITTEE
ON THE APPROPRIATION ACCOUNTS
OF 1950-51 AND THE AUDIT
REPORT, 1952**

CHAPTER I

INTRODUCTION

1. I, the Chairman of the Public Accountants Committee, having been authorised by the Committee to submit the report on their behalf, present this report on the Appropriation Accounts of the year 1950-51 and Audit Report 1952. This is the second Committee appointed after the coming into force of the Constitution. Under the Constitution of India, the Committee has become a Parliamentary Committee with its own chairman under the control of the Speaker and this is assisted by the staff of the Legislative Assembly Secretariat.

2. The Committee was elected on the 16th April 1953.

3. The Appropriation Accounts of the year 1950-51 and the Audit Report, 1952, and the material relating to Food and Civil Supplies Department in respect of the Accounts for the years 1948-49 and 1949-50 and the Audit Reports thereon were examined by us, except the matter relating to Bhakra-Nangal Project. During the course of our examination we, however also considered certain material submitted by the departments in respect of subsequent years as desired by us, in order to enable us to have a comparative idea of progress or deterioration, with regard to certain matters. In respect of the Bhakra-Nangal Project, a detailed questionnaire has been issued and replies to most of the points have been received. As the Committee had to submit its report before the end of March 1954, the Committee regretfully decided to postpone consideration of the material till early in the year 1954-55.

4. The Committee held 30 sittings in all. A brief record of the proceedings of each meeting was kept separately and forms part of the report. Verbatim reports of the oral examination of departmental officers is being printed as a separate volume. The Committee held certain preliminary meetings between 23rd May 1953 and 18th August 1953, to study the Appropriation Accounts and Audit Report and to frame questionnaires on selected points. The Departments were requested during August, 1953, to supply written replies and memoranda on certain matters specified therein within 15 days, endorsing copies of the replies at the same time to the Finance Department and the Accountant-General, Punjab. The Committee regrets to note that the replies were delayed in several cases. Many Departments delayed

CHAPTER II

COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE, 1953-54

6. The Public Accounts Committee was constituted by the Punjab Legislative Assembly,— vide notification No. 10, dated 16th April 1953. The following were elected from amongst its members in accordance with Rule 170(3) of the Rules of Procedure and Conduct of Business in the Punjab Legislative Assembly. Shri Kedar Nath Saigal was appointed Chairman of the Committee under Rule 170(7)(a) :—

- (1) Shri Kedar Nath Saigal.
- (2) Sardar Dattaj Singh.
- (3) Shri Daulat Ram Sharma.
- (4) Shri Dev Raj Anand.
- (5) Rao Gajraj Singh.
- (6) Principal Farlaan Singh.
- (7) Sarcar Harkishan Singh Surjit.
- (8) Principal Rada Ram.
- (9) Shri Harnam Singh Sethi.

7. We held 9 sittings at Simla, 3 at Nangal and 16 at Chandigarh. We also visited the Government Central Workshops, Amritsar, and studied the actual working of the factory. We held two meetings at Amritsar on the 15th and 16th January 1954. No meetings were held between 19th August 1953 and 27th December 1953.

8. We scrutinized the Appropriation Accounts of the State Government for the year 1950-51 and the Audit Report, 1952, generally and considered in detail all except the material relating to the Bhakra-Nangal Project. The examination and report on the Bhakra-Nangal Project and some other points indicated in our proceedings may be considered by the Public Accounts Committee early during the year 1954-55.

FINANCIAL RESULTS OF THE YEAR 1950-51

9. During the year under review (1950-51) the original Schedule of Expenditure to the Appropriation Act passed by the State Legislature consisted of thirty-eight Demands for Grants amounting to Rs 41,13,69,270 and 10 Charged Appropriations amounting to Rs 1,87,09,510. The Supplementary Voted Grants and the Charged Appropriations during the year amounted to Rs 3,42,16,980 and Rs 1,05,890, respectively bringing the total of the Final Grants Appropriations to Rs 46,44,01,650. As against this the actual expenditure during the year was Rs 30,51,08,643 only. There was thus a saving of Rs 15,92,93,007 over the Final Grants appropriations.

The percentages of savings as compared with the Original and the Final Grants or Charged Appropriations were as below:—

	Saving(—) or Excess(+) over	
	Original	Final
Voted	—29.58	—34.99
Charged	—17.53	—17.99

10. The following table shows at a glance the particulars of the Original and Final Grants and Appropriation and the expenditure incurred against them under the heads (i) Revenue (ii), Capital and (iii) Loans and Advances:—

	Final grant or appropriation	Actual expenditure	Excess (+) Saving (—)
Voted—			
(In Lakhs of Rupees)			
I. Expenditure met from Revenue ..	18,86	16,14	—2,72
II. Expenditure met from Capital including Extraordinary Charges ..	22,62	9,89	—12,73
III. Disbursement of Loans and Advances ..	3,08	2,94	—14
Total ..	44,56	28,97	—15,59
Charged—			
I. Expenditure met from Revenue ..	1,88	1,54	—34
II. Expenditure met from Capital ..	..	..	..
Total ..	1,88	1,54	—34
Charged and Voted—			
Total Expenditure met from Revenue	20,74	17,68	—3,06
Total Expenditure met from Capital	22,62	9,89	—12,73
Total Disbursements of Loans and Advances	3,08	2,94	—14
GRAND TOTAL ..	46,44	30,51	—15,99

EXCESSES OVER VOTED GRANTS

11. Notwithstanding the huge savings over the total final Grant as stated in the preceding paragraph the actual expenditure in several cases were exceeded in the voted grants, as shown below:—

Item No.	Number and name of Grant	Final Grant	Actual expenditure	Excess
		Rs	Rs	Rs
1	3—Stamps ..	1,44,040	1,51,845	7,805
2	14—Police ..	2,63,11,770	2,64,96,503	1,84,733
3	18—Agriculture ..	81,17,380	83,81,041	2,53,661
4	23—Civil Works ..	1,13,07,920	1,23,67,915	10,59,995
5	24—Charges on Public Works Department, Buildings and Roads Establishment	24,38,300	26,17,322	1,79,022
6	30—Territorial and Political Pensions and Superannuation Allowances and Pensions	40,94,820	44,05,816	3,10,996
7	31—Commuted Value of Pensions—Capital Expenditure	3,84,130	3,87,362	3,232

The reasons for the excesses are briefly explained below:—

Item 1. Chiefly increased payment of discount due to larger sale of stamps.

Item 2. Mainly inadequate provision and non-recovery of cost of police guard employed at Bhakra-Nangal Project due to late acceptance of liability by the Irrigation Branch; offset partly by unfilled vacancies.

Item 3. Mainly inadequate provision for the cost of ammonium sulphate and unforeseen increased expenditure on Locust Control Scheme during the closing months of the year; offset partly by savings due to non-payment of subsidy to cultivators.

Item 4. Chiefly unaccepted debits placed under "Miscellaneous P.W. Advances" and inadequate provision for rent of requisitioned buildings; offset partly by non-execution or non-completion of certain works; non-receipt or non-availability of materials; adjustment of certain unanticipated credits, non-payment of compensation for land, omission to provide for credit on account of cost of surplus material transferred from a work to stock, some District Boards having not earned the grants earmarked for them and economical execution of certain works.

Item 5. Chiefly provision for *prorata* share of establishment charges for certain works erroneously made under Grant No. 27; offset partly by less expenditure on establishment for New Capital due to late formation of the Capital Organization.

Item 6. Mainly adjustment in March Final Accounts of larger unanticipated debits of pensions paid in another State and less credits for pensionary charges transferred to Commercial Departments owing to decreased establishment charges by them.

Item 7. Excess is nominal.

EXCESSES OVER CHARGED APPROPRIATIONS

12. The following statement shows the excesses over individual charged appropriations:—

Item No.	Number and name of appropriation	Final Appropriation	Actual Expenditure	Excess
		Rs.	Rs.	Rs.
1	12—Administration of Justice	8,21,700	10,05,082	1,83,382

Non-payment by the Union Government in advance of the annual contribution on account of work done by the Punjab High Court for Delhi State.

13. The number of cases of excess over voted grants was 7 in 1948-49, 11 in 1949-50 and 7 in 1950-51. There has been no appreciable improvement in controlling the spending of funds in excess of voted appropriations.

We have examined the reasons for these excesses and recommend that the excesses over grants may be regularised. In this connection a reference is invited to Article 205(i)(b) of the Constitution of India.

STEPS TO BE TAKEN FOR AVOIDING EXCESS

14. We regard it as a grave irregularity that a Department should more than the grant specifically appropriated. After our examination of the Departments, we feel that at least some of the factors which contributed to the excesses should have been foreseen and excess expenditure avoided. The Departments are advised to evolve a better procedure of estimating and control, and ensure that expenditure is incurred within the limit of the sanctioned grant. Any excesses in future will be viewed very seriously.

DEFECTS IN BUDGETING AND CONTROL OVER EXPENDITURE

15. Besides the tendency on the part of the Departments to incur expenditure largely in excess of the sanctioned Grants or Appropriations, we have also noticed numerous cases of excessive budgeting where more funds were budgeted for and allotted than actually required. The standards of budgeting and control leave very much to be desired.

In 33 out of 41 voted grants, there were very large savings. The more important are as under:—

Grant No. 9—Savings 1.68.25 lakhs ; Grant No 11—35.25 lakhs ; Grant No. 15—4.26 lakhs ; Grant No. 21—Industries—6.20 lakhs ; Grant No. 22—Industrial Capital Expenditure—33.57 lakhs ; Grant No. 25—6.23 lakhs ; Grant No. 27—1.76.83 lakhs ; Grant No. 28—1.73.60 lakhs ; Grant No. 36—22.93 lakhs ; Grant No. 37—8.27.70 lakhs.

Defective budgeting was noticed especially in Grants Nos. 1—Land Revenue, 7—Irrigation (Works), 9—Irrigation Capital, 24—Charges on P.W.D., B.&R. Establishment, 27—Civil Works—Capital, 28—Electricity Schemes—Capital Expenditure, 33—Miscellaneous and 39—Loans and Advances bearing interest.

The supplementary grants obtained were unnecessary in several cases and in particular Grant Nos. 2—State Excise, 7—Irrigation (Works), 8—Charges on Irrigation Establishment, 9—Irrigation Capital, 22—Industrial Capital Expenditure, 23—Civil Works, 27—Civil Works—Capital and 28—Electricity Schemes—Capital Expenditure.

The details of unnecessary or excessive supplementary grants, (2) Reappropriations obtained unnecessarily or in excess of requirements, (3) Injudicious reappropriations and surrenders causing

excess over allotments, (4) Cases of non-surrender of savings, (5) Cases of unremedied or uncovered excesses, and (6) Defective budgeting, have occurred in almost every grant detailed in para 11, pages 9—12 of the Audit Report, 1952.

16. Some of the more important typical cases of defects, mistakes and ignorances of correct principles of Budgeting and Control are mentioned below—

(i) *Grant No. 7—Irrigation (work). Sub-heads B (4) and B (5), page 67 of the Appropriation Accounts.—Grant No. 9—Irrigation—Capital—Sub-heads B.1 and B. 5, page 99*

It was noticed that surplus funds to the extent of about Rs 1.03 and Rs 5.11 lakhs relating to Grow-More-Food Schemes under Grants Nos. 7 and 9, respectively were omitted to be surrendered by the Irrigation Branch. It was explained by the Chief Engineer that the omission was due to the fact that the Executive Engineers and Controlling Officers were under the impression that the funds could be spent till 30th June 1951. This ultimately resulted in a lapse of funds. We are surprised to note that the drawing and controlling officers, who are responsible for watching the progress of expenditure, are ignorant of the fact that the financial year ends on 31st March and all grants sanctioned for the year lapse on that date.

Under sub-head B. 4—Grant No. 7, the provision for maintenance expenditure was short by Rs 25,883. It was stated by the Department that the excess was due to lack of proper watch over the expenditure by the Executive Engineers. This indicates lack of supervision and control by Heads of Departments.

Grant No. 8—Charges on Irrigation Establishment—Sub-head A-7, page 82

There was an excess of Rs 1,10,654 under this sub-head on account of inadequate provision for *lambardari* fee. It was explained by the Chief Engineer that provision for *lambardari* fee is invariably made on the advice of the Civil Department, who are responsible for collection of revenue, and that the Irrigation Branch has, therefore, no hand in the matter. We are unable to accept this view. The Chief Engineer, as Head of the Department, is responsible for administering the grant. As such, he should have taken steps to watch the progress of expenditure from time to time and to modify the provision on the basis of actuals.

(ii) *Grant No. 11—General Administration—Sub-head P. 1(I),
Pay of Officers, page 125*

The excess of Rs 24,315 under this sub-head was explained by the Departmental Head as due to the fact that the Deputy Commissioners did not intimate their correct requirements for the months of January, February and March 1951, at the time of submitting their revised estimates.

(tii) *Grant No. 14—Police—Sub-heads B. 2 and B. 4, page 150*

There were savings of Rs 1,10,897 under the former sub-head and excess of Rs 3,07,146 under the latter. At the time of oral examination it was explained by the Inspector-General of Police that the excess under the former sub-head was due to the fact that at the time of submission of II List of Excesses and Surrenders, a mistake was made by the office. They had correctly estimated the approximate amount of vacancies which would remain unfilled, but while surrendering the money meant for allowances honoraria, etc., they did not surrender the pay portion of the grant. This was somebody's mistake.

Again, in regard to the excess of Rs 3,07,146 under sub-head B.4 it was admitted that it was a case of under-estimation.

(iv) *Grant No. 19—Veterinary—Sub-heads E. 1 and F. 2,
pages 196-97*

While explaining the savings under these sub-heads as due to non-receipt of certain debits, the Director of Animal Husbandry stated that they passed the bills within the financial year, it was up to the Accountant-General to adjust them. On enquiry by the Committee whether any steps were taken to have the debits adjusted in time, the Departmental Head stated that no definite procedure had been laid for this purpose and that they simply passed the bills and forwarded them. This shows that the Department is not aware of the rules and principles of budgeting, according to which the funds should be provided for those items of expenditure, which are likely to be adjusted during the year. The Department did not take any steps to have the debits adjusted during the year to avoid lapse of grant.

(v) *Grant No. 23—Civil Works, Sub-head S, pages 227*
Grant No. 27—Civil Works—Capital, Sub-head V, page 294

Large savings on account of adjustment of certain credits under these heads were omitted to be surrendered by the Buildings and Roads Branch. The Department explained that minus grants were fixed in these cases, but no regular reappropriation orders were issued, in spite of the advice given by the Finance Department. During the course of oral discussions it was admitted by the Chief Engineer that through a misunderstanding it was not done. We have also noticed that large savings under these Grants on account of non-execution or non-completion of certain works, non-availability of materials, non-receipt of debits, etc., could have been foreseen and surrendered.

Besides, provision for a certain work of the Chandigarh Capital Project (sub-head S(ii) amounting to Rs. 2,19,900 and establishment charges Rs. 4,18,010) relating to Grant No. 24, Charges on Buildings and Roads Establishment was erroneously made under sub-head U, Grant No. 27. The defective budgeting was not set right before the close of the year, thereby resulting in avoidable variations under the Grants concerned.

(vi) *Grant No. 28—Electricity Schemes—Capital Expenditure—Sub-heads A(1) (iii) (1) and B(3) (1), pages 309 and 312*

The savings aggregating Rs. 5,85,942 and Rs. 2,63,350 under these sub-heads were ascribed to non-availability of materials in the market. The Committee feel that this factor could very well have been foreseen by the Electricity Branch and surplus funds should have been surrendered. In case the supplies were not likely to mature during the year, the funds should have been surrendered and provision in that behalf made in the next year's budget estimates or revised estimates.

Again savings, under sub-heads B.5(2), B.6(2), B.7(2) and B.8 (2), were partly due to erroneous provision. The Chief Engineer explained that Thermal and Nangal Projects were being mixed up by the officers of the Electricity Branch. Some schemes which were originally sanctioned under "Nangal Works", were subsequently charged under "Thermal Works".

(vii) *Grant No. 33—Miscellaneous—Sub-heads L.1 (h), L.2 (i) and L.2 (k), pages 345 and 348*

The budgeting under this Grant was very much faulty inasmuch as funds to the extent of Rs 25.02 lakhs were omitted to be reappropriated from sub-head L.2(k) to L.1(h) and erroneous provision of Rs. 10 lakhs was made under sub-head L.2(k) instead of under L.2(i). At the time of oral examination, it was accepted by the representatives of the Rehabilitation and Finance Departments that this was a mistake.

(viii) *Grant No. 33—Miscellaneous—Sub-head K. 16, page 341*

Provision to the extent of Rs 1,70,470 on account of unadjusted debits relating to previous years was not made under this head. As a result, the final excess remained uncovered. During oral examination the Departmental representative accepted that it was an omission. The Department failed in that the provision to be made during the financial year should have fully taken into account all the liabilities brought forward from the previous years.

(ix) *Grant No. 33—Miscellaneous—Sub-heads O. 1, P 9(2) and O. 11(2), pages 349 and 352*

The variations under these heads were attributed to non-receipt of certain debits. We would suggest that the Head of Department should take steps at an early stage to get the debits adjusted during the year to avoid lapse of funds. In case the debits were not likely to be received, the surplus funds should have been surrendered.

(x) (a) *Grant No. 22—Industrial—Capital Expenditure, Sub-heads A 1(b), page 222.*

(b) *Grant No. 23—Civil Works—Sub-heads T (iv), W-a(10)(iii), pages 227 and 231*

(c) *Grant No. 33—Miscellaneous, Sub-heads L. 1(b)1(iii), L. 2(b)(x), L. 2(g), pages 341 and 347*

We noticed very large variations between the budget allotments and actuals under the above Grants. During the course of discussions with the representatives of the Departments it transpired that whereas a major portion of the expenditure on relief and rehabilitation of displaced persons is incurred by the Buildings and Roads Branch and Industries Department, the Grants are controlled by the Rehabilitation Department. Similarly, a part of the expenditure on Industrial Work Centres and Scheme for the Development of Industrial Areas in the State is incurred by the Chief Engineer, Buildings and Roads Branch, but the Grant is managed by the Director of Industries. For want of proper co-ordination between the spending Departments and Controlling Departments, proper budgetary control is lacking.

GENERAL LAXITY IN BUDGETING AND CONTROL OVER EXPENDITURE

17. There has been a deplorable laxity of control over budgeting and or control on actual expenditure. The Departments seem to be unmindful of the necessity of observing close control over their financial affairs. Some of the officers and Departments appear to be ignorant of the fundamental principles of parliamentary control, correct budgeting and accounting. There is absolutely no co-ordination between the Departments responsible for controlling expenditure and those executing works, acquiring land, etc., on their behalf. The Departments have asked for budget allotments, supplementary grants and even incurred expenditure over the sanctioned grants without caring for the consequences. The Departments have not taken adequate steps to watch and ensure the accountal of relevant debits and credits in the year's account in respect of stores purchased or services rendered. The planning and preparation of estimates for works and correlating them with allotment of grants and incurring of expenditure is far from satisfactory.

LARGE SAVINGS

18. Large savings have occurred in most of the important grants as detailed above. We consider that large savings arising from over-estimating are no less serious than excesses. Over-estimating is responsible for specific financial irregularities commented upon in para 21 of this Report. It is also likely to result in over spending and unjustifiable expenditure if the tendency persists.

NEED FOR TIGHTENING FINANCIAL CONTROL

19. We suggest that the Finance Department should not only lay down the measures for tightening financial control adequately, but that it should impress upon the Departments at all levels that they should closely estimate the requirements properly on a planned basis and also that they should rigidly control the progress of expenditure from time to time. The Departmental Heads and all officials responsible for estimating, spending and accounting should be made to realise their responsibility for the proper budgeting, spending and accountal.

It is not enough that the reasons for variations and other defects should be merely explained to us, but action should be taken by all Departments and the Government to take stringent action against officials responsible for any irregularity. During the course of our examination we have been given explanations for erroneous provisions, wrong conceptions on the part of officials and other irregularities. We, therefore, suggest that the cases should be investigated and the responsibility fixed on offending officials and suitable disciplinary action taken to avoid similar irregularities in future.

RECONCILIATION OF ACCOUNTS BY DEPARTMENTS

20. All Departments incurring expenditure should realise that they are primarily responsible for the estimating, budgeting and incurrence of expenditure. Therefore, we attach great importance to the periodical reconciliation of expenditure incurred and booked by the spending Departments concerned with those of the Accounts Office. The reconciliation of figures of expenditure should be promptly and properly done. In this connection, we also invite attention to para 61 at page 41 of the Audit Report which indicates a general laxity in the reconciliation of figures adjusted in the Divisional Accounts and the Treasury books. The Accountant-General has also expressed his difficulties in the matter of reconciliation of the expenditure incurred because of non-submission or imperfect submission of accounts and schedules. Immediate steps should be taken to improve the position and all offending officials warned to be more careful on pain of disciplinary action.

OTHER GRAVE FINANCIAL IRREGULARITIES

21. We have also to draw attention to two types of very serious irregularities—

- (1) Withdrawal of moneys, not required for immediate disbursement, on the last days of the financial year in order to utilise budget grant. A list of important items is given below:—

Number and name of Grant	Page of the Audit Report	Para	Amount
14—Police	41	23	Rs 7,930
Do	38	22	12,597
17—Medical and Public Health Departments	40	23	10,025
21—Industries	32	20	1,85,000
Do	33	20	5,000
27—Civil Works Capital	18	16	3,82,188
35—Capital Outlay on Schemes of Agricultural Improvement and Research	21	16	34,880

- (ii) There were also very bad cases of irregular adjustments effected with a view to avoid excesses over sanctioned appropriations or to avoid savings. The cases are detailed below:—

Number and name of Grant	Page of the Audit Report	Para	Amount
9—Irrigation Capital	17	15	Rs 5 lakhs
28—Electricity Schemes—Capital Expenditure	22	17	20 lakhs

The attitude of the various Departments in the above respects reflects a sad state of affairs. The Finance Department have recently issued a circular to all Heads of Departments asking them to draw attention of all drawing and disbursing officers working under them that withdrawal of money not required for immediate disbursement or to avoid lapse of funds will be viewed very seriously and may compel Government to take suitable disciplinary action against defaulting officers. We, therefore, direct that these instructions should be scrupulously followed and strict action taken against officials who commit similar irregularities in future.

CHAPTER III

LOSSES, NUGATORY EXPENDITURE, FINANCIAL IRREGULARITIES,
ETC.

22. *Chandigarh Capital Project (Annexure XIV)*. Para 16 of the Audit Report deals with certain aspects of the working of the Chandigarh Capital Project. We have considered the facts placed before us in their written memoranda (Annexure XIV) and also during oral examination by the Administrator, Capital Project, the Chief Engineer and the Financial Adviser and Chief Accounts Officer. We regret to note that even though more than 7,000 plots have been sold, the number of houses that are being built by private enterprise is only three and the number of shops sixty-three. This, we feel, is likely to have adverse effects on the sale of other plots and on the net cost of the scheme. As the cost of the Project has been estimated on the assumption that the State would realise 8,51.4 lakhs on sale of plots, any short fall in these expectations is bound to increase the burden on the State.

We are very much concerned to note that a very large number of works are being executed without sanctioned detailed estimates and without properly executed contracts. Expenditure incurred without detailed estimates at the end of December, 1953 was to the extent of Rs 82 lakhs and concerned 270 works. 86 works had been started without regular contracts and Rs 64.5 lakhs paid to contractors as at the end of December, 1953. The Chief Engineer explained that practically in all cases the technical data and plans are approved before the works are started. We see no reason why the rules should not be strictly observed and works started only after detailed estimates have been sanctioned. There can be no excuse for not following the procedure laid down. It was brought to our notice by the Chief Engineer that recently the Accountant-General had agreed to the sanctioning of detailed estimates for definite parts of works and we desire that hereafter there should be no laxity in this respect. As regards the execution of works without contracts, it was stated that in most cases the tenders had been accepted and only the formality of execution of agreements in a legal form was awaited. Even then we are unable to appreciate the very large number of works being executed without agreements or contracts which are likely to result in various irregularities, overpayments and disputed claims later on. We also take serious notice of the fact that no proper accounts of materials purchased and charged to works were being rendered and checked. The Chief Engineer was directed during oral examination, to pay particular attention to Public Health Divisions in which matters were far from satisfactory.

We also noted with concern that an advance payment of Rs 35 lakhs was made to the Custodian of Evacuee Property without deciding the actual amount of compensation payable. In the event, it is understood that about Rs 5 lakhs would be recoverable. We suggest that this amount should be immediately recovered.

We noted that the foreign Architects employed on the scheme were not taken round to study the various requirements of Indian conditions of living. We recommend that the style of architecture adopted and the cost incurred on various types of buildings should be critically reviewed by a Committee of the Assembly.

23. *Para 24 of the Audit Report.* During oral examination, the Chief Engineer was not able to give us full details of the action taken. The State Government asked for an examination of all cases where low paid Government servants are in occupation of accommodation, the assessed rent of which is appreciably in excess of that recoverable from them under rules and *vice versa* with a view to reduce this recurring loss to Government. We desire that immediate action should be taken in this respect and in respect of quarters occupied by all Government servants. A note on the action taken should be submitted to the Public Accounts Committee very early.

24. *Sub-para 2 of para 26 of the Audit Report.* Refers to a case where an amount was paid in respect of excavation under water at the rate of Rs 8 per thousand cubic feet. The contractor was aware of the need for doing the work under water and under the contract no amount was payable to him. It was explained that due to abnormal flood, etc. certain work had to be done and, therefore, the payments were made. The Committee noted that the contractor put in a claim after the work had been completed. We were surprised at the Chief Engineer's suggestion that the Department intended to approach the Finance Department again for reconsideration of the case, even though the Finance Department had not agreed *ex post facto* to the payment. We had to point out to the Chief Engineer during the oral examination that the terms of the contract should be strictly observed and there should be no question of trying to get the case reconsidered again by the Finance Department. The Chief Engineer, promised to effect recoveries from the contractor and to take disciplinary action against the official responsible. The fact of recovery and disciplinary action taken should be reported to the Committee.

25. *Para 27 of the audit report (Annexure XVII).* This paragraph relates to an expenditure of Rs 9,99,663 incurred on printing Electoral Rolls during the year 1948. The facts of the case were as follows.

Early in 1948, the officers of the Election Commissioner inspected certain presses and recommended that 7 presses located at Delhi, Lucknow, Allahabad were capable of undertaking the work. On 20th April 1948, the Controller of Printing and Stationery wrote to the Government that the Election Commissioner had recommended these 7 presses. In this letter he also suggested that it might be preferable to get the work done after getting tenders by advertisement, in order to avoid criticism. In Memorandum No. 4493-LPR-48/2958, dated the 31st May 1948, of the Secretary to Government, East Punjab, Medical Local-Self Government and Industries Departments the orders were issued that "the Governor of the East Punjab is pleased to authorise you to entrust the printing of Electoral Rolls to the selected presses". In the event, however, a limited tender was issued on 19th July 1948, to certain firms. On the 22nd July 1948, the P.A. to the Election Commissioner also advised that some more firms may be asked to tender. In all 12 presses were asked to tender. It was stated that all the tenders were, however, opened at the same time on 29th July 1948. The lowest tender at Rs 5 per page of the Indian Press, Allahabad and another Lucknow Press who stipulated certain conditions were ignored. Ultimately, the contract was placed at a negotiated rate of Rs 5.14-0 per page to 7 presses, all located at Delhi. It was stated first, during oral examination by the Superintendent, Printing and Stationery that the work was given only at Delhi, as advised by the P.A. to the Election Commissioner. Later on, in a written memorandum he has stated that the work was allotted only to the Delhi presses according to the orders of the Election Commissioner (Secretary to Government).

The Superintendent of Printing and Stationery stated that he did not visit any of the presses to find out as to whether they had litho presses or other suitable equipment or capacity for undertaking the work. The inspection was done by the P.A. to the Election Commissioner. The Superintendent of Printing and Stationery inspected the presses later.

No satisfactory explanation was given as to why the Government decided upon a limited tender inquiry "to the presses recommended", even though the presses had not been inspected by the technical officer of the Government, viz., the Superintendent of Printing and Stationery, and the Superintendent of Printing and Stationery had suggested that it may be advisable to place the orders after inviting tenders by advertisement. Nor were any acceptable reasons given as to the later inclusion of other presses not included in the original list of 7 presses approved by Government, without further reference to Government. If this was done to widen the scope of enquiry, why was the proper method of advertisement not adopted?

It was stated that the relevant file had been destroyed. The case has been under correspondence for some time between the Accountant-General and the Government and it was within the cognisance of the Department that the paragraph had been included in the Audit Report. Under the circumstances, we consider it a very grave irregularity that the file should have been destroyed before the Audit Report had been considered by the Public Accounts Committee. We, therefore, direct that Government should issue strict orders to all Government Departments that whenever a matter concerns the accounts of a year or a subject which the Accountant-General has proposed for inclusion in his Appropriation Accounts or Audit Report, no file, correspondence or relevant documents, should be destroyed before the accounts of the year concerned and the Audit Report have been considered by the Public Accounts Committee and also suitable action taken on its recommendations.

Some of the presses which got the orders had not got Litho-printing and suitable machinery installed at the time in order to undertake the work especially Messrs Uttar Chand Kapur and Sons, Delhi. Actually, this firm, Uttar Chand Kapur and Sons and another firm Messrs Dharamrajya Press, got the bulk of the work executed by other presses on which orders had not been placed by Government, viz. Daily Vir Bharat. A doubt was expressed by Government representatives that Rs 2 per page given to Daily Vir Bharat Press was not for the entire process. We are, however, clear in our mind that the entire work could have been got done at a much lower rate than Rs 5-14-0 per page if there had been wider competition. During our examinations of the printing of certain forms done by the Relief and Rehabilitation Department, we noticed that several other presses in the Punjab at Jullundur, Ambala, etc., had executed work in Urdu script, that is the same script in which the Electoral Rolls were got printed. This also goes to prove that the allotment of work only to certain presses located at Delhi was not justified. We are unable to agree that there were not very many presses in the East Punjab at that time viz. 1948 capable of undertaking the work and that the rates could not have been lower. In a matter of this kind we regret to note that the inspection and selection of presses was left to the Department and not to the Superintendent of Printing and Stationery who is the technical Department concerned before the printing work was allotted. The orders of Government which ignored the advice of the Superintendent, Printing and Stationery do not also seem to have been correct. It was stated that the Election Commissioner and the Secretary to the Government concerned were one and the same. We do not know to what extent this factor influenced the decision taken at the time. Unfortunately, we had no time to examine the P.A. to the Election Commissioner (who visited the presses) who appeared before the Committee on the 11th March 1954, only,

when they were busy with other matters. We would have appreciated if the Government Departments concerned had also brought the P.A. to the Election Commissioner on the date when the Superintendent of Printing and Stationery and the Local-Self Government Departments were examined, i.e. on the 2nd February itself.

We, therefore, wish to make further enquiry into the method adopted for inspection of presses, the reasons why certain presses in Delhi only were selected even though some of them had not got plant and machinery installed at the time and as to why no attempt was made to get rates quoted on a more competitive basis.

26. *Para 28 of the Audit Report (Annexure XIII).* We examined the case detailed in this paragraph regarding the extra expenditure of Rs 67,500 due to disparity in rates allowed in giving the contract. It was explained that the firm who quoted Rs 2-1-0 per square foot was a displaced person from Pakistan who had no means to carry out this work amounting to Rs 4,50,000 and, therefore, he was allowed work to the extent of Rs 1,80,000 only and after that negotiations were carried on with the next lowest tenderer of Rs 3-2-0 per square foot and the contract was given to him at the rate of Rs 2-12-0 per square foot with the approval of the next higher authority. We were assured that the lowest tenderer executed the portion given to him after taking the help of some others later on and that the other contractor had also executed the work. In this connection, while we do not wish to comment further on this specific case, we, however, recommend that the procedure to be followed in respect of tenders which the Public Accounts Committee suggested in paras 7-8 at page 81 of its report on the accounts of 1948-49 and 1949-50, should be observed by all Departments regarding the placing of contracts for works, stores or other services. We are glad to note that the Chief Engineer, Buildings and Roads had recently issued appropriate orders to his officers in this regard.

27. *Para 35 of the Audit Report (Annexure XIX).* We considered the replies of the Rehabilitation Department regarding an avoidable excess of Rs 70,086 incurred on local printing of certain forms during the period March to August, 1948, without obtaining the sanction of Government as to the rates payable or the printing being arranged locally with a prior reference to the Controller of Printing and Stationery. It was brought to our notice that the Controller of Printing and Stationery had stated that except in the case of 113 series of forms their estimate was exclusive of the cost of paper. Therefore, we agreed that the loss was less than Rs 70,086, but the actual amount of loss should be worked out and formally sanctioned by the Finance Department. It was stated in a written memorandum that the order was placed after calling for tenders and that the tenders were considered and decided upon by a Committee

of officers and the representatives of the Presses in a meeting held in February, 1948. During our examination of the Departmental officers on 27th February, 1954, no official records of the proceedings were, however, produced and it was admitted that there were no formal records of the proceedings of the meeting and that a note was only recorded by Shri Trilok Singh, the then Director-General of Relief and Rehabilitation. Even admitting that it was a time of stress and strain and the work had to be done urgently; we strongly feel that the work should have been done in a more systematic manner, and that in all such cases a correct and full record of the proceedings should be made out and signed by those who attend the meetings and kept on record. Suitable orders may be issued by Government to all Departments.

28. *Para 39 of the Audit Report (Annexure X).* This relates to a case where 80 bales of cotton cloth required for the Police Department were found to contain varieties of cloth not suitable for the Police requirement. Instead of drill khaki cloth the bales contained 5 bales of drill khaki, 19 bales of drill other than khaki, 44 bales of latha coloured and 12 bales of coating striped. It was stated during oral examination on 25th February 1954, by the representatives of the Police Department and the Director of Food and Civil Supplies that the orders were placed through the Stores Purchase Officer on the Textile Commissioner. The Textile Control Officer of the Punjab State at Bombay arranged for the despatch by certain mills of 80 bales of cloth required in December, 1947. The bales were sent to a Commission Agent at Jullundur. The payment was made in cash by the Police Department to the dealers on the basis of ex-mill rates plus 12 per cent profit besides insurance and other miscellaneous charges. When they were taken over, they contained material which was not indented for and required by the Police Department. Instead of 80 bales of Khaki cloth, it was noticed that the consignment consisted of other material as stated above. In the event, the cloth had to be sold by the Police Department resulting in a loss of Rs 11,407. The Director of Food and Civil Supplies said that the Department had no hand in either making the arrangements for the supply of cloth or for fixation of prices at the time of purchase or sale. They stated that they acted only as an expediting agency.

We wish to make the following observations in this case:—

- (i) The cloth was required by the Police Department and indents placed in December, 1947, when there was control over cloth. Therefore, it requires to be investigated as to why the method of purchase through a Commission Agent and payment of cash

was adopted instead of placing a direct indent on the Textile Commissioner and getting the debits adjusted by book transfer.

- (ii) The Textile Controller of the State at Bombay, who arranged for the despatch of the goods, should have taken proper precautions to see that the cloth actually despatched was correct according to the specifications and indent of the Police Department. The responsibility of the then Textile Controller in regard to the procedure adopted as well as the despatch of wrong goods should be thoroughly investigated and adequate disciplinary action taken against him.
- (iii) The Police Department also should have checked the contents of the bales before they took delivery and made payments.
- (iv) The responsibility of Messrs Vishwa Nath and Bros., Jullundur who took delivery of the goods initially, should also be looked into. The loss could have been avoided and the actual requirements of the Department met more economically at controlled rates through the Textile Commissioner. We direct that the responsibility of all officers concerned responsible in this case should be thoroughly investigated and disciplinary action taken.

29. *Para 42 of the Audit Report.* Refers to a loss, through a shortage of Rs 3,83,896 detected at District Treasury in January 1952. It was stated that the criminal case is over and a copy of the judgment is awaited. A detailed report showing the further departmental action taken by the Government in this case, the safeguards introduced for avoidance of similar losses in future should be submitted to the Committee as soon as the criminal case is finally decided.

30. *Para 46 of the Audit Report.* We note that in the case of 209 grants to local bodies, there was an unspent balance of 8.33 lacs at the end of 1950-51. The Accountant-General also brought to our notice that both the number and amount had increased by the end of 1951-52 to about 19 lacs which includes 15 lacs of unspent balance with the District Boards. The Finance Secretary stated that he has already taken action to stagger payment of grants in quarterly instalments, as suggested by the Accountant-General. It was also brought to our notice that the Director of Health Services,

who was administering the payment of grants, did not have full details of the grantees and had asked the Accountant-General to supply the information. We consider that the officers responsible for payment of the grants should review the grants paid and expenditure incurred by each of the grantees, and see that no further grants are made unless the grants already paid have been properly spent. We suggest that the Secretary, Health and Local Government, Departments, the Education Department and the Finance Secretary should review the position immediately. It should be ensured that the provision for grants-in-aid and payments take fully into account the balance likely to be available with the grantees at the beginning of the year, and only cover approved expenditure expected to arise in the course of the year. The Departments should also ensure that the departmental rules in respect of payment of grants are complied with in future.

31. *State Trading Schemes.* (Annexure XXII) Para 47 of the Audit Report "Gives the Financial results of State Trading Schemes, viz, Foodgrains Supply Scheme, Rationing Scheme, Motor Vehicle Scheme, Scheme for the sale of improved seed to cultivators, Coal Dump Scheme and Standard Cloth Scheme. We have the following observations to make on some of these schemes—

(i) *Foodgrains Supply Schemes.* We are very much concerned to note that for years the issues from one depot and the receipts from another are not being linked at all to ensure proper accountal and prevent losses arising out of non-accountal. Receipts of the value of 35.14 lakhs and despatches of the value of 36.70 lakhs have not been linked. The inordinate time lag in respect of this work, we consider, is a grave irregularity. We are unable to appreciate the plea of the Department that the relevant records are not forthcoming speedily. The present Director of Food and Civil Supplies gave an undertaking that he would see that linking was brought up-to-date as quickly as possible. We direct that the linking should be completed before the next meeting of the P.A.C. and a detailed report submitted as to the progress made and also the results of the process of linking.

We wish to impress upon the Department the principle that as soon as things are despatched from one place and received at another, they must be taken into account immediately and linking completed to ensure that the accounts are correct and that there is no mis-appropriation in transit or otherwise. Apart from the completion of the work relating to linking, we direct that the Government should impress upon all Government officers dealing with receipt and despatch of stores the extreme importance of proper accountal and linking of receipts and issues promptly.

We were surprised to note a fundamental mis-conception regarding the requirements of physical verification of stores when the Director stated that shortages and excesses detected at the time of physical verification are noted and recorded, but the book balances are not corrected at once to accord with the stock actually found during physical verification. The Director of Food and Civil Supplies stated that the final check-up is done only when the godown, which holds the stock, is completely empty. Attention of the Director of Food and Civil Supplies was invited to rule 15.17 of the Punjab Financial Rules, Volume I, regarding physical verification. We have to point out that the correct principle of stock verification is that excesses and shortages noticed must be investigated immediately and the book balances got corrected also, immediately; otherwise there is no guarantee that future receipts and issues would not be manipulated to cover up excesses and shortages. The Finance Department Representative, Shri Vasudeva, also agreed that the procedure adopted defeats the purpose of physical verification.

Till 1952-53 the Stock Verification was not done by Agencies or persons not connected with the custody of the stores. The correct procedure was adopted only from 1952-53. The stores are valued at several lakhs of rupees and we direct that the responsibility for non-verification of stores and adjustment of book balances so far, in accordance with the Financial Rules, should be fixed and disciplinary action taken against the officials at fault.

In reply to a question asking for the reasons why the value of total shortages and losses written off during the year 1951-52 amounted to Rs. 28.74 lakhs against 3.77 lacs in 1950-51, the Director of Food and Civil Supplies stated that the over-all results of shortages in storage and transit were very small, being less than 1 per cent in 1951-52 and 1952-53. We, however, feel that in view of the arrears in linking and the incorrect procedure of dealing with the results thrown out by stock verification, the actual position of losses cannot be accepted and we desire that an appreciation of the total receipts, issues and shortages till the end of 1952-53 should be submitted to the committee for their detailed examination.

We considered the case noted on page 224 of the Appropriation Accounts 1948-49 and the Audit Report, 1950 in which wheat and barley valued at $1\frac{1}{2}$ lakhs remained unprotected without a shelter and were heavily damaged through the failure of a District Food Controller to take adequate steps in the matter. The present position is that the resulting loss to Government is 1.73 lacs, which has been written off under the orders of Government. We are surprised to note that a very junior official of the Railway Department was placed incharge to deal with Government stores worth several lakhs. We consider that the action of the Department in merely having

reverted him to his parent Department without taking suitable action against the person responsible was not correct. It was stated by the Director of Food and Civil Supplies that an enquiry at this stage will not lead to any results because witnesses might by this time have disappeared. "All that we have got in our records is his explanation. He was not even charge-sheeted. The Government decided to condone the loss and charge from him a sum of Rs. 1,000 only". We note that even this sum could not be recovered except through a civil suit to be filed against the person concerned, who has since resigned even his post in the Railway. We consider that the action taken by the Government was very lenient and we desire that the reasons why prompt and proper action was not taken should be investigated. We desire that as soon as any loss or other grave irregularity is noticed, prompt action should be taken against the officials concerned instead of adopting an easy policy of letting the person go without adequate punishment.

Para 14 of the Audit Report, 1951, refers to a case of loss of foodgrains worth Rs. 7.31 lacs damaged in godowns at various places in the State by heavy rains and floods which occurred in the 1st and 3rd weeks of September, 1950. The damaged stocks were disposed of in about six months and sold for about 2.57 lacs. The net loss to the Government was Rs. 4,98,495, including Rs. 24,895 on account of incidental charges in connection with salvage, transport, etc. We are satisfied that the loss was due to an act of God. We, however, understood that some of the damaged foodgrains were mixed with good foodgrains and sold to the Public. This should have been effectively prevented in the market. The Director of Food and Civil Supplies stated that there was a proper survey and that the Government sold the damaged foodstuffs in auction as unfit for human consumption. The loss should be written off by proper sanction, which should be communicated to the Accountant-General and the P.A.C.

(ii) *Scheme for the sale of improved seeds to cultivators.* We examined the position regarding the loss incurred on the sale of improved seeds to cultivators. We are not satisfied that there is a proper planning regarding purchase and sale of seeds. We suggest that the entire working of the scheme should be reviewed, so that further losses may be avoided and cultivators supplied with good quality seeds at the proper time.

32. Para, 48 (Annexure XXI) of the Audit Report deals with the results of *Land Reclamation and Mechanical Cultivation Scheme*. On the recommendation of the Central Government, the State Government launched a Scheme of Mechanical Cultivation and Reclamation of lands in the State. The scheme was started in August, 1949 with 126 tractors transferred from the Centra

Tractors Organisation of the Government of India. During the year 1950-51, 55 more tractors were obtained and accordingly staff was sanctioned for 181 tractors. The scheme was started without proper planning as a Grow-More-Food measure in order to satisfy the refugee problem and to meet the food crisis created by the partition of the country. The majority of the tractors received were unsuitable and badly damaged and also obtained with un-matching implements. The result was high cost of maintenance and low output. The staff employed was new and inexperienced. There was no fully equipped workshop for repairs; unsuitable land was also taken for tractor cultivation. An explanatory memorandum giving full information on the points selected by the Public Accounts Committee is printed as Annexure XXI. The total capital expenditure on the cost of tractors, implements, Workshop machinery, Livestock, tools, etc., amounted to about Rs. 25.8 lakhs, up to the end of the year 1951-52. The difference between the expenditure on the scheme and the receipts during the year 1949-50 to 1951-52 was to the extent of about Rs. 47 lakhs, of which 11.15 lakhs is on account of payments due from refugees and others, interest charges not accounted for, the amount still payable to Central Tractor Organisation and the difference between Capital invested and the value of the assets calculated as at the end of the year 1951-52. Workshop Machinery and tools worth Rs. 97,228 were purchased in 1950-51, but it would appear that the setting up of a workshop is not a profitable proposition.

As stated in the Audit Report, the working of the scheme resulted in a loss of Rs. 23.93 lakhs during the year 1950-51, as compared with the loss of 1.03 lakhs sustained during 1949-50. During the year 1951-52, the loss was to the extent of 11.18 lakhs and in 1952-53, the further loss incurred was about 10.47 lakhs. The last Public Accounts Committee recommended that Government should go into the question about fixation of responsibility for extravagant and irregular expenditure or for the purchase of un-matching implements and report the action taken in the matter. The Committee was then assured that so far as the future working of the scheme was concerned, there would be no loss as the whole scheme had been remodelled. Though no memoranda showing the final action taken by Government was submitted to us, it was stated during oral examination by the Department that the scheme had been restricted to follow up cultivation of seed farms only comprising an area of 9,923 acres and that it had further been decided to reduce the area to 5,200 acres. This, we hope, will very largely minimise further losses, but the question has to be considered urgently about the disposal of surplus tractors, machinery and other implements. We suggest that very early action should be taken to dispose of all surplus material to the best advantage of the State.

During our examination we were told that the losses occurred due to mis-management on the part of Central Tractor Organisation and that losses occurred not only in the Punjab, but in other States also and even of higher proportion, that the tractors were more or less forced on the State Government and that, therefore, the State Government officials concerned were not really responsible for the losses. We think that the entire blame cannot be placed on the Government of India or the Central Tractor Organisation. It was also the primary responsibility of the Punjab Government officials who took over the tractors and started a scheme to have taken adequate care to see that proper tractors and implements were actually received and that the work was done on a well-planned basis with adequately trained staff. In view of the fact that losses to the extent of nearly Rs. 47 lakhs have been incurred to the end of 1952-53 and there is a likelihood of further losses in working and disposal of the tractors, implements, etc., a thorough enquiry should be made into the working of the whole scheme and suitable disciplinary action taken against officers at fault. We suggest that a detailed enquiry should be instituted at once. The results of the enquiry should also be communicated to the Government of India for a thorough enquiry as to the extent to which the losses incurred by the Punjab and other States, if any, were due to the irregularities and defects of the Central Tractor Organisation. In reply to a question "have you made a report to the Central Government in regard to the tractors purchased from them"? The reply was "Yes, in fact, we have argued with representatives of the Government of India in several meetings". We feel that this is not enough and that the State Government should make a detailed official report to the Government of India.

We think that the State Government should have taken quicker action on the report of the Departmental Committee which enquired into the working of the scheme and submitted the report in July 1952. In this connection, we have also to impress upon the Government the need for prompt action whenever any losses or serious financial irregularities come to notice.

The reclamation and cultivation charges per acre increased considerably as against Rs. 55 in 1948-49 and 1949-50 the reclamation charges per acre increased to Rs. 62 per acre in 1950-51 and 1951-52 and Rs. 98 in 1952-53. Similarly, the cultivation charges per acre rose from Rs. 34·1 per acre in 1949-50 to Rs. 147·4 in 1950-51, Rs. 163·8 in 1951-52 and Rs. 175·9 in 1952-53. We were told that in the beginning the cultivation charges were fixed at Rs. 5 per *Bigha*, which were extremely low. These charges were worked out on the basis of the actual consumption of oil or diesel oil. Later on, it was found that these charges did not include the

price of the tractors, the implements, the interest on it and the depreciation and so many other factors. We desire that it should be investigated as to who was responsible for this fixation of charges resulting in a loss to the State. The cost of cultivation also rose because, as stated during oral examination, "the tractors were kept at one place, later on they were moved to various places. They had to travel very long distances to get to the area of cultivation. Much time was wasted and there were breakages and that all these factors resulted in loss of efficiency and very heavy repairs and expenditure". We desire that the responsibility for these losses should also be thoroughly investigated.

A very large amount (9 lakhs) is still outstanding for recovery. We suggest that prompt and concerted action should be taken at once to effect recovery of the large outstandings.

33. *Para 49 of the Audit Report.* (Annexure XII). We have considered in some details the financial results of the Work Centres Scheme as given in para 49 of the Audit Report and the Running Personal Ledger Account of the Work Centres for the year given on pages 223-224 of the Appropriation Accounts.

We are glad to note that orders have since been passed that the accounts in the private bank should be closed and the amount placed in Government Treasuries. In this connection, we suggest that strict orders should be issued to all Government officers dealing with Government moneys that no money should be placed in a private bank, but only in Government Treasuries.

Regarding the working of the scheme, we note that 21 Work Centres have become defunct and 14 Work Centres are still running. The loss on the 21 defunct work centres upto March, 1953, is stated as 4.86 lakhs, whereas the 14 running centres have shown a net overall profit of Rs. 32,431 (vide Annexure XII). These are, however, unaudited figures, 43 Work Centres were originally started, 20 have been closed, 8 centres have been converted into Training-cum-Production centres and one has been sold, leaving only 14 active centres. We quite appreciate that the work centres were started with a view to providing work to displaced persons and to train them for the trade for which they have their aptitude. Even though the object was laudable one, the actual working of the Centres disclosed that several centres were started without proper planning and having regard to the availability of raw-material, electricity and other facilities necessary. In the case of a Work Centre at Jullundur a sum of Rs. 10,000 was spent, but for want of electric connection, no work could be done and it had to be closed down in June, 1951. In the case of another, Enamel Work Centre, machinery was acquired, but it could not be used for want of electric connec-

tion. The Director of Industries told us that industrialists who purchased the plots were not able to get electric connections. On the other hand, the Chief Engineer, Electricity stated in connection with the results of Thermal Stations that the load factor was anticipated according to the advice of the Industries Department, but actually the load did not develop. We were surprised at the two conflicting versions. Therefore, it needs examination as to whether there was an incorrect or over estimate of electric load that would be taken up for Work Centres and industrialists, or whether the estimates of the Electricity Branch were defective.

Reparation machinery purchased for the Work Centres at Panipat and Sonapat at a cost of Rs. 86,000, has been rendered surplus. It is not understood why these machines as well as other surplus machinery at Work Centres were purchased at all. A memorandum showing the machinery purchased for the Work Centres, those rendered surplus and the loss, if any, involved by disposal, may be submitted to the Committee very early.

On the whole, we are inclined to think that the Work Centres were not planned on a proper basis. We, therefore, suggest that the working of all Work Centres should now be reviewed carefully by an expert Committee with a view to ensure that all the Work Centres will in future work on an economical basis. Now that the Work Centres have functioned for some years and the Workmen have also been trained properly, it might also be considered whether the Work Centres, which the Government decide to run, should not be brought on a commercial basis, and the profit and loss worked out according to the rules of Commercial Concerns.

We note the assurance of the Director of Industries that he is trying to clear the accumulated stock of finished goods valued at about Rs. 4.56 lakhs and also that the Department is trying to get more and more orders from various Government Departments so that the Work Centres should manufacture goods only on the basis of firm orders. The losses incurred in the disposal of surplus plant machines and stores arising out of the working of the Work Centres should also be written off with the sanction of the competent authority. The Director of Industries agreed during the discussions that this would be done.

34. *Para 50 of the Audit Report—Grow-More-Food Schemes (Annexure III).* The statement giving certain information in reply to the list of points selected by the P.A.C. in respect of Grow-More-Food Schemes is given in Annexure III. We understood that no specific machinery has been set up to appraise the results of the Grow-More-Food Schemes as a whole but that Annual Reports are being published. Since the Annual Report for the year 1st July,

1950, to 30th June, 1951, was supplied to us late, we have not been in a position to study the working of the scheme in all its aspects for this Report.

We, noticed that large amounts of grants were not spent during the year due to non-utilization of provision due to schemes being immature (2,94,455) non-execution of certain works, (65,035) and late starting of another (19,000).

We understand that the working of the Tubewell Scheme is the subject of a Departmental Committee.

The Irrigation, Building and Roads Departments are also executing works in respect of Grow-More-Food Campaign and we have noticed a certain lack of co-ordination between the various departments in the execution of the works and the accountal of the expenditure. We suggest that there should be greater co-ordination between the Departments.

We also desire that a self contained memorandum showing the financial results of the various schemes connected with Grow-More-Food Campaign upto the end of the year 1952-53 may be submitted to the Committee next year indicating individual schemes and the financial and other results obtained.

35. *Government Central Workshops—Para 51 of the Audit Report* (Annexure VII). This paragraph deals with the working results of the Government Central Workshops, Amritsar, for the year 1950-51 and shows a loss of 2.33 lakhs. We visited the Workshops and studied its actual working. We had also had the benefit of detailed discussion with the Superintendent of the Workshops and all the Chief Engineers.

The loss during the year under consideration was mainly attributed to incorrect system of fixing the overheads, with the result that a large amount of expenditure was not distributed and included in the cost of jobs executed in the Workshop. The workshop was also, for some time, not fully loaded. We are, however, glad to note that recently steps have been taken to utilize the Workshop fully and get various kinds of articles and fabricated material manufactured by the Shop. We have seen that the Workshop is manufacturing Hydraulic gates, hoisting mechanism, and other articles for Bhakra Nangal and other Projects. We are, however, not satisfied that the Government Departments are making full use of the workshop. It is, to our mind, a well-equipped workshop and if it is loaded with work for working fully, with more than one shift even, if necessary, considerable economies could be achieved not only in the cost of production of the workshop, but also in the price

of various articles required by the Government Departments. It was brought to our notice that inspite of protected correspondence the capacity of the shop was not availed of for the manufacture of Horizontal Centrifugal Pumps required by the Agriculture Department. During our examination it was stated by various Chief Engineers that the shop is not sometimes able to produce the goods in the required time and that it is given an opportunity to quote alongwith other firms. The workshop is a big asset of the State and, therefore, it is necessary that the workshop should be fully loaded with work. In the case of the Punjab State Departments, we feel, it should not be necessary that the workshop should be treated as a private concern to quote in competition. On the other hand, all possible stores and articles, which could be manufactured by the shop, should primarily be executed in the Workshop and that only where the workshop is unable to execute the orders with the existing plant and machinery, purchases should be made from outside. In this connection, however, we should stress that it is not our idea that the stores and articles should be manufactured by the shops at very high cost. The shop should manufacture and produce at costs comparable with the market. The Chief Engineer, Irrigation (Shri Gupta) stated that a letter had also been issued to all Departments saying that the Superintendent, Central Government Workshops, Amritsar must be consulted while placing orders for the supply of articles costing Rs. 10,000, and above and that orders should be placed with private firms only if the Workshop is unable to do it. This, we suggest, should not apply only to the Irrigation Branch, but to all Government Departments of the Punjab State.

We suggest that an expert survey of the capacity of workshop should be made and that all Government Departments should anticipate and plan their needs in advance so that even if the workshop is not, at present, manufacturing any articles or stores they might require, the workshop could plan and develop the capacity for manufacture of the stores required.

36. *Para 52 of the Audit Report.* (Annexure XVIII). In the written memorandum submitted by the Relief and Rehabilitation Department, it was stated that "it is unfortunate that the pace of progress is very slow" in respect of verification of loans regarding their proper utilisation. We desire that in view of the huge amounts involved, speedy action should be taken to have all loans verified and effective action taken to ensure recovery and to avoid loss to the State.

37. *Electricity Department—Working of Thermo-Electric Schemes.* (Annexure XV). We examined the financial results of the Thermo-Electric Schemes at Panipat, Jagadhri and Bahadurgarh. (Annexure XV). The revenue actually realized during the years since 1950-51 and subsequent years shows that revenue realizations

have fallen very much below expectations. Panipat Scheme showed a loss of about 1.24 lakhs in 1950-51, 8.35 lakhs in 1951-52. In 1952-53 when Panipat Scheme was merged with that of Jagadhri, the loss is estimated to be about 5 lakhs and 90 thousand Rupees. The Jagadhri Electric Supply Scheme resulted in a loss of about 59 thousand Rupees in 1950-51 and 3.37 lakhs in 1951-52. The Bahadurgarh Electric Supply Scheme also resulted in losses to the extent of about 41 thousand in 1951-52 and 30 thousand in 1952-53. The yearly loss based on the estimated results of 1952-53 would be about 6.5 lakhs on the schemes at Panipat Jagadhri, Sonapat and Bahadurgarh.

Four Electric Supply Schemes were acquired viz., Abohar, Moga, Karnal and Fazilka. The net result of these four undertakings also seems to be a loss and it is understood that the net loss will be to the extent of 2.5 lakhs during the four years 1949-50, 1950-51, 1951-52 and 1952-53. During oral examination, the Chief Engineer, Electricity, admitted that as Commercial concern, he would have installed diesel sets at the time. He stated that the Thermal Schemes were taken up immediately after partition for rehabilitating the people. Power was required for new Townships and Industrial Centres and the load factor was estimated on the basis of data supplied by the Director of Industries. This load however, did not develop. He also stated that at certain places they actually installed sets of lower capacity than estimated. In this connection, we have already drawn attention to the conflicting statements made by the two Departments regarding estimated load. The Committee also note that the load developed for the Bhakra-Nangal Project is also very low as only about 6,200 k.W. have been developed from these Thermo Electric Schemes. We are not satisfied with the working of Thermo-Electric Schemes. We strongly urge that proper survey of all factors should be made and taken into account where such Schemes are undertaken.

38. *Road Transport Service* (Annexure XX). We have examined the financial results of working of the three Bus Services—Amritsar Omnibus Service, Jullundur Omnibus Service and Ambala Roadways. (Annexure XX) The financial review of the working of these Bus Services is given on pages 399 of the Appropriation Accounts 1950-51. We have also considered the written Memoranda submitted by the Department printed as Annexure XX and also the facts brought out during oral examination.

We considered that the Transport Services are not being run as economically as possible. It was stated that—

- (i) The reserve of buses kept has recently been reduced to 10 per cent of the fleet as compared to 25 per cent

during the years 1950-51 and the following year. This shows that there was an unnecessary accumulation of buses.

- (ii) It was admitted that additional routes which were taken up in 1952 and 1953 are being run without additional establishment. This only confirms our view that there was extravagance in establishment charges and overhead before.
- (iii) In respect of new and longer routes being taken for operation there has been an appreciable decline in receipts.
- (iv) The passenger per mile carried is three in one case and less than 3 in the case of the two other Roadways. This reflects a very sad state of affairs.
- (v) During the examination, it was pointed out that the buses were not being properly maintained and there were other defects like non-coordination of routes run by the State Transport Department. This only results in heavy repairs and maintenance charges besides extra expenditure on the need for earlier replacement of the buses.
- (vi) Regarding decline in receipts, it was also pointed out by the Committee that there is no reason why there should be decline in receipts even though the fares have been increased on certain routes taken over by the State.

The Secretary, Transport, admitted that 1952-53 was a very bad year and there was apparently some leakage of revenue. We are not convinced with the arguments advanced by the Secretary Transport that there should be three General Managers one for each of the Transport Services. In one case, he specifically pointed out that the route mileage run by one Service was only 310.

The above points clearly show that there is a good deal of scope for reducing expenditure and improving the running of Services and bettering of the financial results of the Bus Services. On the basis of material supplied to us by the Transport Department and the statements during oral examination that certain steps have been taken to improve and economise, we cannot escape a feeling that things have not been going on well during the period 1950-51 to 1952-53. We, therefore, suggest that the working of the schemes should be carefully scrutinized and the persons responsible for extravagance or leakage of revenues dealt with in an exemplary manner. Before any expansion of the Transport Services is undertaken, it is essential that the position should be reviewed so that all defects of omission and commission should be located and lessons not forgotten in the future.

CHAPTER IV

COMMENTS ON INDIVIDUAL GRANTS.

39. *Grant No. 1—Land Revenue (Annexure IV).* (i) We feel that the Schemes of Consolidation of Holdings should not be changed from year to year. The time lag between re-partitioning and final attestations also appears to be too much and should be curtailed. We suggested that the work should be expedited.

(ii) The Director of Land Records omitted to provide for expenditure incurred on behalf of the Relief and Rehabilitation Department resulting in excess expenditure of 1.3 lacs. We understand that a similar omission has occurred in 1951-52 also. We consider that this is a grave irregularity and that omission should be avoided in future on pain of disciplinary action against the officials at fault.

40. *Grant No. 4. Forests (Annexure V).* The Stores Accounts at page 60 of the appropriation Accounts show that the stores Accounts of the Forest Department are not subject to audit. It is understood that audit of receipts and stores accounts of the Forests Department is being conducted in some other states and that the Accountant-General has also proposed that they should be audited, if the Government agree. We suggest that if the Comptroller and Auditor-General of India agrees to take up the work, the Government should make suitable arrangements for a proper audit by the Accountant-General, of the receipts and stores accounts of the Forest Department.

The memorandum submitted by the Department in reply to certain points raised by the Committee is given as Annexure V. We considered the written memorandum and also examined the Financial Commissioner, Revenue, and the Chief Conservator of Forests. It was accepted that the departmental working of forests in extraction of timber is more profitable than the sale of standing trees to contractors. According to the figures given by the Chief Conservator of Forests, the net profit to the State by departmental exploitation is Rs 1/3/- per cft. against the rate of -/5/- per cft. obtained by sale of standing trees in 1951-52. It was, however, stated that it might be uneconomical to work certain areas departmentally on account of their distance or other considerations. At present, the timber extracted departmentally is only about 500 cft. solid in 0/00 against about 3,000 cft. extracted by contractors. Therefore, we are inclined to think that Government revenues will be benefited by a larger utilization of departmental agency for extraction of timber. We, therefore, suggest that to the maximum extent possible the forests should be departmentally exploited for extraction of timber and other produce.

Our attention has been drawn to the fact that the Public Works and other Departments of the State do very little purchase of timber direct from the Forest Department. There was also a system under which the departments bought timber from dealers on the basis of a schedule of rates under which the prices payable for timber increased according to the percentage of rejection. This we consider to be a very bad system. During oral examination, the Chief Conservator of Forests stated that this system has now been stopped.

The purchase of timber by State Departments through contractors and other retail dealers is obviously bound to increase the expenditure on timber and wood work required for various works and projects now being executed in the State. Naturally, the timber extracted by good contractors from the forests passes through several hands with the result that profit margins are added at various stages and inevitably the cost of timber purchased by Government Departments is bound to be higher than if timber is purchased direct from the Forest Department as a Government transaction.

During our Examination of the Chief Engineer, certain difficulties were brought forward and, in particular, by the Chief Engineer, Buildings and Roads, that unless the timber purchased from the Forest Department is converted into required sizes under strict Government supervision and factory condition, the quality of timber used on works cannot be ensured. We are unable to appreciate this point. If the Departmental officials can inspect and satisfy themselves about the quality of wood supplied by the contractors, there should be no difficulty in their being assured of the quality given by the Forest Department and also later on converted into required sizes either by departmental saw-mills or through contractors. If the Departments could estimate their firm requirements for a period of one or two years in advance and supply the Forest Department with a firm order of their requirements of various species of timber, it should be possible for the Forest Department to plan the felling of trees accordingly, and supply good quality timber to the Departments at economic rates. We understand that in the case of some other States, the first selection of Government, logs, timber etc. is given to other Government Departments like Railways, Military, Engineering Services, etc. We recommend that a suitable procedure may be evolved, so that timber used on Government works especially big works and projects could be obtained at economic rates, and to the maximum extent possible, directly from the Forest Department.

41. *Grant No. 7—Irrigation (works) (Annexure VI)* In this case certain large savings accrued due to non-execution or retarded progress of certain work for want of sanctioned estimates and

materials (Rs. 4,49,820) under "K—Works". There were also certain cases of erroneous provision for works resulting in large saving and late allotment of funds. We desire that such factors contributing to variations should be avoided.

It was brought to our notice that in 1950-51, the Finance Department allotted Rs. 14 lakhs to Irrigation Branch for raising banks of channels under Maintenance and Repairs (G.M.F.) This amount was tentatively distributed to the Controlling Officers directing them to study the grant allotted to them and to make a revised demand according to their actual requirements, if necessary, in the first list of Excesses and Surrenders. Thus S. E., Western Jumna Canal East Circle, based his revised demand on the estimated cost of the works to be executed during the year and surrendered the surplus amount. We consider that this is an incorrect procedure. Actually, funds should be demanded and appropriated only on the basis of estimated cost of work to be actually spent for execution and not that funds should be allotted first as a leap in the dark.

42. *Grant No. 8—Charges on Irrigation Establishment (Annexure VI).* We discussed with the Chief Engineer, Irrigation, regarding the utility and financial results of construction of bunds. We desire that a self-contained memorandum may be submitted to the Committee showing the expenditure on bunds incurred so far and the expenditure incurred on their maintenance and also indicating the financial results of the construction of bunds and in particular, their effects on revenue realisations.

Non-payment of certain charges for want of sanction. This is a case under sub-heads J-4—Executive and M-4—Executive. The savings of Rs 2,14,210 and Rs. 31,386, respectively, have been explained as due to non-payment of Construction Compensatory Allowance for want of sanction. We have to point out that no funds should be provided unless the expenditure has been sanctioned by the proper authorities.

Comparison of Establishment Charges with Work Expenditure—Irrigation Branch—Jagadhri Tube-well Project—Note 8 (Annexure VI). We are not satisfied with the working of the Jagadhri Tube-well Contract. We suggest that prompt action should be taken against the firm and the penalties recovered. So far no examination of the accounts of the firm has been made, as provided in the contract. The accounts of advance payments made to the firm and the recoveries have not yet been made available for audit by the Accountant-General. This should be done immediately. We also desire that a comprehensive memorandum showing the results of the Jagadhri Tube-well Project and the working of the contract for the construction of tube-wells with Messrs Associated Tube-well Ltd.,

should be submitted to the Committee. In this an appreciation should also be given about the cost per Tube-well as paid to the firm and the cost of a similar tube-well sunk departmentally. We note that the detailed estimate for the work of Tube-wells has not yet been sanctioned and that the plant, machinery and materials purchased from abroad and in India, for which final payments have been made and which have not become the property of the State, had not yet been taken on the material-at-site accounts of the works concerned? These are very serious irregularities requiring action against the officials concerned.

43. *Grant No. 9—Irrigation Capital:* With reference to the statement showing progress of expenditure on Capital Project and major works during the year 1950-51 at pages 111 to 115 of the Appropriation Accounts, we note that large variations have been explained as due to non-payment of cost of land acquired, or late allotment of land, etc. We desire that there should be greater co-ordination between the Departments and the adjustment of cost of land should be expedited.

44. *Grant No. 13—Jails and Convict Settlements (Annexure IX).* The notes regarding the working of Punjabi Jail factories are given at pages 148-149 of the Appropriation Accounts. The results show that there was a loss of Rs. 5,99,360 during the year 1950-51. The Committee note that the out-turn of the Jail Industries has progressively increased from 2.54 lakhs in 1948 to 5.8 lakhs in 1951, 7.37 lakhs in 1952, 8.88 lakhs in 1953. It was stated by the Inspector-General of Prisons that his aim is to reorganise the industries and to improve them to such an extent that the value of the out-turn is increased. It was stated that a scheme has been proposed by the Inspector-General of Prisons for the consideration of Government. We, therefore, suggest that the details of the scheme should be examined very carefully. It should be ensured that all expenditure incurred on the production of goods in the jail factories is taken into account so that the factories should run at least on a no-profit no loss basis in the case of supply of jail factories products to Government Departments. We desire that a memorandum showing the details of the scheme approved by the State Government may be submitted to the Committee in 1954-55.

45. *Grant No. 14—Police:* In para 3 of the Report of the last Public Accounts Committee it was recommended that the running of the Police Academy at Kunjpura being a new scheme should have been brought to the notice of the Legislature and it was also recommended that action should be taken against the persons responsible for incurring expenditure on the scheme without adequate sanction therefor and for diversion of funds. We regret to note that in spite of the specific recommendation, the expenditure on the

Kunjpura Police Academy is still being financed by diversion of funds appropriated by the Assembly for other services and purposes. So far no specific action has been taken to bring it to the notice of the Assembly even in the Budget Estimates for 1954-55. We would like to stress once again the primary importance of taking prompt action on the recommendations of the Public Accounts Committee. We, therefore, direct that immediate action should be taken to regularise the position and bring it to the notice of the Legislative Assembly without any further delay.

46. *Grant No. 19—Veterinary.* The last year's Committee made certain detailed recommendations regarding the working of the Government Livestock Farm, Hissar. We understood that action is being taken in respect of our recommendations. We desire that action taken by Government should be finalised very early and a memorandum submitted to the Committee next year, showing the final action taken by Government. We regret to note that the losses during 1950-51 have increased considerably as compared with the results of the year 1949-50.

✓ 47. *Grant No. 32—Stationery and Printing.* There was a large saving of 6.8 lakhs as compared with the final grant of 16.21 lakhs due to non-supply of paper and stationery by mills and firms (3.22 lakhs) non-receipts of the debit for cost of paper (1.85 lakhs) non placing of further orders for supply of papers and stationery (1.1 lakhs). We are unable to accept the view of the Department that no control can be exercised on this head which is a composite of estimates of various departments. There should be co-ordination of all demands made by various departments, and a strict control over the adjustment of cost of paper and stationery, etc. We, therefore, direct that suitable steps should be taken to evolve a suitable procedure under which such large variations are avoided in future.,

48. *Grant No. 33—Miscellaneous (Relief and Rehabilitation).* In the case of the Cotton Weaving and Spinning Centres at Jullundur (Annexure XVIII) against the revolving credit of 4.5 lakhs, the balance in the Personal Ledger Account was 7.46 lakhs at the end of 1950-51, 12.54 lakhs at the end of 1951-52 and 13.20 lakhs at the end of 1952-53. Similarly, in the case of Wool Spinning and Weaving Centre at Panipat, the revolving credit is only Rs. 5 lakhs, whereas the balance in the Personal Ledger Account at the end of 1950-51 was 10.91 lakhs, Rs. 8.8 lakhs at the end of March, 1952, 8.51 lakhs, at the end of March, 1953. We consider that such large amounts in excess of the credits sanctioned should not be left for utilisation by the Centres. We suggest that the excess should be withdrawn by the Government and all their future credits restricted within the sanctioned amounts.

The two centres mentioned above are stated to be running on commercial lines. Even without taking into account interest, audit fees, and other indirect charges, the Wool Spinning and Weaving Centre at Panipat has incurred a loss of the order of about Rs 65,000 to the end of 31st December, 1953. Regarding the Cotton Spinning and Weaving Centres at Jullundur the nominal excess of income over expenditure since the inception of the scheme to 1952-53 of about Rs 75,000 will be entirely wiped out if we take into account interest on capital and other indirect charges. There is also some loss likely to be incurred on the disposal of spinning wheels. We would, therefore, suggest that the working of the two centres should be very carefully reviewed and that they should quickly be brought on the commercial basis.

49. *Grant No. 35 Capital Outlay on Schemes of Agricultural improvement and Research-Sub-heads A(i) and A(ii) (I) page 363 (Annexure XXI).* We consider that all the liabilities should have been taken into account before final re-appropriation withdrawing Rs 5,22,000 from sub-head A(i) was made. In the result there was an excess expenditure over the final grant of 1.89 lakhs under the land reclamation and mechanical cultivation in the Punjab and an excess of 1.75 lakhs on sinking of tube-wells, gross charges. The Committee note that this is a very bad case of defective budgeting and similar defects should be avoided in future.

CHAPTER V

50. *Disposal of Audit objections and Inspection Reports.* During our examination of the various Departments we have impressed upon all concerned the imperative need for prompt attention and disposal of all Audit Objections and Inspection Reports. The Heads of Departments should take more personal interest in this regard. If it is not already there, we suggest that each department should organise, at the highest level, a section for exercising control over expenditure in accordance with grants as well as for the prompt and satisfactory disposal of audit objections and the implementation of the recommendations of the Public Accounts Committee. If (i) the Heads of Departments and other senior officers take personal interest in these matters and bring home to their subordinate officials, the importance of financial control and dealing with audit objections (ii) the F.D. also exercise strict watch over the prompt disposal of audit objection and reports and remedy irregularities brought to notice. (iii) Government take prompt and strict action against those responsible for irregularities we are sure that very soon a marked improvement will be achieved in the administration of the finances of the State as a whole.

51. *Expenditure held under objection.* Para 63 of the Audit Report at page 44 draws pointed attention to the very large number of items and value of expenditure amounting to several lakhs of rupees incurred without sanction or estimates, excess of expenditure over sanctioned estimates and other minor irregularities. We have commented on the commencement of works without detailed estimates and execution of works without duly executed contracts in connection with the Chandigarh Capital Project. It is highly irregular that departments should incur objectionable expenditure of large magnitude, as a general practice without detailed estimates, in excess of estimates, and for other reasons. Absolutely no regard is paid to the fundamental rules regulating incurrence of expenditure, nor is any serious attempt made to regularise matters. All branches of the Public Works Departments are primarily responsible for this deplorable state of affairs. In spite of quarterly reports being submitted to the Finance Department and the Chief Engineers, showing the number of items and amounts held under objection, the question of settling the objections by mutual consultation and discussion, if necessary, with the Accountant-General, has not been seriously considered by the Departments. We, therefore, direct that immediate action should be taken at the highest level to look into the matter and effect improvements within the next 3 months. A special memorandum showing the action taken, and the number of items, and value, of expenditure held under objection, settled and regularised should be submitted to the Committee, by the end of July, 1954.

52. *General Remarks.* The state of affairs regarding budgeting, control of expenditure, lapses and errors in accounting and

store-keeping, continued incurrence of objectionable expenditure, etc., have been detailed in the various paragraphs of our Report and Proceedings. We cannot stress too much the importance of adequate training and tests in accounts and financial control for officers and staff dealing with expenditure on works and services and officers placed in the custody of stores. We understand that at the instance of the Comptroller and Auditor-General, the State Governments have already been requested to prescribe tests in Accounts and other cognate matters in all departments for both Gazetted and Non-gazetted staff dealing with accounts matters. Adequate knowledge and sound application of the basic principles and procedure of financial control and store-keeping and other Government accounting should be the criterion for appointments and promotions to posts dealing with financial and accounts matters. We urge that the State Government might kindly take suitable action to implement these recommendations, at a very early date.

Review of the action taken on the recommendations made by the Public Accounts Committee in its Report on the Appropriation Accounts of the Punjab Government for the years 1948-49 and 1949-50 and the connected Audit Reports.

53. During our oral examination of the various Heads of Departments and Administrative Secretaries we discussed the question of action taken on the recommendations of the last Public Accounts Committee. We learnt that most of the recommendations had still to be implemented by Government. A memorandum showing the action taken or proposed to be taken on the recommendations of the previous Committees could not, therefore, be prepared by the Assembly Secretariat for our consideration and inclusion as an Appendix to our report. We desire that the State Government should finalise the necessary action in respect of all recommendations and memorandum showing action taken submitted to the next Committee very early for their consideration.

K.N. SAIGAL (Chairman)

RALA RAM

HARKISHAN SINGH SURJIT

HARBHAJAN SINGH

DEV. RAJ ANAND

DAULAT RAM SHARMA

DARBARA SINGH

HARNAM SINGH SETHI

Chandigarh Capital: March 24, 1954.

CHANDIGARH :— KULDIP CHAND BEDI,
The 31st March, 1954 Secretary, Punjab Legislative
Assembly

N B. Rao Gajraj Singh was absent and has, therefore, not signed the Report

KULDIP CHAND BEDI,
SECRETARY, Punjab Legislative Assembly

MINUTES

Minutes of the 1st Meeting of the Public Accounts Committee held at 11 a. m.
on the 23rd May, 1953, in the Committee Room of the Assembly Chamber,
Simla-4

PRESENT

Shri Kedar Nath Saigal

Chairman

Rao Gajraj Singh

Sardar Harkishan Singh Surjit

Shri Daulat Ram Sharma

Shri Dev Raj Anand

Shri Rala Ram

Shri V. Narayanan, Accountant-General, Punjab

Dr Kuldip Chand Bedi, Secretary

Shri Badri Nath Chopra, Deputy Secretary, Finance.

} *Members*

At this preliminary meeting the Accountant General gave a talk to the members on the functions and scope of the Committee. He read out a note prepared by him on the subject (Annexure I). He also advised the members to read the talk by the Comptroller and Auditor-General of India to some members of Parliament. This has been printed as Annexure 1 to the Report of the Public Accounts Committee on the Appropriation Accounts of the Punjab Government for the years 1948-49 and 1949-50. Thereafter a general discussion ensued.

During the discussion the Committee found that the Rules of procedure and Conduct of Business in the Punjab Legislative Assembly did not provide that after the presentation of the Report of the Public Accounts Committee to the Legislature a day would automatically be allotted for its discussion. The present arrangement was that a day would be secured for its discussion in consultation with the Leader of the House. The Committee did not consider this arrangement satisfactory. They wanted that the Rules themselves should provide that the Report of the Public Accounts Committee would be discussed on a particular day after it had been presented to the House. The Committee, therefore, desired that the matter be referred to the Speaker with a request to accommodate their point of view.

The Committee further desired that the points relating to Appropriation Accounts 1948-49 and 1949-50 which were yet to be explained by the Director General, Food and Civil Supplies, be circulated to the Members.

The Committee decided to prepare a questionnaire relating to the Appropriation Accounts 1950-51 and the Audit Report 1952, for purposes of examining the Heads of Departments.

The Committee decided to meet on the 16th and 17th June, 1953, at 2.00 p.m. in the Committee Room of the Assembly Chamber, Simla.

Minutes of the Second Meeting of the Public Accounts Committee held on Tuesday, the 16th June, 1953 at 2.00 p. m. in the Committee Room of the Assembly Chamber, Simla-4.

PRESENT

Shri Kedar Nath Saigal

Chairman

Sardar Harkishan Singh Surjit

Shri Daulat Ram Sharma

Shri Rala Ram

Sardar Darbara Singh

Rao Gajraj Singh

Shri V. Narayanan, Accountant-General, Punjab

Members

Dr. Kuldip Chand Bedi, Secretary

Shri Badri Nath Chopra, Deputy Secretary (Finance).

The proceedings of the last meeting held on the 23rd May, 1953, were confirmed.

The Committee discussed the Audit Report for 1952 and prepared a list of points (Annexure II). It was decided that each Member of the Committee would formulate questions on the Appropriation Accounts for 1950-51 and Audit Report for 1952, which he would like to be put to the Departmental representatives and forward them to the Secretary by the 30th June, 1953, at the latest, who would circulate them to all the Members of the Committee as well as to the Accountant General, Punjab, and the Secretary, Finance Department. After consulting the Chairman, the Secretary would fix a date for the meeting of the Committee at which these draft questions would be considered and finalised.

While discussing paragraph 15 of the Audit Report, Sardar Harkishan Singh Surjit furnished a list of questions which, he desired, be circulated among the Members of the Committee. The Chairman permitted this to be done.

The Committee then decided to scrutinise at its meeting to be held on the 17th June, Grants Nos. 7, 8 and 9 of the Appropriation Accounts for 1950-51 and the portion of the Audit Report for 1952 relating to these grants and to draw up a questionnaire.

Minutes of the Third Meeting of the Public Accounts Committee held on Wednesday the 17th, June, 1953, at 10 a.m. in the Committee Room of the Assembly Chamber, Simla-4.

PRESENT

Shri Kedar Nath Saigal

Chairman

Shri Daulat Ram Sharma

Shri Rala Ram

Sardar Darbara Singh

Sardar Harkishan Singh Surjit

Rao Gajraj Singh

Members

Shri V. Narayanan, Accountant-General, Punjab.

Dr. Kuldip Chand Bedi, Secretary.

Shri Badri Nath Chopra, Deputy Secretary (Finance).

The Committee scrutinised the items of excesses and surrenders occurring under Grants Nos. 7, 8 and 9 of the Appropriation Accounts for 1950-51 and the portion of the Audit Report for 1952 relating to the Irrigation Branch and drew up a questionnaire. (Annexure II.) The Secretary was directed to forward this to the Chief Engineer, P.W.D., Irrigation Branch with the request that he should submit the information asked for (with 14 spare copies), within a period of 15 days.

After the information has been furnished by Chief Engineer to the Secretary of the Committee as also to the Accountant-General and the Secretary, Finance Department, the Secretary would circulate the same to the Members who would meet on a date to be specified by the Chairman later on, to consider the Chief Engineer's notes and replies and, thereafter, fix the date of the meeting on which the Committee would examine the Chief Engineers personally.

So far as the rest of the questions relating to Bhakra Nangal Projects were concerned, the Committee decided that they would frame those questions after having had a visual inspection of the place. Therefore, they decided to meet at Nangal Township on the 21st, 22nd and 23rd July, 1953, for the purpose. The Committee directed that the General-Manager, Bhakra Project, and the Chief Engineer, Electricity Branch, be informed about the proposed visit of the Committee.

The Committee also decided to meet during the intervening period in the Committee Room of the Assembly Chamber, Simla-4, at 2 p. m. on the 6th and 7th July, 1953.

Minutes of the Fourth Meeting of the Public Accounts Committee held on Monday the 6th July, 1953, at 2 p. m. in the Committee Room of the Assembly Chamber, Simla-4.

PRESENT

Shri Kedar Nath Saigal

Shri Rala Ram

Principal Harbhajan Singh

Sardar Harkishan Singh Surjit

Shri Dev Raj Anand

Shri V. Narayanan, Accountant-General, Punjab

Dr. Kuldip Chand Bedi, Secretary

Shri Badri Nath Chopra, Deputy Secretary (Finance).

Chairman

Members

Letter No. 4786, dated the 25th June, 1953, from the Chief Engineer, Electricity Branch, was put up to the Committee. The Committee accepted the reasons given by him for not being able to attend at the meeting of the Committee at Nangal on the 21st or 22nd July, 1953, and directed that he might be called at a subsequent meeting. The Committee further directed that he may be requested to depute the Superintending Engineer concerned to take the Committee round the Electrical portion of the work at Power Houses I and II.

The Committee then scrutinised Grants Nos. 1, 2 and 4 of the Appropriation Accounts for 1950-51 and the portion of the Audit Report, 1952, relating to these Grants and prepared a questionnaire in respect of each Grant (Annexure II). No information was required in respect of Grants Nos 3, 5, 6 and 10. The Secretary was directed to forward those questionnaires to the Administrative Secretaries concerned with the request that they should furnish the information asked for (with 14 spare copies) to the Committee as well as to the Accountant-General, Punjab, and the Secretary, Finance Department, within a period of 15 days.

Minutes of the Fifth Meeting of the Public Accounts Committee held on Tuesday, the 7th July, 1953, at 10 a. m. in the Committee Room of the Assembly Chamber, Simla-4.

PRESENT

Shri Kedar Nath Saigal

Chairman

Shri Rala Ram

Shri Daulat Ram Sharma

Principal Harbhajan Singh

Shri Dev Raj Anand

Sardar Harkishan Singh Surjit

Members

Shri V. Narayanan, Accountant General, Punjab

Dr. Kuldeep Chand Bedi, Secretary.

Shri Badri Nath Chopra, Deputy Secretary (Finance).

The Secretary drew the attention of the Committee to the proceedings of its meeting held on the 23rd May, 1953, wherein a recommendation had been made that a provision should be made in the Rules of Procedure and Conduct of Business in the Punjab Legislative Assembly, for the automatic allotment of a separate day for the discussion of the Report of the Public Accounts Committee. He said that the Hon. Speaker, who was approached in this connection, had directed that inquiries be made from the other Legislatures in the country including that at the Centre about the procedure adopted by them in this behalf. Accordingly, he added, several State Legislatures including the Parliament Secretariat had been addressed and after the receipt of information the case would be put up again to the Hon. Speaker.

The Secretary also informed the Committee that he had studied the texts of the Rules pertaining to other Legislatures and he did not find a specific rule in any of them, by virtue of which the discussion of the Report might be automatically secured.

Sardar Harkishan Singh Surjit pointed out that to the best of his information the report of the Public Accounts Committee was discussed in the West Bengal Legislative Assembly as well as in the House of the People.

The Committee were of the opinion that even if there was no precedent elsewhere, the Committee would like the Speaker to consider the creation of a precedent and ensure that the Report of the Committee is taken up for discussion in the Legislature unless there were any insuperable difficulties in the way.

Letter No. 3364-B-53/5570, dated the 22nd June, 1953, and letter No. Appn, 1-7/370, dated the 29th June, 1953, in connection with the Report of the Public Accounts Committee on the Appropriation Accounts of the Punjab Government for the period 15th August, 1947, to 31st March 1948, were placed before the Committee. The Committee decided that the Finance Department of the Punjab Government be requested to ask the Chief Engineer to place the relevant correspondence at the disposal of the Accountant General, Punjab, who, after going through the same, would kindly make available to the Committee his observations.

The Committee then scrutinised Grants Nos. 11 to 17 of the Appropriation Accounts for 1950-51 and the portion of the Audit Report, 1952, relating to these Grants and drew up a questionnaire (Annexure II) in respect of each Grant except Grant No. 12—Administration of Justice in regard to which no information was required. The Secretary was directed to forward these questionnaires to the Administrative Secretaries concerned with the request that they should furnish their replies to the questions formulated by the Committee within a period of 15 days. A copy of the replies should also be sent by the Administrative Secretaries concerned to the Accountant General, Punjab, and the Secretary, Finance Department, direct.

Proceedings of the Sixth Meeting of the Public Accounts Committee held on the 21st July, 1952, at Field Hostel West, Nangal Township.

PRESENT.

Shri Kedar Nath Saigal

Shri Dev Raj Anand

Shri Daulat Ram Sharma

Shri Rala Ram

Principal Harbhajan Singh

Shri Harnam Singh Sethi

Shri Badri Nath Chopra, Deputy Secretary, Finance

Chairman

Members

The members arrived at Nangal by the noon train and met at 3.00 p.m. to discuss the programme of work during their stay at Nangal.

It was decided that the Committee should, after the meeting, inspect the Bhakra Dam site and the construction work going on there and inspect the two power houses under construction at Gangowal and Kotla on the morning of Wednesday the 22nd July, 1953.

It was further decided to hold a meeting of the Committee in the afternoon on 22nd.

**Proceedings of the Seventh Meeting of the Public Accounts Committee held
at 4.30 p.m. on Wednesday the 22nd July, 1953, in the Field Hostel,
West Nangal Township.**

PRESENT

Shri Kedar Nath Saigal

Chairman

Shri Rala Ram

Principal Harbhajan Singh

Shri Dev Raj Anand

Shri Harnam Singh Sethi

Shri Daulat Ram Sharma

Sardar Harkishan Singh Surjit

Shri V. Naryanan, Accountant-General, Punjab

Shri Badri Nath Chopra, Deputy Secretary Finance.

Members

Proceedings of the meetings of the Committee held on 6th and 7th July, were confirmed.

The Accountant-General reported to the Committee that the correspondence referred to in paragraph 5 of the proceedings of the meeting of the Committee held on the 7th July, 1953, has not been placed at his disposal so far.

The Committee then held a general discussion on matters relating to Birkra Dam Construction. At 6 p.m. it dispersed to inspect the Nangal Dam and met again at 9 a.m. in the Committee Room of the Irrigation Secretariat on Thursday, the 23rd July, 1953.

**Proceedings of the Eighth Meeting of the Public Accounts Committee held
at 9.00 a.m. on Thursday the 23rd July, 1953, in the Committee
Room of the Irrigation Secretariat, Nangal Township.**

PRESENT

Shri Kedar Nath Saigal

Chairman

Shri Rala Ram

Principal Harbhajan Singh

Shri Dev Raj Anand

Shri Harnam Singh Sethi

Shri Daulat Ram Sharma

Sardar Harkishan Singh Surjit

Members

Shri V. Narayanan, Accountant-General, Punjab.

Shri Badri Nath Chopra, Deputy Secretary, Finance.

The Committee discussed the Appropriation Accounts for the year 1950-51 and Audit Report 1952, relating to the Bhakra Nangal Project and framed the questionnaire (Annexure II).

The Committee directed that the questionnaire be sent to the department concerned for furnishing the information asked for in it within three weeks of its receipt.

The Committee then adjourned to meet again on 31st July, 1953, in the Committee Room of the Assembly Chamber, Simla.

**Minutes of the Ninth Meeting of the Public Accounts Committee held
on Friday the 31st July, 1953, at 2.00 p.m. in the Committee
Room of the Assembly Chamber, Simla-4.**

PRESENT

Shri Kedar Nath Saigal

Chairman

Shri Rala Ram,

Principal Harbhajan Singh

Shri Daulat Ram Sharma

Sardar Harkishan Singh Surjit

Rao Gajraj Singh

Shri Harnam Singh Sethi

Shri V. Narayanan, Accountant-General, Punjab

Dr. Kuldip Chand Bedi, Secretary

Shri Kundan Lal, Assistant Secretary, Finance Department

Members

Under directions of the Speaker, the Secretary informed the Committee about the replies received from other Legislative Assemblies in the country regarding the procedure in those Assemblies about the consideration of the Report of the Public Accounts Committee after its presentation to the House. The Committee decided that the Speaker be requested to frame a rule on the lines of Rule 135(3) of the Rules of Procedure and Conduct of Business in the Bombay Legislative Assembly so that a day is automatically secured for the discussion of the Report of the Public Accounts Committee after it is presented to the House by the Chairman. The Committee further decided that the Chairman should under the proposed rule be required to move "that the Report of the Public Accounts Committee be adopted".

The Secretary then brought to the notice of the Committee endorsement No. 6644-P-53/53398, dated the 29th July, 1953 from the Chief Secretary, in which he had suggested that matters concerning Heads of Departments be communicated to them direct instead of through the Secretaries concerned, as that would avoid delay. The Secretary submitted that to begin with the Committee's procedure was to send its questionnaires to Heads of Departments and Controlling Officers direct with a request that replies may be sent within a certain period. These replies, the Secretary submitted, usually came directly from them. In some cases Heads of Departments etc., appeared before the Committee along with their Secretaries while in some cases they appeared without the Secretaries. The Home Secretary, however, while appearing before the Committee on the 20th February, pointed out that this procedure was defective in that the Administrative Secretary was sometimes kept ignorant of what the Departmental Heads were deposing before the Committee. He, therefore, requested that communications from the Committee should be addressed to the Secretary to the Government in the Department concerned, who in his turn would be responsible for providing answers to the questionnaires and for appearing before the Committee, if so required, with departmental heads. He had felt that the procedure suggested by him would conduce to clarity, co-ordination and efficiency. The Committee had accepted the suggestion and had directed "that in future all communications, irrespective of their nature, should be sent to the Administrative Secretaries, who in turn would be responsible for taking necessary action thereon". This directive of the Committee had been followed ever since.

The Committee observed that the suggestion made by the Chief Secretary in his endorsement referred to above was different from that orally made by the Home Secretary on the 20th February, 1953, which had been accepted by the Committee.

The Committee felt that before giving its directive in the matter, it would like the Chief Secretary to have the matter exhaustively discussed among the Secretaries so as to evolve an agreed procedure. Such procedure the Committee would follow uniformly.

The Committee referred to its proceedings, dated the 7th July, 1953, and 22nd July, 1953, at page 2, paragraph 5 and Page 1, paragraph 2, respectively and enquired from the Accountant-General whether the relevant correspondence had been placed at his disposal by the Finance Department. He replied in the negative. The Committee directed that the Finance Department be requested to make the necessary correspondence available to the Accountant-General, without any further delay.

**Minutes of the 10th Meeting of the Public Accounts Committee held
on Saturday, the 1st August, 1953, in the Committee
Room of the Assembly Chamber, Simla-4.**

PRESENT :

Shri Kedar Nath Saigal

.. Chairman

Sardar Harkishan Singh Surjit

Shri Harnam Singh Sethi

Rao Gajraj Singh

Principal Harbhajan Singh

Shri Rala Ram

Shri Daulat Ram Sharma

Shri V. Naryanan, Accountant-General, Punjab

Dr. Kuldip Chand Bedi, Secretary

Shri Kundan Lal, Assistant Secretary, Finance Department.

Members

The Committee scrutinised the items of excesses and surrenders occurring under Grants Nos 18, 19, 21, 22, 23, 24, 25, 27, 28, 29, 32, 33, 35, 37 and 39 and the portion of Audit Report for 1952 relating to these Grants and drew up a questionnaire (Annexure II) in respect of each of them. The Secretary was directed that these questionnaires be forwarded to the Administrative Secretaries concerned with the request that they should submit their replies (with 14 spare copies) to the Committee as well as to the Accountant-General, Punjab, and the Secretary, Finance Department, within a period of 15 days.

The Committee then decided to meet again on the 17th August 1953, and longer, if necessary, in the Committee Room of the Assembly Chamber, Simla, to scrutinise the material furnished by Heads of Departments by that time.

**Minutes of the 11th Meeting of the Public Accounts Committee held
on the 17th August, 1953, in the Committee Room of the Assembly
Chamber, Simla-4,**

PRESENT :

Shri Kedar Nath Saigal

.. *Chairman*

Shri Rala Ram

Principal Harbhajan Singh

Sardar Darbara Singh

Shri Daulat Ram Sharma

Shri Dev Raj Anand

} *Members*

Shri V. Narayanan, Accountant-General, Punjab

Dr. Kuldip Chand Bedi, Secretary

Shri S.N. Vasudeva, Under-Secretary, Finance

Thakore Narindra Singh, Assistant Secretary, Finance.

Proceedings of the meetings of the Committee held on the 31st July and 1st August, 1953, were confirmed.

The Secretary placed before the Committee D.O. No. 6103-B-53/6607, dated the 13th August, 1953 (Annexure XXIII) from the Deputy Secretary, Finance Department, to his address, suggesting the procedure for dealing with the Reports of the Public Accounts Committee. After considering the letter the Committee approved the procedure suggested therein.

The Committee further directed that a copy of the above-mentioned D.O. be made available to the Accountant-General, Punjab.

Secretary then brought to the notice of the Committee letter No. 4965-B-53/6482, dated the 5th August, 1953, from the Finance Secretary to Government, Punjab, addressed to all Heads of Departments, copy under No. 4965-B-53/6483 endorsed to the Secretary, Public Accounts Committee, and U.O.No. 5350-B-53, dated the 20th July, 1953, from the Finance Secretary to all Heads of Departments. These two letters had been issued in pursuance of the recommendations of the Public Accounts Committee contained in its Report on the Appropriation Accounts for the years 1948-49 and 1949-50.

The Accountant-General brought to the notice of the Committee that the file referred to in letter No. 3364-B-53/5570, dated the 22nd June, 1953, of the Finance Department had not yet been made available to him. The Committee directed that the matter should be raised at the next meeting again as the Secretary informed the Committee that the Budget Officer of the Finance Department had informed him through D.O.No. 6223-B-53/6515, dated the 7th August, 1953, that Shri V.P. Goyal, Under-Secretary (General and Revenue), Irrigation Branch, was being reminded to make available the relevant correspondence to the Accountant-General,

The Committee then scrutinised the material supplied by the Director of Public Instruction. The Committee decided to examine the Secretary to Government, Punjab, Education Department, personally in regard to the material supplied by him especially with regard to the following points:

Sl. No. 1'—Page 159, B-2, Government Arts Colleges (Pay of Establishment) and Page No. 163, R-2 (Adult and Social Education Schemes—Pay of Establishment) (Annexure XXIV).

The Committee would like to have a clear elucidation of the "Administrative Reasons" and "non-availability of suitable candidates" on account of which savings occurred under these two sub-heads.

Government Special and Model Schools. The Committee would like to have figures of receipts and expenditure in regard to Model Schools at Jullundur and Nangal.

Scholarships for Europeans. The Committee wanted to know the number and the value of each scholarship.

While examining the material supplied by the Excise and Taxation Commissioner, Punjab, the Committee decided to examine him personally in regard to the fluctuations in the Excise and Taxation Revenue with special reference to the low yield in the year 1950-51.

While examining the material sent by the Inspector-General of Prisons the Committee directed that it would like the Inspector-General of Prisons personally to elucidate further the points that he had brought out in his note (Annexure IX).

Proceedings of the 12th Meeting of the Public Accounts Committee held on the 18th August, 1953, in the Committee Room of the Assembly Chamber, Simla-4.

PRESENT:

Shri Kedar Nath Saigal

.. *Chairman*

Shri Rala Ram

Shri Dev Raj Anand

Principal Harbhajan Singh

Sardar Darbara Singh

Shri Daulat Ram Sharma

Shri V. Narayanan, Accountant-General, Punjab

Dr. Kuldip Chand Bedi, Secretary

Thakore Narindra Singh, Assistant Secretary, Finance.

} *Members*

Proceedings of the meeting of the Committee held on 17th August, were read over and confirmed.

The Committee while considering the explanation (Annexure VII) given by the Irrigation Department relating to the questionnaire framed by the Committee regarding the Central Workshops, Amritsar, directed that it would like to examine the Superintendent of the Workshops and the Chief Engineer Incharge, if he could also be present, on the points raised by the Committee's questionnaire and more particularly the following points:—

Serial No. 33—Para 51 of the Audit Report.

The Committee would like to have an elucidation of the Note "The above figures are based on a single shift of 8 hours working" given below the reply to part (a) of the first question of the Committee. It would like to know:—

- (a) Whether if such of the shops as are not now loaded 100% on a single shift of 8 hours basis are also so loaded, would the quantum of work be such as would enable the workshop to recover all its over-heads, meet the interest charges and, if possible, make a profit?
- (b) The Committee would like to have a statement giving a broad break-up of the expenditure charged under overheads?
- (c) If the difficulty in getting an adequate volume of work placed on the workshops is that other departments do not foresee their requirement sufficiently in advance, has the workshop organization taken any steps to ascertain the likely requirements of the various departments under the Five Year Plan or other development schemes which have been sanctioned; and has it considered the possibility of getting a part of the possible requirements manufactured in advance and holding them in stock? If the department has attempted any such forward manufacturing programme what are the financial and other questions and risks connected with such a programme? Th.

Committee would like to have a full appreciation of this problem. The Committee would also like to have information regarding:

- (a) the number of orders which the Superintendent had to decline because of lack of sufficient time; and
- (b) their value?

The statistics should relate to the last two or three years.

1(C) (ii)

In his reply the Superintendent has stated "Considering the superior quality and workmanship of these workshops, the rates can be considered as fully competitive". What exactly is the significance of the expression "Considering the superior quality and workmanship of these workshops"? After all, if other departments place orders with the workshops they must be executed according to their specifications and the rates for such works must be competitive. Here again the Committee would like to have a full appreciation of the problem.

The Committee would like to have a full and complete elucidation of the rate structure and how the rates compare with those quoted by the private manufacturers.

2. The Superintendent has stated in reply to question No. 2 that steps have not been taken so far to determine the normal load of the Workshops but this can be done if change in the existing method of calculating overheads is made.

The Committee would like to have a clear elucidation on this point.

3. The Committee would like to have a statement giving the following information in respect of (i) machinery, and (ii) stores both:

- (a) the value of machinery or stores taken over when the Workshops were handed over by the Central Government to the Punjab Government;
- (b) value of additions made from year to year ;
- (c) value of surplus machinery or stores separated or disposed of from year to year;
- (d) value of machinery and stores in stock or in position in the Workshops?

4. In the statement of Profits and Loss the following are the figures of profits excluding interest charges from year to year:—

	<i>Rupees in lakhs</i>
1947-48	8.65
1948-49	9.33
1949-50	14.02
1950-51	2.63
1951-52	4.04

The Committee would like to have detailed reasons for the big drop in profits in 1950-51 and 1951-52. It would also like to know what is the approximate position in regard to the accounts for the year 1952-53.

It would help the Committee and also facilitate oral discussion, if answers to the points mentioned above could be furnished at a very early date. The date for oral discussion will be fixed after the receipt of the notes.

Minutes of the 13th Meeting of the Public Accounts Committee held on the 28th December, 1953, at 2 p. m. in the Assembly Secretariat, Chandigarh.

PRESENT:

Shri Kedar Nath Saigal

.. Chairman

Shri Rala Ram

Shri Daulat Ram Sharma

Sardar Darbara Singh

Shri R. Srinivasamurti, Accountant-General, Punjab

Shri C. L. Chawla Private Secretary to the Hon. Speaker

Shri S. N. Vasudeva, Under-Secretary, Finance Department

Shri Chandra Mohan, Assistant Secretary, Finance Department.

Members

The minutes of the meeting of the Committee held on the 18th August, 1953, were read over and confirmed.

Private Secretary placed before the Committee D.O. letter No. AG/53/152, dated the 7th December, 1953, from Mr. Narayanan, the then Accountant-General, Punjab, to the Secretary, Punjab Legislative Assembly, informing him that he would be relinquishing charge of the office of the Accountant-General, Punjab, on the 9th December and would be succeeded by Mr. Srinivasamurti, and further conveying his thanks for the courtesy and consideration which he had received at the hands of the Chairman, Members and the Secretary of the Committee. The Committee desired that its gratitude and appreciation for the valuable help and guidance which was given by Mr. V. Narayanan, be conveyed to him.

Letter No. 4757-RF-53/7230, dated the 4th September, 1953, from the Assistant Secretary, Finance Department, communicating the action taken by the Director of Industries on the recommendations of the Public Accounts Committee in regard to the Work Centre Schemes was placed before the Committee. (The recommendations of the Committee appear at page 81 of the Report of the Public Accounts Committee on the Appropriation Accounts of the Punjab Government for the years 1948-49 and 1949-50 and Audit Reports thereon). It was stated in the letter that the question of the closing of the personal ledger accounts with the Punjab National Bank and opening of the same with Government treasuries was under the consideration of the Finance Department in consultation with the Accountant-General, Punjab. The Accountant-General observed that he had not so far seen the relevant papers and that he would be able to inform the Committee of the correct position after making enquiries from his office.

Circular Letter No. 6670-B-53/7464, dated the 17th September, 1953, from the Finance Secretary to all Heads of Departments regarding procedure for dealing with the reports of the Committee was then placed before the Committee.

Referring to para 4, the Committee directed that letters containing information in regard to action taken by various Heads of Departments on the recommendations of the Public Accounts Committee, as and when received, should be placed before it for its perusal and further directions, if any.

Letter No. 3 (92)53-B&A/9913, dated the 3rd September, 1953, and its enclosures received from the Under-Secretary to Government, Punjab, Rehabilitation Department in connection with an observation made by the Committee on exgratia payment at page 89 of its Report on the Appropriation Accounts for the years 1948-49 and 1949-50 were placed before the Committee. The Committee was satisfied with the explanation given therein and did not wish to pursue the matter.

Private Secretary submitted that the Public Accounts Committee at its meeting held at Nanгал some time back had made an enquiry from the representative of the Finance Department about the amount of interest charges paid from the revenue account of Bhakra Project. According to D.O. letter No. 6900-FPW-53/7297, dated the 5th/7th September, 1953, received from Thakore Narindra Singh he added a sum of Rs 1,26,03,607 on account of interest charges had been paid for the Bhakra-Nangal Project by the Punjab Government upto the year 1950-51.

Letter No. 7156-P-53/59735, dated the 21st August, 1953, from the Chief Secretary to Government, Punjab, saying that the Government were of the view that the communications from the Public Accounts Committee should be addressed to the Administrative Secretaries concerned, was placed before the Committee.

The following communications were also placed before the Committee for its information:—

Letter No. 4965-B-53/6482, dated the 5th August, 1953, from the Finance Secretary to the Government, Punjab, to all Heads of Departments in the Punjab Government in regard to Supplementary Grants.

Endorsement No. 5350-B/53/6221, dated the 20th July, 1953, from the Finance Secretary to all the Administrative Secretaries to Government in connection with the recommendations and observations of the Public Accounts Committee.

The Private Secretary informed the Committee that a copy of the report of the Public Accounts Committee of the West Bengal Legislative Assembly on the Appropriation and Finance Accounts of the West Bengal Government for 1949-50 and Audit Reports thereon, received from the West Bengal Government, had been kept in the Assembly Secretariat Library for the perusal of the Members.

The Committee then scrutinised the material (Annexure V) furnished by the Secretary, Development Department, in respect of Grant No. 4—Forests of the Appropriation Accounts for 1950-51 and Audit Report thereon.

Serial No. 1 (page 60)

After perusing the reply furnished in this connection, the Committee desired to know:—

- (i) the methods adopted for the sale of trees;
- (ii) steps taken to ensure that the best prices are obtained when the standing trees are sold to contractors;
- (iii) whether it would not be possible to resort to departmental working which is admittedly more profitable than private undertaking in those cases where it is feasible and convenient for the Department to undertake such work;

- (iv) what steps have been taken to prevent illicit felling of trees and extraction of rosin and other by-products;
- (v) whether the departmental operations cannot be increased to meet the demands of at least big projects which are at present in operation in Punjab; and
- (vi) the quantity of wood felled during the years 1950-51 and 1951-52 by the Forest Department and the contractors, respectively.

With regard to the supply of timber for departmental use, the Committee observed that before it made any recommendation it would like to (i) have the benefit of the advice of the Finance Department, and (ii) peruse the proceedings of the meeting of Timber Importers held in Chief Conservator of Forests' room at Simla on the 14th October, 1952, referred to in para 6 of his Memorandum No. C-62/9027, dated the 17/18th December, 1952, to the Under-Secretary, Development Department (Annexure V).

The Committee postponed the consideration of the remaining parts of this item till the 29th December, 1953.

Serial No. 2 (page 57)

The Committee directed that the Controller of Stores should be asked to furnish the required information immediately.

Serial No. 3.

The Accountant-General said that though there were some minor variations in the figures, the substance of the reply was correct.

The Committee was satisfied with the explanation and did not think any further action was called for.

The Committee decided to examine the Chief Conservator of Forests in connection with Serial Nos. 1 and 2 mentioned above and any other points that may arise out of the material supplied by him in relation to Grant No. 4—Forests.

The Committee then scrutinised the material furnished in respect of Grants Nos. 33 and 37 (Annexure XX)

Grant 33—Miscellaneous

*Serial No. 1. Page 349, (O-1)·9 (i)
Page 352, O. II(i)*

The Accountant-General remarked that he would give his views in regard to this item after studying the relevant portion of the Appropriation Accounts for the year 1951-52 and Audit Report, 1953. The Committee decided to postpone the consideration of this item for the time being.

Serial No. 2 (Pages 399 to 416 of the Appropriation Accounts for the year 1950-51).

Shri Vasudeva informed the Committee that the Finance Department had recently asked the Transport Department to consider the possibility of having only one General Manager for Jullundur and Amritsar Omnibus Services and the reply of the Transport Controller was still awaited.

The Committee directed that the Provincial Transport Controller be asked to furnish the route mileage covered by each Government Transport Service to that it may examine the question in all its aspects.

The Committee understood that in the statement showing the net profit, permit fees and road tax submitted by the Transport Department, the income-tax had been calculated on the gross profits. It directed that this statement should be revised after taking into account the payment of the permit fees and road tax for it was a matter of common knowledge that the income-tax was payable on net profits and not on gross profits.

The Committee noticed that there had been a considerable drop in the profits of all the Transport Services in the year 1952-53 and wanted the Provincial Transport Controller to explain the reasons therefor. Shri Vasudeva submitted that the same question was put to Mr. Budhwar, Provincial Transport Controller, when he appeared before the Estimates Committee a fortnight back. He added, Shri Budhwar had at that time stated that the fall in receipts was due to—

- (i) a slump in the trade;
- (ii) introduction of shuttle railway service between Jullundur and Amitsar;
and
- (iii) a comparatively higher expenditure on maintenance, repairs and renewals of the fleets.

But, Mr. Vasudeva added, the Estimates Committee was not satisfied with this explanation. The Committee decided to examine the Provincial Transport Controller in this connection.

Grant No. 37—Capital Outlay on Provincial Schemes of State Trading
Page 29 of the Audit Report

The Committee noticed that whereas the Provincial Transport Controller, in reply to a similar question put by the Committee on the 4th February, 1953, had stated that only 46 vehicles were purchased by the private operators and that the vehicles were not in a damaged condition (*vide* paragraph 3 at page 58 of the Report on the Appropriation Accounts for the years 1948-49 and 1949-50) the Transport Department had now come with an explanation that 54 vehicles had been sold to private operators and that though the prices had gone up, the private operators were reluctant to purchase them as these had remained exposed to inclemencies of weather for a pretty long time.

The matter having already been discussed by the last year's Public Accounts Committee, the Committee did not want to pursue it any further.

The Committee then decided to scrutinise the material furnished by various Heads of Departments in respect of the following Grants on the 29th December, 1953:—

Grant No.

4 (remaining items)

25

32

35

39

14

17

G.M.F.S.

Meeting of the Public Accounts Committee was fixed for 29th December, 1953, at 2 p.m. in the Assembly Secretariat, Chandigarh

PRESENT:

Shri Kedar Nath Saigal

Chairman

Shri Rala Ram

Shri Daulat Ram Sharma

Members

Shri R. Srinivasamurti, Accountant-General, Punjab

Shri C. L. Chawla, Private Secretary to the Hon. Speaker

Shri Chandra Mohan, Assistant Secretary, Finance Department

Thakore Narindra Singh, Assistant Secretary (Works), Finance Department.

The Committee could not transact any business for want of quorum.

Minutes of the 14th Meeting of the Public Accounts Committee held on the 7th January, 1954, at 2 p. m. in the Assembly Secretariat, Chandigarh.

PRESENT:

Shri Kedar Nath Saigal

Chairman

Shri Rala Ram

Principal Harbhajan Singh

Shri Dev Raj Anand

Shri Daulat Ram Sharma

Sardar Harkishan Singh Surjit

Sardar Darbara Singh

Shri R. Srinivasamurti, Accountant-General, Punjab

Dr. Kuldip Chand Bedi, Secretary

Shri S.N. Vasudeva, Under-Secretary

Shri Chandra Mohan, Assistant Secretary

Thakore Narindra Singh, Assistant Secretary

Finance Department.

The minutes of the meeting held on the 28th December, 1953, were read over and confirmed.

With regard to letter No. 4757/Rf/53/7239, dated the 4th September, 1953, from the Assistant Secretary, Finance Department, and para 2 of the proceedings of the 13th meeting of the Committee held on the 28th December, 1953, the Accountant-General informed the Committee that the authorities for opening personal Ledger Accounts were being issued and necessary procedure in connection with keeping of accounts, etc., was being prescribed in consultation with the Finance Department.

Mr. Vasudeva, Under-Secretary, Finance Department, suggested that the Departments be asked to send three copies of the material supplied to the Public Accounts Committee instead of two as at present. The Committee agreed with the suggestion and directed that *in future* all the Departments, which were called upon by the Committee to furnish any material, should, while doing so, furnish at the same time three copies thereof to the Finance Department direct. Two copies of such material, as usual, should be supplied to the Accountant-General, Punjab, direct.

The Committee considered the reply of the Chief-Conservator of Forests relating to Note 3 on page 59 of the Appropriation Accounts 1950-51, Grant 4—Forests and after some discussion observed that no further action was called for.

The Committee then scrutinised the material furnished by the Chief Engineer, P.W.D., Electricity Branch, in respect of Grant No. 25 of the Appropriation Accounts for 1950-51 and Audit Report, 1952 (Annexure XVI).

Grant No. 25—Electricity Schemes —Working Expenses*Serial No. 1 (Pages 277-78) (Note 6) T. and P. Charges*

After examining the explanation furnished by the Chief Engineer in respect of this item, the Committee decided to examine him orally in regard to the delay in inviting tenders and making arrangements for the purchase of vehicles, lighting and shifting equipment, etc. worth Rs. 4,35,000.

It was brought to the notice of the Committee by the Accountant-General that in the year 1951-52 also a large saving of about Rs. 5 lakhs was explained on almost the same lines as in the previous year. The Committee felt that the funds could have been surrendered in 1950-51.

Grant No. 28—Electricity Schemes— Capital Expenditure*Serial No. 8 (Page 17, Para 25) (81-A—Capital Outlay on Electricity Schemes (Outside the Revenue Account, Bhakra Nangal Project.)*

The Committee perused the explanation furnished in respect of this item and decided to examine the Chief Engineer, Electricity, orally.

Grant No. 25—Electricity Schemes—Working Expenses*Serial No. 2 (Page 18, Para 26) (Grant No. 25) Sub-Para (i)*

After scrutiny of the material furnished by the Electricity Branch in regard to the above-mentioned sub-para, the Committee decided to examine the Chief Engineer orally to find out from him whether any action against the Officer responsible for these irregularities was taken.

Sub-Para (ii)

Thakore Narindra Singh, Assistant Secretary, Finance Department, stated that his Department had refused to regularise the payment mentioned in the written reply furnished by the Chief Engineer in connection with the above cited Sub-para.

The Committee decided to examine the latter orally to find out whether in view of this decision of the Finance Department, any action for the recovery of the sum of Rs. 3,995 from the contractor concerned had been taken by him or not.

The material relating to Grant No. 32 was then scrutinised by the Committee.

Grant No. 32—Stationery and Printing*Serial No. 1 (Page 331, Sub-head B)*

The Committee felt that there should be some scope for more accurate budgeting and reducing the margin of uncertainty. The Committee decided to examine the Controller of Printing and Stationery to find out from him whether a suitable procedure could not be evolved.

Serial No. 2 (Page 18, Para 27 of the Audit Report.)

After perusing the reply furnished (Annexure XVII) in connection with the above item, the Committee decided to examine the Controller of Printing and Stationery orally as to the number of printing presses in 1948 and 1950 respectively and also in regard to the reasons for the fall in rates between the two years.

The Committee would also like—

- (i) the Controller of Printing and Stationery to give the names of the Presses from which tenders were called and the names of the Presses to which work at Rs. 5/14/0 per page was actually given ;
- (ii) to ask him the names of the Presses from which tenders in 1950 were called and the names of the presses to which the work was entrusted at the rate of Rs. 1/15/0 per page ; and
- (iii) to examine the Election Commissioner to find out from him the basis on which he or his Officer made a selection of the Presses for entrusting the printing of electoral rolls in 1948.

The Committee directed that at the oral examination, the Department which finally approved the rates, should also be represented.

Serial No. 3 (Pages 82 and 86 of the Report of the Public Accounts on the Appropriation Accounts for the years 1948-49 and 1949-50 and Audit Reports thereon) ;

*Serial No. 4 (Page 344 of the Appropriation Accounts for 1950-51) ; and
Serial No. 5 (Page 332)*

The Committee decided that no further action was necessary.

Serial No. 6 (Page 21, Paragraph 35)

The Accountant-General informed the Committee that he had already asked the Commissioner, Relief and Rehabilitation, to furnish material in respect of this item. The Committee decided to examine the Commissioner, Relief and Rehabilitation after he had furnished the necessary information.

Minutes of the 15th Meeting of the Public Accounts Committee held on the 8th January, 1954, at 10 a.m. in the Assembly Secretariat, Chandigarh

PRESENT

Shri Kedar Nath Saigal

Chairman

Shri Rala Ram

Principal Harbhajan Singh

Shri Dey Raj Anand

Shri Daulat Ram Sharma

Sardar Harkishan Singh Surjit

Sardar Darbara Singh

Shri R. Srinivasamurti, Accountant-General, Punjab

Members

Dr. Kuldip Chand Bedi

Secretary

Shri Chandra Mohan, Assistant Secretary, Finance Department

Thakore Narindra Singh, Assistant Secretary, Finance Department

The Committee scrutinised the material furnished in respect of Grant No. 35.

Grant No. 35—Capital Outlay on Schemes of Agricultural Improvement and Research

Serial No. 1 (Page 363, Sub-head A (i) and (A) (ii) (1).

In the Appropriation Accounts for the year 1949-50 the Non-receipt of debits for the cost of tractors and machinery was adduced as a reason for a saving of over Rs. 7 Lakhs. In spite of this the Committee noticed there was an excess over the final grant during the successive years on account of omission to provide for liabilities brought forward or debits relating to previous years. The Committee felt, therefore, that the liabilities should have been taken into account before the final re-appropriation withdrawing Rs. 5,21,000 was made. The Committee observed that there was defective budgeting and that such defects should be avoided in future.

Serial No. 2 (Pages 365-366 and page 31 of the Audit Report). The Committee read the reply furnished (Annexure XXI) in respect of this item but was not satisfied with the information given in respect of the action taken to obviate further losses and also the detailed action taken to implement the orders of the Cabinet Sub-Committee held on the 7th August, 1952.

The Public Accounts Committee which examined the Accounts for the years 1948-49 and 1949-50 and Audit Reports thereon, was specifically assured in March, 1953, that so far as the future working of this Scheme was concerned, there would be no loss as the whole scheme had been remodelled. The Committee noted with concern the loss of over Rs. 10 Lakhs which had occurred in 1952-53 also. The Committee would like to know from the Director of Agriculture and the Government Department concerned at the time of oral examination :—

- (a) the specific action taken during 1953-54 at least to remodel the scheme to avoid any further loss;
- (b) the actual results of the scheme during the current year 1953-54;

(c) the action taken to dispose of to the best advantage of the State the surplus tractors and other equipment, which would not be used on account of the remodelled scheme; and

(d) whether any Officer/Officers, has/have been held responsible for the irregularities and losses in question. If so, what action is proposed to be taken against him/them.

The Committee observed that the very high increase in the cost of reclamation and cultivation charges per acre needed elucidation.

The Committee decided to have an oral examination of the Director of Agriculture and the Development Secretary into the entire working of the scheme.

Grant No. 39 Loans and Advances Bearing Interest

The Committee then scrutinised the material furnished in respect of Grant No. 39 and did not think that any further action was called for in respect of this Grant.

The material relating to Grant No. 14 was then perused by the Committee.

Grant No. 14—Police

Serial No. 1 (Page 150) (Sub-heads B-1 and B-4)

The Committee observed that the recurring irregularity of not making any provision for the training of I.P.S. probationers should be avoided and also that there should be closer budgeting and control of expenditure regarding "Pay of Establishment" and "Contingencies".

Shri Chandra Mohan stated that the explanation given by the Inspector-General of Police in regard to Sub-head B-4 was not correct. The Committee decided that this should be taken up at the time of his oral examination.

Serial No. 2 (Page 150, Sub-head B.2)

The Committee felt that there was defective budgeting or booking of expenditure, because if vacancies remained unfilled, there should also have been a corresponding saving in allowances which did not exist.

Serial No. 3 (Page 22, para 38)

The Committee noted with concern the irregularities in connection with the hiring of the bungalow and drawal of monies not required for immediate payments. The Committee observed that the Department should be advised to avoid such irregularities in future.

Serial No. 4 (Para 39, pages 22-23) (Vide Annexure X)

The Committee felt that the entire procedure adopted in this case was wrong and decided to examine the Director-General of Civil Supplies and the Inspector-General of Police.

Serial No. 5 (Page 23, para 21).

The Committee was not satisfied with the reply given by the Department and was surprised to note that the Department thought that there was nothing irregular in the methods adopted. The Committee decided to examine the Inspector-General of Police in this connection.

The material relating to Grant No. 17 was then scrutinised.

Grant No. 17—Medical and Public Health Departments

Page 175, Note 6.

The Committee decided to examine the Director of Health Services, Punjab, in regard to this infructuous expenditure. This is with reference to the Secretary to Government, Punjab, Health and Local Government Departments letter No. 7829-2-HB-53/52935, dated the 4th August 1953, to the Accountant-General, Punjab.

(The Committee then adjourned for lunch and re-assembled at 3.00 p.m.)

Grow-More-Food Scheme

Pages 32-33 and Para 50 of the Audit Report, Vide Annexure III

Before making its observation in respect of this item, the Committee desired to peruse the annual printed reports for the years 1950-51, 1951-52 and 1952-53 on the Grow-More-Food Scheme showing results about additional food production.

The Committee directed that the Department concerned should be asked to supply immediately one copy to the Accountant-General, Punjab and two copies of the afore-mentioned report to the Secretary for circulation to the Members. The usual number of copies of these reports could be sent by the Department to the Secretary of the Committee or distribution to the Members in due course.

The material furnished by the Finance Department was then scrutinised by the Committee:

Serial No. 1 (Audit Report) Irregular Withdrawals of money

Letter No. 6565-FR-53/7172 from the Finance Department was then perused by the Committee. No further action was considered necessary in this behalf.

Para 46 of the Audit Report, Page 27.

The Committee noticed that no reply had so far been furnished in respect of this item. It, however, decided to examine the Secretary, Local Government and the Finance Department's representative in respect of the large and increasing number of grants and amounts leaving unspent balances with the local bodies. It felt that a procedure should be evolved whereby the grants should be either limited to expenditure that could be incurred by the Local Bodies or given in instalments.

The Committee then read letter No. 24483/PRG-1-46427, dated the 28th October 1953, from the Director of Food and Civil Supplies and Under-Secretary to Government, Punjab to the Secretary, Punjab Legislative Assembly.

The Committee would like to know from the Director of Food and Civil Supplies :—

- (i) the nature of the materials valued at Rs 4,05,389 which have not been utilized; but reported to be lying at site at some stations;
- (ii) when the stores were purchased;

(iii) why these are still lying at site at some stations without being utilized;
and

(iv) why the cost of the materials has not yet been adjusted.

The Committee would like to be specially assured that there is proper accountal custody and control of the materials.

The Committee then scrutinised the material relating to Grant No. 15 and did not think that any further action was called for in respect of it.

The material relating to Grant No. 21 was then scrutinised by the Committee.

Grant No. 21—Industries

Serial No. 1 (Page 212) [(A (4) (2) (1) and (2)]

The Accountant-General and the Finance Department agreed to issue necessary instructions regarding the correct procedure to be observed in respect of recoveries to be made from the Government of India etc., in the Appropriation Accounts. The Committee, however, was not sure whether the Supplementary Grants and re-appropriations could not have been avoided and therefore decided to hear the Departmental representatives orally.

The Committee directed that withdrawals of monies and accountal should be from the proper heads of account and such mis-classification as is indicated in respect of "Pay of Establishment" should be avoided.

Serial No. 2 (Page 20, para 32 of the Audit Report)

The Committee observed that the reply given by the Department was not satisfactory and it was not clear why cash was withdrawn from the Treasury when the adjustment of the value of stores was to be made by book transfers. The Committee decided to examine the Director of Industries orally in detail in regard to this item.

Serial No. 3 (Page 22, para 37 of the Audit Report).

The Committee decided that the Accountant-General should examine the details of the action taken and bring to its notice those cases in which he felt that adequate disciplinary action had not been taken.

General Observations

The Committee noted that there was a very large number of outstanding Reports and Objections raised by Audit during local inspections as well as central audit. The Accountant-General brought to the notice of the Committee that even at present there was no noticeable reduction in the number of outstanding items, as would appear from the statement given below :—

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Statement showing the total number of Audit objections and their value under various categories.

(Rupees in Lakhs)

Year	Want of sanction or estimate		Want of sanction to excess over estimate		Want of vouchers (including stamped receipts)		For other reasons	
	No. of items	Value	No. of items	Value	No. of items	Value	No. of items	Value
		Rs		Rs		Rs		Rs
1947-48 (Post-partition)	173	29.40	16	0.54	238	7.25	165	4.36
1948-49	575	35.10	112	2.64	1,007	27.31	166	12.75
1949-50	1,069	76.81	248	10.98	2,292	39.17	929	1,19 20
1950-51	2,036	1,42.70	454	49.70	2,997	49.54	1,396	87.37
1951-52	2,855	4,83.77	2,158	1,43.91	4,722	1,23.88	2,507	1,86.35

Statement showing the outstanding inspection reports.

1947-48	(Post-partition)		1948-49		1949-50		1950-51		1951-52
No. of Reports	No. of items	No. of Reports	No. of items	No. of Reports	No. of items	No. of Reports	No. of items	No. of Reports	No. of items
6	23	208	939	333	1,674	345	2,649	448	3,130

The Committee decided to raise the question of expeditious disposal of Inspection Reports and Audit Objections during the oral examination of the various Departmental representatives.

Grant No. 22—Industrial Capital Expenditure

Serial No. 1 (Pages 31-32. Vide Annexure XII).

The Committee noticed with deep regret the recurring loss in the running of the Work Centres from year to year and decided to examine the Departmental Head about the details of steps taken to push up production and sale and to reduce expenses.

The Committee also decided to inquire the results of advertisements for the sale of surplus reparation machines and other machinery. (In this connection, the departments' reference was invited to the recommendation of the Public Accounts Committee embodied in its report on the Appropriation Accounts for the years 1948-49 and 1949-50 and Audit Reports thereon, at pages 80 and 81). The Committee wanted to know the rates at which the 30 machines had been transferred to the Chandigarh Capital Administration and the Second Bhakra Main Line Division.

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Minutes of the 16th Meeting of the Public Accounts Committee held on the 9th January 1954 in the Assembly Secretariat, Chandigarh.

PRESENT:

Shri Kedar Nath Saigal

Chairman

Sardar Darbara Singh

Shri Dev Raj Anand

Shri Rala Ram

Principal Harbhajan Singh

Shri Daulat Ram Sharma

Shri R. Srinivasamurti, Accountant-General, Punjab.

Members

Dr. Kuldip Chand Bedi, *Secretary*.

Shri Chandra Mohan, Assistant Secretary, Finance.

Thakore Narindra Singh, Assistant Secretary (Works) Finance.

The minutes of the meetings held on the 7th and 8th January 1954 were read over and confirmed.

The Committee then resumed its scrutiny of the material relating to Grant No. 22.

Grant No. 22—Industrial Capital Expenditure

Review on the working of the State Aid to Industries Act for the year 1950-51.

The Committee noted the reply given in respect of this item.

The Committee then scrutinised the material relating to Grant No. 33—Miscellaneous.

Grant No. 33—Miscellaneous

Serial No. 2 (Pages 341 and 347) (Sub-head L.1 (b) (iii) L.2(g) ; and Serial No. 3 (Page 345—48) (Sub-Head L.1 (h), L.2 (i) and L.2 (k).

The Committee noted that the estimating and control of the Grant showed many defects and decided to examine the departmental head orally.

Serial No. 4 (Pages 357—359).

(Government Cotton Spinning and Weaving Centres, Jullundur, Scheme for training of displaced women and students in various crafts for the year 1950-51 and Government Wool Spinning and Weaving Centres, Panipat) (Vide Annexure XVIII).

The Committee decided to examine the Commissioner, Relief and Rehabilitation and the Director of Industries regarding the maintenance of proper Trade and Profit and Loss Accounts ; the heavy balances in the Personal Ledger Accounts as

compared to the actual expenditure during each year ; and also as to the financial and other results of the scheme.

Serial No. 5 (Pages 35-36 of the Audit Report).

The Committee would like to know from the Departmental head, at the time of his oral examination, what steps have been taken :—

- (i) to ensure proper recoveries of outstanding loans ;
- (ii) to avoid irregularities pointed out in the Audit Report ; and
- (iii) to ensure expeditious disposal of Inspection Reports and Audit Objections.

The Committee then examined material relating to Grant No. 37—Capital outlay on Provincial Schemes of State Trading. (*Annexure XXII*).

Grant No. 37—Capital Outlay on Provincial Schemes of State Trading.

Serial No. 1 (Pages 382—384 and 28 of the Audit Report Notes at pages 381 to 384 and paragraph 47(3) of the Audit Report.

Sub-question 1

The Committee would like to hear the views of the Accountant-General, Punjab and Finance Department in respect of the procedure adopted for the verification of the balances actually in stock and their reconciliation with the accounts.

Part 3 of the question.

The Committee noted the reply.

Part 4.

The scheme having closed three years back, the Committee felt that the pace of linking was very slow. The Committee decided to examine the departmental head orally in respect of the difficulties in linking and also in regard to the nature of discrepancies noticed during the progress of linking receipts and despatches.

Part 5.

The Committee decided to examine the Director-General of Food and Civil Supplies regarding the average cost price and the average selling price of stocks of the important foodgrains during the years 1950-51, 1951-52 and 1952-53 with reference to the figures showing expenditure, receipts and profits.

The material relating to Grants Nos. 7 and 8 furnished by the Chief Engineer, Irrigation Branch, was then examined by the Committee.

Grant No. 7—Irrigation Works. (*Vide Annexure VI*)

Serial No. 1 (Page 65, Sub-head A-4)

The Committee noted the reply.

Serial No. 2 (Page 66) (Sub-heads B-1 and B-2).

The Committee observed that the explanations given by the Chief Engineer for surrenders were not very convincing and decided to examine him orally.

The Committee further observed that the allotment should have been based upon estimated cost of works and not that the Controlling Officers should have studied the grant allotted and then revised the demands.

The Committee noticed that no reply had been given to the question raised about the basis on which grants were calculated and asked for and steps taken to ensure accurate budgeting. The Committee decided to examine the Chief Engineer orally in this connection.

Serial No. 3 [Page 67, Sub-heads B(4) and B(5)]

The Committee was surprised to read the explanation given by the Chief Engineer, viz., "the saving of Rs. 62,275 under M. and R (G M F.) was due to the reason that the Executive Engineers and S.D.O.s were under the impression that G.M.F. grants could be utilized up to 30th June 1951 as per orders of Government of India and hence funds were surrendered". The Committee observed that the impression of the Executive Engineers and S.D.O.s was an erroneous one and should be got corrected.

Serial No. 4 (Page 68, Sub-head B(10))

The Committee noted the reply.

Serial No. 5 (Pages 71—73)

The Committee observed that the reply being incomplete, the point should be elucidated during the oral examination.

Serial No. 6 (Page 73) Sub-head FF (1) and FF (2) ;

Serial No. 7 (Page 73), Sub-head HH(2) ; and

Serial No. 8 (Page 76) (Para 9 of the Notes)

The Committee noted the reply given by the Chief Engineer in respect of the above-mentioned items.

Serial No. 9 (Page 77).

After perusing the reply given, the Committee decided to examine the Chief Engineer orally in this connection.

Grant No. 8—Charges on Irrigation Establishment (*vide* Annexure VI)

Serial No. 10 (Page 82) (Sub-head A-7)

The Committee desired that the Chief Engineer, Irrigation, should obtain the necessary data from the civil authorities while making the budget provision.

Serial Nos. 11 and 12. (Pages 85 and 89 and 86 respectively)

The Committee directed that no provision should be made in the Budget Estimates in anticipation of sanction to certain proposals.

Serial No. 13 (Pages 96 and 97—Para 8 of the Audit Notes)

The Committee decided to examine the Chief Engineer regarding (i) the details of the tube wells programme: (ii) the tube-wells actually installed according to the contract ; (iii) the penalty leviable and (iv) the penalty actually levied.

The Committee would also like to have particulars from the Chief Engineer, during his oral examination, regarding failure on the part of the contractors to import machinery in time, which resulted in Government establishment not being fully utilized.

Serial No. 14 (Pages 97-98, Para 9)

The Committee noted the reply.

Serial No. 15 (Page 98, Para 11)

The Committee decided to deal with this point when they visit Central Workshops at Amritsar.

The Committee decided to scrutinise the material relating to Grant No. 9 at Amritsar on the 16th January 1954.

The Committee further decided to examine the following Officers on the dates and in respect of Grants mentioned against each : —

Financial Commissioner (Revenue) ..	Grant No. 4	27th January 1954
Development Commissioner ..	Grant No. 35	27th January 1954
Secretary, Health and Local Government and Elections Commissioner	Grants Nos. 21, 22 and 32	28th January 1954

Minutes of the 17th Meeting of the Public Accounts Committee held on the 15th January 1954 at 10 a.m. in the Office of the Superintendent, Central Workshops, Amritsar

PRESENT:

Shri Kedar Nath Saigal	..	..	<i>Chairman</i>	
Principal Harbhajan Singh	..	..		} <i>Members</i>
Shri Dev Raj Anand	..	..
Shri Daulat Ram Sharma	..	..
Sardar Darbara Singh	..	..
Shri R. Srinivasamurti, Accountant-General, Punjab.	..	..
Shri Krishen Swaroop, Superintendent Committees Branch.				
Sardar Jaswant Singh Claire, Superintendent, Central Workshops, Amritsar.				

Sardar J. S. Claire suggested that before the Committee examined him orally in regard to the material submitted by him relating to the Central Workshops, it would be better for the Members of the Committee to see the Workshops so that after having an idea of what was being done, they would be in a better position to examine the material. The Members of the Committee accepted his suggestion and accordingly they went to see the Workshops and Store.

Minutes of the 18th Meeting of the Public Accounts Committee held on the 16th January, 1954 at 10.30 a.m. in the Office of the Superintendent, Central Workshops, Amritsar

PRESENT:

Shri Kedar Nath Saigal

Chairman

Principal Harbhajan Singh

Shri Dev Raj Anand

Shri Daulat Ram Sharma

Sardar Darbara Singh

Shri R. Srinivasamurti, Accountant-General, Punjab.

Shri Krishen Swaroop, Superintendent, Committees Branch.

Members

WITNESSES

Shri J. S. Claire, Superintendent, Central Workshops, Amritsar.

Sardar Balwant Singh Sachdeva, Accounts Officer, Central Workshops, Amritsar

Government Central Workshops, Amritsar (*vide* Annexure VII).

The visit to the Workshops and the informal discussions were undertaken by the Committee to acquaint themselves with the working of the shops.

After studying the working of the shops, the Committee examined (*vide* volume II-Evidence) the Superintendent of the Central Workshops, Amritsar.

Shri J. S. Claire informed the Committee that 12 Gazetted Officers, 463 non-Gazetted Officers, 115 Class IV servants and 1728 workmen were at present working in the Workshops. He also gave the names of different shops and sections at present being run.

Overhead charges. The Committee was told that in 1950-51, the loss of rupees 4 lakhs was due to the so-called "Commercial Overheads" being levied at an over-all percentage of overhead charges on productive labour of about 525. This resulted in a big drop of profits excluding interest charges, but did not attract more work to load the factory to the maximum capacity.

The present procedure, explained Mr. Claire, was that overheads were worked out every three months and the overhead actuals of the past quarters were levied during the next quarter with slight modifications. Thus they remained as close to the actual working of the factory as possible. The overheads were calculated for each shop separately.

The Accountant-General promised to elucidate the position regarding the reciprocal arrangements between the Punjab Government and other State Governments regarding the mutual levy of departmental charges.

The Committee was told that there was no scope for retrenchment of supervisory staff, if the factory was to be run efficiently, as it was at present.

An additional supervisor was appointed when there was a corresponding increase in the load. In the case of skilled and semi-skilled labour with a temporary fall in load in one shop, labour was diverted to other work as it would be impossible to employ skilled and semi-skilled labour when the load increased again. If there was no likelihood of the load being increased for a long time, the skilled and semi-skilled personnel was retrenched.

The reason for charging higher rates by the Central Workshops than those prevailing in the market was explained to be the better quality of work that was turned out. It was also stated that tools and equipment which the Central Workshop manufactured could not be got from the market as other concerns did not have well-trained technicians and the kind of machinery the Central Workshops had.

Labour rates. Mr. Claire, while giving the Committee information in regard to the rates of pay, dearness allowance and compensatory allowance paid to the supervisors, skilled and unskilled labour informed the Committee that these rates were better than those given by the local private industrial undertakings. But there could be no comparison between the rates paid by the Central Workshops and those paid by the Railway Workshops as the latter gave some facilities which the former did not give.

A statement showing the proportion of skilled to unskilled and indirect to direct labour and capacity charts for the year 1950-51 were then placed before the Committee.

Mr. Claire was then asked about the steps he took to see that the shops were fully loaded.

He submitted that as a Superintendent of the Workshops and a technician, his job was to see that the men and material placed at his disposal were utilized to the fullest extent possible and the orders placed were properly executed. It was the responsibility of some other office, he said, to secure work and orders for the Workshops. But he did his best to secure orders and had to depend on newspapers, advertisements, etc. for contacting the Departments which wanted certain goods to be manufactured. There were very few enquiries made from him by other Departments of Government.

Answering a question, Mr. Claire informed the Committee that the Irrigation Branch was purchasing articles, which could be made in the Workshops, from private firms.

The Committee learnt that at the instance of Bhakra Dam authorities, additions to the structural shops had been made at a cost of Rs. 2 lakhs, but no orders had been so far placed on the Workshops and instead the Workshops at Nangal had been extended resulting in duplicate expenditure.

On being asked, the Superintendent, Central Workshops, quoted instances where the Punjab Government Departments did not avail themselves of the capacity of the Workshops at Amritsar for meeting their requirements, but placed orders on private firms. He placed before the Committee the correspondence that had passed between him and the Agricultural Department in connection with the supply of 500 pumping sets in 36 Tehsils of the State. The order was not placed on the Central Workshops.

In June, 1953, he drew the attention of the Chief Engineer, Works, regarding the successful manufacture of plate steel casing intended for use at 25 thousand kwts unit with a view to manufacturing such units for other projects in the country.

Orders for gates and hoisting mechanism required for Rupar Project had been placed with a private firm. At his request the Chief Minister, Punjab, wrote to the Prime Minister of India to send a letter to all the Departments of the Government of India and States asking them to make use of the Central Workshops, Amritsar. But even the letter of the Prime Minister had not produced the desired effect, he added.

Surplus Machinery.

The Committee learnt that the Superintendent had circulated a list of surplus plants and machinery valued at about Rs 12.28 lakhs to the Bhakra-Nangal Project Administration as also to the Indian Ordnance Factories and hoped that most of them would be purchased by them.

Precaution against pilferage and theft

In addition to the Watch and Ward staff, P. A. P. guard was also on duty. Nothing was allowed to go out of the Workshops, which was not authorised by a Gate Pass issued by a responsible officer.

Annual expenditure on P. A. P. guards and the Watch and Ward Staff amounted to Rs. 28,410 and Rs 40,712, respectively.

Fixation of maximum and minimum quantity of stores

Shri Claire explained that maximum and minimum quantities of stores could not be fixed in a jobbing factory. When the shops were engaged on a standard production, it was possible to do so.

Stores Accounts

Explaining the loss of about Rs. 39 thousand in the Stores Accounts for the year 1950-51, Mr. Claire submitted that it was due to the market price of certain stores purchased a couple of years ago, having gone down. Zinc, he said, was purchased at the rate of Rs. 150 per cwt. 2 years ago, but today the rate was only Rs. 54 per cwt. Naturally the zinc in stock would be shown in the Store Accounts at Rs. 54 per cwt. Thus, he explained, was the nature of loss of Rs. 39 thousand in the Store Accounts.

Staff: Para 11, page 98.

Shri Claire was asked why Government orders requiring 10 per cent reduction in the strength of the Class IV staff were not carried out. He promised to explain the position after consulting his records.

Unauthorised Work

The Committee was informed that surprise checks were made by the time-keeping staff and the Superintendent himself to see that no unauthorised work was being done in the Workshops and the labour was booked on the labour cards against authorised work only.

Petty Jobs.

Petty jobs of intricate nature which interfered with the urgent Government jobs were not accepted, Shri Claire explained. But when work was done for private firms and individuals, profits was charged and charges realised before hand.

The Superintendent accepted even petty jobs, if that was in the public interest.

They decided to examine the Head of Department and Administrative Secretary orally on the date when those officers would be called for oral examination in respect of the Appropriation Accounts and Audit Report relating to Irrigation Branch.

Minutes of the 19th Meeting of the Public Accounts Committee held on the 1st February, 1954 at 11 a.m. in the Punjab Legislative Assembly Secretariat, Chandigarh

PRESENT :

Shri Kedar Nath Saigal	..	Chairman
Shri Dev Raj Anand	..	} Members
Rao Gajraj Singh	..	
Sardar Darbara Singh	..	
Shri R. Srinivasamurti, Accountant-General, Punjab.		

Dr. Kuldip Chand Bedi, Secretary.

WITNESSES

Shri P.K. Kaul, Financial Commissioner (Revenue).

Sardar Jaswant Singh Uppal, Deputy Secretary, Revenue Department.

Shri N.P. Mohan, Chief Conservator of Forests, Punjab.

Shri M.S. Randhawa, Development Commissioner.

Shri H.R. Saini, Director of Agriculture.

Sardar Pritam Singh, Personal Assistant to Director of Agriculture.

Grant No. 4—Forests (Annexure V)

The Committee examined Shri P.K. Kaul, Financial Commissioner (Revenue) and Shri N.P. Mohan, Chief Conservator of Forests (*Vide* Vol. II—Evidence)

The Chief Conservator of Forests explaining to the Committee the procedure regarding the departmental extraction of timber stated that when the trees were converted into timber the Department only removed the timber and whatever was left was taken away by rightholders whose rights were admitted in the settlement. After the felling of trees a responsible Gazetted Officer went over the area, satisfied himself and reported that whatever could and should have been taken out had actually been taken out.

On an enquiry by the Committee whether the Departmental working should not be increased as according to the figures furnished by the Forest Department it is hardly one-sixth of the work done by the contractors, the Chief Conservator of Forests stated that the departmental working was definitely more paying, but it depends on staff and funds. If done on a purely commercial basis it is all the more profitable and that he had submitted a proposal to Government in that connection.

The Deputy Secretary, Revenue, informed the Committee that the Chief Conservator of Forests had suggested to the Government that as a general policy as far as possible the forests should be departmentally exploited except in the case of poor and remote areas. Government had not taken a decision on the point.

To the suggestion that if the Forest Department employed cheap labour through contractors or otherwise for felling trees and then sold them as logs from Government depots, the Government Departments would be able to get timber at cheaper rates, the Departmental view was that the suggestion theoretically may be sound but in practice it would not work well. The Forest Department would prefer to give every facility to Government Departments for selecting the right type of timber instead of taking all the responsibility on itself.

To a query of the Committee that if the demands of Departments are coordinated and put in advance the whole of timber could be sold to the Government Departments advantageously, the Chief Conservator of Forests stated that there were certain assumptions which could not be overlooked while considering such proposition. One is that every department should be able to assess its requirements quite ahead and place the order well in advance.

The Accountant-General informed the Committee that no local audit in the Forest Department was being done but he had taken up this question with the Punjab Government and if they agreed his Department would take up this work. Explaining the Constitutional position, the Accountant-General stated that he was responsible for exercising a check over the expenditure with reference to the grants voted by the Assembly. But the audit of receipts and stores could be done on a Consent basis by the Accountant-General with the approval of the Auditor-General if the State Government agreed. Such audit was being conducted in some other States.

The Chief Conservator remarked that it would not be possible for him to accept any such recommendation because he felt that the system of forest accounting was a very complicated one and it would not be possible to audit any accounts without employing another set of competent forest officers.

The Deputy Secretary explaining the position of the Government stated that if the Committee, made any recommendation in this behalf it would be very carefully considered and if there would not be any insurmountable or serious difficulties, it may be inclined to accept the recommendation.

The Chief Conservator of Forests was referred by the Chairman to the recommendation of the previous Public Accounts Committee regarding the rate of depreciation of certain articles like ropes, buildings, tents etc., and asked what steps he had taken in the matter. The Committee was told that the Chief Conservator of Forests had submitted his recommendation to the Government.

Grant No. 35—Capital outlay on Schemes of Agricultural Improvement and Research (Tractor Cultivation) (Annexure XXI)

The Committee examined Shri M.S. Randhawa, Development Commissioner and Shri H.R. Saini, Director of Agriculture. (Vol II—Evidence).

The Chairman enquired from the Development Commissioner and the Director of Agriculture why reply to only one item from the questionnaire of the Committee, sent on 11th August 1953, in spite of three reminders had been received.

The Development Commissioner explaining stated that information had to be collected from the subordinate offices, but he very much regretted that the required information had not been supplied to the Committee. Land Reclamation and Mechanical Cultivation Scheme.

Regarding the losses under Tractor Cultivation Scheme the Committee wanted to know if any responsibility had been fixed for accepting badly damaged

tractors and unmatching implements ; and for starting the scheme without proper planning.

The Development Commissioner informed the Committee that these tractors were purchased by the Central Tractor Organization of the Government of India. Later that Government decided to hand over the tractors working in the East Punjab to the State Government in whatever condition they were. The State Government was not allowed any say, in the matter. He further submitted that losses had occurred due to mismanagement on the part of the Central Tractor Organisation, not only in the Punjab but in other States also.

There was no co-ordination as to how and where the tractors were to be used. These had to travel long distances to reach the area where they were required to be used, involving breakage and expenses on moving about. In the beginning there were no parts to carry out repairs but when these became available a very large number of these was purchased which was surplus to actual requirements.

Mr. Randhawa further informed the Committee that the way in which things were managed in regard to Tractor Cultivative Organization, in the Punjab will be the subject of an enquiry. And before the enquiry was taken up by the Administrative Department the Director of Agriculture and the Chief Accountant of the Agriculture Department were examining the accounts of the scheme to find out as to how much extravagance has resulted due to mismanagement.

The Development Commissioner informed the Committee that with a view to avoiding further loss during the year 1953-54 the scope of the scheme has been restricted to follow up cultivation of four seed farms comprising 9,784 acres with the result that there had been a saving of Rs. 2 lacs. It had been decided to further reduce the acres of 5,145 acres in 1954-55. A saving of Rs 1,40,000 is estimated.

The Committee was further informed that out of 181 tractors 39 had been retained for the cultivation of farms 21 had been sold, 5 vehicles had also been sold, 125 tractors and 7 vehicles would be sold. A sum of Rs. 3,25,673 had been realised against the book value of Rs 3,35,528 by the sale mentioned above.

Explaining the reasons for the increase in the reclamation and cultivation charges per acre, the Director of Agriculture stated that in the beginning the cultivation charges were fixed at a low rate because of inexperience of the Department. Asked about the present position the Director stated that the tractors now were not ploughing private land. These were now being used in Government farms and cultivation charges had been fixed at Rs 10 per acre.

The Committee learnt with concern that a sum of Rs. 9 lacs was still outstanding on account of land reclaimed and cultivated by the tractors.

**Minutes of the 20th meeting of the Public Accounts Committee held at
11-15 a.m. on the 2nd February 1954 in the Assembly Secretariat,
Chandigarh**

PRESENT:

Shri Kedar Nath Saigal

Chairman

Rao Gajraj Singh

Shri Dev Raj Anand

Sardar Darbara Singh

Principal Harbhajan Singh

Shri R. Srinivasamurti, Accountant-General, Punjab.

Members

Dr. Kuldip Chand Bedi, Secretary

WITNESSES

Sirdar Gyan Singh Kalhon, Elections Commissioner

Mian Rattan Singh, Under Secretary, Labour and Printing.

Shri K.C. Kuriyan, Controller of Printing and Stationery

Shri Tara Chand, Deputy Controller of Printing and Stationery

Sardar Jaswant Singh Basur, Director of Industries

Shri B.L. Mohan, Technical Officer, Rehabilitation.

Grant No. 32—Stationery and Printing (Annexure XVII).

The Committee examined Sirdar Gyan Singh Kalhon, Home Secretary, Mian Rattan Singh Under-Secretary, Labour and Printing and Shri K.C. Kuriyan, Controller of Printing and Stationery (*vide* Volume II—Evidence)

Extravagant Expenditure on Printing of Electoral Rolls (Para 27, pages 18-19 of the Audit Report.)

The Committee wanted to know why in 1948 tenders were invited from only a few selected presses for printing of electoral rolls and work entrusted to them at about rupees six per page, involving a total expenditure of Rs. 9.98 lakhs while in 1950 similar work was got done at Rs 1-14-0 per page. By giving a wider publicity the Committee thought, a lot of the expenditure could have been saved.

The reason explained was that after the partition some of the presses which used to print electoral rolls in the United Punjab were reported to have moved over to Delhi. The P.A. to the Elections Commissioner after visiting these presses recommended those which he thought could undertake work.

The Controller of Printing and Stationery forwarded to the Government a list of 7 presses recommended by the Election Commissioner. At the same time he suggested that the work might be given by calling open tenders and not to the selected presses in order to avoid criticism. The Government in consultation with the Finance Department decided to entrust the work to selected presses only.

Asked why the Government decided against inviting open tenders and accepted the procedure of giving work only to selected presses, Shri Rattan Singh, Under-Secretary, Labour and Printing stated that the file in which this question was discussed had been destroyed by the weeding Department. But he said the reason as intimated to the Accountant-General was that as there were not many suitable Litho Presses in Delhi or in Punjab, no useful purpose could have been served by inviting open tenders.

The Committee learnt that the Government conveyed to the Controller of Printing and Stationery its approval, - vide Memorandum No. 4493-LPR-48/29510, dated the 31st May, 1948, that the Printing of electoral rolls be entrusted to the 7 selected Presses specified therein but the Controller invited tenders from 5 more Presses without reference to Government, which he thought was not necessary because the policy had been laid down and he did not think there was any harm in including the names of more Presses with a view to obtaining competitive rates.

The Controller of Printing and Stationery stated that addition was made by me. Tenders were invited from those presses recommended by the Elections Commissioner.

To a query as to how they could add to or subtract from the list of presses approved by the Government, and whether any complete survey was made as to whether any new presses that could do the job had come into existence, no satisfactory reply was given.

To a question why he included only five and not more presses for inviting tenders the Controller replied that twelve presses were considered sufficient to know the trend of the market.

The Committee had been informed that a firm which had been given work at Rs. 5-14-0 per page had no equipment of its own and got the work done from other presses at Rs. 2 per page. The Controller of Printing and Stationery admitted that Litho Press of M/s. Uttar Chand Kapur and Sons was not functioning at the time when they were given the printing of electoral rolls and got the work done through other pressess.

The Accountant-General informed the Committee that he would place material before it that would satisfy that M/s. Uttar Chand Kapur and Sons got the entire work done at Rs. 2 per page.

The Committee wanted to know why, when M/s. Uttar Chand Kapur and Sons had no press of their own at any time in 1948, was their name recommended to Government. To this the Controller of Printing and Stationery replied that it was a question for the Elections Commissioner to answer. He said as he was not in charge of the Printing Department he could not give any reply.

The Chairman wanted to know why tenders were not called for from the presses at Amritsar, Jullundur and other places. The Controller replied that work at one place i.e. Delhi was given in deference to the wishes of the Elections Department. The Controller could not show any letter embodying any such decision of the Elections Department but he said that the Personal Assistant to the Elections Commissioner considered it desirable that work should be entrusted to presses at one place only viz. Delhi.

A narration of events submitted by the Controller of Printing and Stationery after the meeting, is given in Annexure (XVII).

Grant No. 21—Industries, Para 32 page 20, Audit Report, 1952.

The Committee examined Sardar Jaswant Singh Basur, Director of Industries and Shri B.L Mohan, Technical Officer Rehabilitation (*Vide* Volume II—Evidence)

The Accountant-General pointed out to the Committee that in this case a sum of Rs. one lakh and eighty-five thousand was drawn by the Head of Department on 31st March 1950 with the idea of utilizing the budget grant.

The Director of Industries stated that the letter sanctioning the amount came on 30th March and it was stated therein that the expenditure involved could be met during the current financial year and that is why the amount was drawn from the treasury on 31st March, but in August it was again deposited in the Treasury.

The Accountant-General explaining the position stated that the letter sanctioning the amount only meant that if the goods arrived during the financial year, the amount could be paid. If the goods had not arrived during the financial year the amount should have been surrendered. Payment in regard to the purchase of German Reparation Machines was to be made by book adjustment the question of drawing money from the treasury did not arise.

Recommendations of the Public Accounts Committee on the Appropriation Accounts for the years 1948-49 and 1949-50.

On enquiry the Director of Industries informed the Committee that in view of the recommendation of the previous Committee, Industries Department was not considering any quotation received after the due date and time. The purchase procedure had been revised by the Government and they had directed that where the lowest tender was ignored, their order should be obtained.

The Director of Industries was directed to give a Memorandum showing therein the action taken by his Department on the recommendations of the previous Public Accounts Committee.

Audit Objections and Inspection Reports.

Asked about the present position regarding the disposal of Audit objections and Inspection Reports pending in his office the Director of Industries supplied a statement giving figures for the years 1948-49 to 1952-53.

In regard to Audit objections he stated that a register was now being maintained where progress in regard to the disposal of audit objections was recorded. Field Officers were being constantly reminded to promptly dispose of these audit objections. In addition, he had asked all the sub-offices to submit quarterly reports showing the position of disposal of audit objections.

Grant No. 22—Industrial Capital Expenditure (Annexure XII).

On being questioned, the Director of Industries informed the Committee that as recommended by the Public Accounts Committee for the previous year the money deposited in the Personal ledger Accounts with the Punjab National Bank was being withdrawn and deposited in Government Treasuries.

In regard to losses in the working of Work Centres, surplus stocks and surplus machinery therein the Director of Industries submitted that the losses were mainly due to the fact that these Centres were started to provide work to displaced persons and not for earning money. The workers, to begin with, being unskilled the articles produced were of inferior quality.

Surplus stocks he explained, had accumulated because things were manufactured merely to provide work without having regard to market conditions.

To clear these stocks Government had agreed to reduce their prices by 25 per cent and sales agents had been appointed and an Emporium was being opened at Delhi.

For the future, instructions had been issued to manufacture articles against specific orders only.

These centres had obtained orders worth Rs. 3,67,000 from the Capital Project Administration, worth Rs. 2,30,000 from the Public Health, worth Rs. 4,69,000 from the Electricity Department and worth Rs. 3,63,000 from the Police Department. Production in 1953 had stepped up by about Rs. 2,40,000.

The value of the present stocks of finished goods was stated to be Rs. 4,56,370.

The Director informed the Committee that no survey of any kind was made in 1948 before starting these centres as at that time intention was to provide work to the refugees wherever they were sitting.

The Committee learnt that a loss of Rs. 10,000 had been incurred on an Enamel Work Centre at Jullundur. It had to be closed down after some time because electric connection could not be obtained. The Director of Industries stated that the industrialists who had purchased plots had not been able to get electric connections.

The Director of Industries informed the Committee that surplus machinery of the value of Rs. 44,714 was lying at Sonapat and machinery worth Rs. 34,817 was lying at Panipat. After obtaining tenders recommendations had been made to the Government for its sale. The Committee observed that early decision in the matter should be taken.

Asked about the total number of German Reparation Machinery in stock the Director stated that 54 machines were at Panipat and Sonapat and the rest had already been transferred at their book value to the Vocational Training Centres in the State.

The Director of Industries thought that it was a very difficult assurance to give that the existing Work Centres would not run into further loss. But he said he would see that there was no wasteful expenditure and the Work Centres worked properly.

He further assured the Committee that if he found that a particular work Centre could not be run on a satisfactory basis then he would make a recommendation to disband the centre and let the trained men take to their own trades.

Asked why raw material worth over Rs. 8 lakhs was purchased for the Metallic Works Centre, Ajallapur when during 6 months it could consume material worth rupees one lakh only, the Director stated that being a controlled material available at cheaper rates at the time when it was purchased in bulk. He further stated that up to 31st March 1953, material valued at Rs. 6 lakhs had been consumed and material worth only Rs 1,06,194 remained in hand.

A Meeting of the Public Accounts Committee was fixed for 24th February 1954 at 12.00 Noon at the Committee Room of the Punjab Civil Secretariat, Chandigarh

PRESENT;

Shri Kedar Nath Saigal	..	<i>Chairman</i>
Shri Daulat Ram Sharma	..	} <i>Members</i>
Principal Harbhajan Singh	..	
Shri R. Srinivasamurti, Accountant-General, Punjab.		
Dr. Kuldeep Chand Bedi, Secretary		
Shri P.K.Kaul, Financial Commissioner, Revenue.		
Sardar Jaswant Singh Uppal, Deputy Secretary, Revenue		
Sardar Sampuran Singh, Director of Consolidation of Holdings.		
Shri S.R. Varma, Excise and Taxation Commissioner, Punjab.		
Shri Banwari Lal, Assistant Secretary (Finance).		

Since the quorum was not complete, the Chairman directed that Express telegrams be sent to the remaining Members of the Committee, to attend the meeting of the Committee.

**Minutes of the 21st Meeting of the Public Accounts Committee held on
Wednesday, the 24th February at 3 p.m. in the Committee
Room of the Civil Secretariat, Chandigarh**

PRESENT :

Shri Kedar Nath Saigal	..	Chairman
Shri Daulat Ram Sharma	..	} Members
Principal Rala Ram	..	
Principal Harbhajan Singh	..	
Shri R. Srinivisamurti, Accountant-General, Punjab.		

Dr. Kuldip Chand Bedi, Secretary

WITNESSES

Sardar Jaswant Singh Uppal, Deputy Secretary (Revenue).
Sardar Sapuran Singh, Director of Consolidation of Holdings.
Shri S.R. Varma, Excise and Taxation Commissioner.
Shri H.B. Lall, Deputy Secretary.
Sardar Paritam Singh, Personal Assistant to Director of Agriculture.

Grant No. 1, Land Revenue (*vide* Annexure IV).

The Committee examined Sardar Sapuran Singh, Director of Consolidation of Holdings (*vide* Vol II Evidences)

In elucidating his Memorandum submitted to the Committee, Sardar Sapuran Singh explained that the cause of delay in the execution of the scheme was owing to the need for integration and harmonising of the programme of Bhakra-Nangal Board with this scheme.

Lack of trained staff was another factor causing delay. They were expecting Rehabilitation Department staff to be available on their release but that was also delayed. They also could not get jeeps and without the quick mobility there could not be adequate supervision.

He further explained that there were 47 Tehsils in the programme and in 40 of them the work would be completed by August, 1957 and in the remaining Tehsils it would be finished in a year or two at the most.

The revised target dates might cost more than Rs. 10 lakhs per annum, but the total cost to the Government would only be Rs. 80 lakhs and the rest 440 lakhs would be met from the receipts from the fees. They were gaining momentum and their out turn was increasing.

He further explained that there was no further scope for increase in the fee which was originally put at Rs. 5 but ultimately fixed at Rs. 4. The total acreage involved was 135 lakhs.

Explaining the variation in the areas re-partitioned and areas attested, he said that out of 27 lakh acres about 20 lakh acres had been attested up to

the 31st January 1954. Attestation started 3 to 5 months after the re-partitioning had been completed and hence delay.

Sardar Sapuran Singh informed the Committee that the rate of consolidation fee and also the number of instalments in which it was recoverable were fixed by the rules framed under the East Punjab Consolidation of Holdings and Fragmentation Act.

Regarding collection of arrears of fees amounting to Rs. 8 lakhs he explained that these were being recovered as arrears of land revenue through the Tehsil Authorities. These would be recovered in two instalments along with the land revenue.

He further stated that the rules framed under the Consolidation of Holdings and Fragmentation Act required the Consolidation Officer to do certain things on the advice of an Advisory Committee selected from the residents of the villages concerned. These Committees collected some fees to cover their incidental charges but on receipt of some complaints about these collections these had since been stopped under orders of the Development Minister and in cases where these collections had not been properly accounted for or misappropriated, these would be referred to Police.

Grant No. 2—State Excise.

The Committee Examined Shri S. R. Varma, Excise and Taxation Commissioner (*Vide* Volume II—Evidence).

Shri Varma explained the reasons for fluctuations in the Excise and Taxation Revenue during the year 1948-49 to 1952-53 as under:—

They got liquor from Bombay, West Bengal or Pepsu or any other State and paid immediately the duty as the might be. But ultimately that duty had to be refunded to this State. This delay in refund involved decrease in credit of duty in a particular year.

Similarly they sold liquor to Delhi and collected duty on their behalf which was usually to be passed on to Delhi. The delay in refund also affected the credit balances.

Another big factor for decreasing receipts was the reduction of opium quota by 10 per cent each year. The sale-proceeds of opium naturally go on declining.

To ensure proper credit of duty in a particular year the previous system had been scrapped and the new system called pre-paid duty system had been introduced under which the duty would be collected first and the liquor would come afterwards.

Regarding illicit distillation he explained that it was extremely rampant and was a serious problem. To check this they were putting more police staff and keeping vigilance over the inspectorate staff, resulting into detection of illicit distillation to a considerable extent and increase in excise auctions this year.

Grant No. 18—Agriculture; Grant No. 37—Capital Outlay on Provincial Scheme of State Trading.

The Committee examined Shri H.B. Lall, Deputy Secretary Development and Sardar Pritam Singh, Assistant to Director of Agriculture (*Vide* Vol. II—Evidence).

Explaining the excess expenditure of Rs. 7,96,256 on 'Grow-More-Food Scheme' Mr. Lal stated that it was mainly due to inadequate provision for the cost of Ammonium Sulphate resulting from wrong debiting of about Rs. 6,43,000 for the cost of ammonium sulphate relating to Pepsu Government and Central Government and the balance excess was due to the debits of the previous year. Sardar Pritam Singh stated another difficulty in forecasting expenditure. The procedure adopted by the Central Government for the supply of fertilizers and submission of accounts was so lengthy and complicated that their accounts were received by them a year after they were accounted for by them. Now, however, the procedure had been simplified and they were directly connected for accounts with Sindri Factory.

Explaining the saving of about 7 lakhs on account of non-payment of subsidies to the cultivators Shri Lal told the Committee that originally they were giving a sum of Rs. 1,750 for the sinking of a percolation well on the condition that if the well was completed within a year, fifty per cent would be remitted as subsidy and the balance would be recovered as taccavi. This continued till the end of November, 1949. After that they were giving only taccavis and not subsidies. They expected that the whole amount of about nine lakhs would be consumed in 1950-51 but on account of difficulties and their own inability to fulfil their promise of supplying material such as cement and bricks to the cultivators, they had to extend the period of one year for the sinking of wells in certain cases with the result that the money could not be spent.

Regarding delay in issuing completion certificates Shri Lal explained that it was due to a fairly large procedure involved therein and also a little inefficiency of field staff. The cultivators have not, however, suffered on that account as the money has been given to them in the form of advances which will be partly written off.

The Committee, however, recommended that early steps be taken to finalize the work of completion certificates and subsidies adjusted accordingly. Shri Lal assured that that necessary orders to that effect have already been issued.

Seed operation,—*Vide* para 47 (d), pages 29-30 of the Audit Report and notes on page 194 of the Appropriation Accounts (*Vide* Annexure XI)

Mr. Lal explained about the reasons for the loss on seeds as under:—

They made estimates of seed requirements of each district about 9 months before the seed was actually purchased. When that seed got purchased, they have to pay a certain amount of premium to the cultivator for the higher quality of the seeds because otherwise it was not possible to maintain the quality of the seed. They, therefore, pay a certain amount on that score to the cultivator. Then they paid the incidental charges. They could only make purchases of seed at the harvest time because the prices are low during that period. If they bought it at a later stage, they have to pay more. They have to sell the seed at the market rate, which might be higher or lower than the purchase price. So there were chances of loss being incurred. They have already issued instructions to the district officers to purchase only in accordance with the actual requirements on the basis of the figures of the last three or four years.

He assured the Committee that all possible precautions would be taken to reduce losses to the minimum.

Observation of the Committee.

The Committee noted that a profit of about Rs. 67 thousand was made in the year 1951-52. But in view of the fact that the scheme up to the end of 1951-52 showed a loss of Rs. 1,96,000 it desired that the Department should take suitable steps to prevent further losses.

**Minutes of the 22nd Meeting of the Public Accounts Committee held
on the 25th February, 1954 at 10.30 a.m. in the Committee Room
of the Civil Secretariat, Chandigarh**

PRESENT :

Shri Kedar Nath Saigal	.. <i>Chairman</i>
Shri Daulat Ram Sharma	..
Principal Harbhajan Singh	..
Shri Rala Ram	..
} <i>Members</i>	
Shri R. Srinivasamurti, Accountant-General, Punjab	
Dr. Kuldip Chand Bedi, Secretary	

WITNESSES

Shri H.B. Lall, Deputy Secretary, Development.

Sardar Pritam Singh, Assistant to the Director of Agriculture.

Shri D.C. Lall, Inspector-General of Police.

Shri N.R. Sawhney, Deputy Inspector-General of Police.

Sardar H.S. Achreja, Director of Food and Civil Supplies.

Shri S.R. Maini, Secretary, Health and Local Government Departments.

Dr. A.N. Bajaj, Deputy Director of Health Services.

Shri B.N. Handa, Director, Animal Husbandary and Warden of Fisheries, Punjab.

Shri S.N. Basudeva, Under-Secretary, Finance.

Shri Banwari Lal, Assistant Secretary, Finance.

Seed Operations (Annexure XI). The Committee examined Shri H.B. Lall, Deputy Secretary Development, Sardar Pritam Singh, Assistant to Director of Agriculture and Shri Banwari Lal, Assistant Secretary, Finance (*vide* Volume II—Evidence)

On being asked the difference between the seed operations which were charged to Grant No. 37, i.e. Capital Outlay and those which were charged to Grant No. 18 i.e. Revenue, Shri Lall informed the Committee that previously i.e. before 1st April, 1949, Agriculture Department was working under the head '40—Agriculture' but when controls came in they started under the other head namely '85-A—Capital Outlay' etc., which was controlled by the Civil Supplies Department. Both these heads had now been amalgamated and no fresh transaction under the old head was being made.

The Committee then enquired about the reasons for the heavy incidental charges for the storage of certain seeds and was informed by Shri Lall and Sardar Pritam Singh that they could not give this information offhand but would let

the Committee know later. It was, however, admitted that the incidental charges had really been very high.

Explaining the carry forward of seeds from one year to another Sardar Pritam Singh informed the Committee that it happened only in the case of Jowar seed. All the Kharif seeds, he said, had got to be purchased in the current financial year for sowing and distribution in the next financial year.

Sardar Pritam Singh then was asked to explain to the Committee if his Department was maintaining any regular check up system to see the viability of the seeds. He submitted that they saw the viability at the time of purchase. Regarding the "Jowar" seed which did not germinate at all he said that this was purchased by the Food Department and it reached them exactly at the time of the sowing season and that they could not test it before issue. He further admitted that it was the duty of his Department to process and supply good seed and that they failed to test it due to its late receipt. He assured the Committee that in future they would see that seed was thoroughly tested before it was actually supplied to the agriculturists.

Cultivation of Pyrethrum. Answering a question regarding failure of pyrethrum cultivation in Kangra District Sardar Pritam Singh informed the Committee that due to shortage of this insecticide during War its cultivation had to be undertaken by the Department as its supplies from abroad stopped. The hilly areas in Kulu, Simla and Palampur were considered suitable for growing this crop. But it so happened that the rain in those ranges did not allow the crop to mature flowers.

On being asked about fixing the responsibility on any officer for the loss which occurred in regard to certain seeds including Jowar and Pyrethrum due to fluctuation in their sale rates and deterioration of stocks due to prolonged storage. Sardar Pritam Singh regretfully stated that question of disposal of seed could not be looked into earlier and that it was now being looked into. The responsibility for the loss, he said, will surely be fixed on some officer.

Answering a question regarding the enquiry into the working of the Seed Depots Scheme, Shri H.B. Lall stated that it was not necessary as the loss incurred on the scheme was not so high. He, however, assured the Committee that Government would take steps to see that no losses would be incurred on the scheme in future.

Physical Verification of Stocks. On being asked, Sardar Pritam Singh informed the Committee that physical verification of stocks was always done by the Department, and further audit of accounts was done by the office of the Accountant-General, Punjab. He explained at length the procedure of distribution of seeds through non-official agents and submitted that Agriculture Assistant kept check over the distribution by the non-official agents. On account of distribution of seeds in small quantities to large number of cultivators, they had fixed the percentage of shortages according to the commodities which varied from 1.5 per cent to 3 per cent. The stocks which were left with the agents, unsold were disposed of immediately after the sowing season was over to the best interest of the Department.

Grant No. 37—Capital Outlay on Provincial Schemes of State Trading

The Committee desired that heavy carry-over of seeds which was nearly to the tune of 10 lakhs should be avoided at all costs in future.

It was of the view that maximum stock limit for the purchase of each commodity should be fixed, the idea being that over-stocking which was detrimental to the interests of the State, be avoided. It was noticed by the Committee that due to lack of proper planning, there were large variations between the Budgetary figures of estimates and the figures of expenditure.

When asked by the Accountant-General what steps had been taken for the prompt disposal of audit objections, Sardar Pritam Singh informed the Committee that audit objections had been answered except those relating to the preparation period and that audit objections relating to 1951-52 and 1952-53 were already being locked into. The Committee desired that these should be settled within 2 or 3 months.

Grant No. 19—Veterinary

Shri Handa, Director of Animal Husbandary, was asked by the Committee to explain as to why no material in reply to the questionnaire sent to him was furnished to the Committee in spite of the fact that five reminders were sent to his office. His reply to the question was that the Government had passed orders that the recommendations of the Committee should be placed before the Advisory Committee of the Government Cattle Farm, Hissar and whatever the Committee recommended should be placed before the Government. On being asked as to why no intimation was sent to that effect, Mr. Handa could not say anything beyond that reply could not be sent for want of recommendation of the Advisory Committee. He, however, promised to look into the matter and take necessary action against the officials who were responsible for not bringing the reminders to his notice.

The Committee then enquired about the saving of about Rs. 30,000 due to non-receipt of debits and for another saving of rupees 34 thousand under the item of breeding operations. Shri Handa submitted that for the purchases made from the Indian Veterinary Research Institute, the debits against the Punjab Government were raised by the A.G.C.R. through A.G., Punjab, which took time. When asked by the Committee that the Department should have taken steps to have the debits adjusted in time within the financial year, Shri Handa replied that there was no definite procedure laid down for this purpose. They have simply to pass the bills and forward them. Mr. Handa was then advised by the Committee to follow the instructions laid down in the Punjab Budget Manual and those issued by the Finance Department and see that book adjustments were made within the financial year.

On being asked as to the action taken on the recommendations of the previous Public Accounts Committee, Shri Handa stated that those recommendations had to be placed before the Advisory Committee appointed by the Government and assured that the recommendations were already being given effect to. Shri Handa further promised to supply to the Committee a memorandum showing the action taken on the recommendations of the last Public Accounts Committee.

The Committee then wanted to know the reasons for the increase in losses in the Government Cattle Farm, Hissar and was informed by Shri Handa that the main reason was failure of rain which was very often in Hissar. Out of 40 thousand acres of land given to the Farm only 4 thousand were irrigated. On this 4 thousand acres they had to maintain 12 thousand heads of cattle. The other reason was that expenditure on "Education and Research", which was about Rs. 1,40,000, was also debited to the Farm. This was brought to the notice of the Government and it was understood that the Government had decided to exclude this amount from the Budget of the Farm. The Committee was, however, not satisfied with the explanation for these heavy losses which it thought should be avoided in all circumstances.

When asked about the expeditious disposal of pending audit objections concerning his Department, Shri Handa said that he would take necessary action on receipt of a note from the Accountant-General, Punjab.

Grant No. 14—Police

The Committee examined Shri D.C. Lall, Inspector-General of Police and Sardar H.S. Achreja, Director, Food and Civil Supplies (*Vide* Vol II—Evidence)

On being asked by the Committee regarding the excess of Rs 3.71 lakhs, Shri Lall explained that it was due to late receipt of armaments from the Army for which payment had to be made in that particular year when no provision had been made for the total requirements. Shri D.C. Lall, however, admitted that it was a case of under estimation. It was noticed by the Committee that a sum of Rs 1.10 lakhs was not surrendered in time. Replying this Shri Lall submitted that at the time of Submitting the second list of Excesses and Surrenders a mistake was made by the office. They had correctly estimated the approximate number of vacancies which would remain unfilled, but while surrendering the money meant for dearness allowance, etc., they did not surrender the pay portion of the grant. This was somebody's mistake. The saving was of the order of 1% of the total grant and it was not possible to foresee to any accurate degree in advance. The Committee, however, observed that the margin of savings should still be narrowed down.

The Committee further noticed that by keeping some posts vacant under establishment these were being utilized for running Kunjpura Academy. Shri Lall, however, submitted that it did not matter if a man instead of being employed in Jullundur District was posted in the Academy.

With reference to the observation of the Committee in last year's report in regard to sub-head b(4) Contingencies, the Inspector-General of Police assured the Committee that the instructions were always kept in view and the officers concerned were being constantly reminded of the same.

Para 39 of the Audit Report. The Committee then took up the question of purchase of 80 bales of cloth (Annexure X) for making the uniforms of the Police force and asked Shri Lall and Sardar Achreja to give complete information regarding its purchase and subsequent disposal resulting in heavy loss to the Government. Shri D.C. Lall explained that order for this cloth had been placed in the joint Punjab, but before the cloth could be received partition came in. The Police Department approached the Chief Secretary to arrange to their Share of it as they had no cloth in stock. The Chief Secretary wrote to the Civil Supplies Department, who referred the case to the District Magistrate, Jullundur, for taking the delivery of Cloth. The District Magistrate authorized some local dealers to take the delivery of the cloth and informed the Police Department to take the delivery on cash payment. The police Department took the delivery of the cloth after paying 12% profit over the ex-mill price plus insurance and other miscellaneous charges.

After the delivery had been taken the Police Department found that the cloth was not suitable for their requirements. It was, therefore, sold to the cloth dealers in the open market through the Civil Supplies Department resulting in a loss of Rs 11,407 to the Government.

The Director of Food and Civil Supplies said that his Department had on hand in either making the arrangements for the supply of cloth or for the fixation of prices at the time of purchase or sale. He stated that the Civil Supplies Department had acted only as an "Expediting Agency".

The Committee felt that the loss had been incurred by paying high price at the time of purchase and the disposal of unwanted cloth. Also that the Textile Control Officer at Bombay did not exercise proper control in securing and despatching the goods. In its opinion purchase of cloth needed further investigation and responsibility for this whole muddle required to be fixed.

Para 41 of the Audit Report. The Committee noticed that some amount of money had been drawn when it was not required for immediate disbursement. The Committee considered it to be an irregularity which should be avoided.

Kunjpura Academy. The Committee for the previous year had said that expenditure on Kunjpura Schools should be specifically shown in the Budget and that the Police Department should not appropriate funds for this expenditure from various other heads.

But the Committee still noticed that expenditure on this Academy had not been shown separately in the Accounts. Mr. D.C. Lall submitted that action to regularise this matter was being taken.

Action taken on the recommendations of the last Public Accounts Committee

The Committee further enquired from Shri Lall about action taken by the Police Department on the recommendations of the last Public Accounts Committee.

The Committee was informed that in accordance with the recommendation of the Committee, the Mass Training Fund and the Clothing and Equipment Fund were being credited to the Government Accounts. A part of the sum had been credited and the balance would be credited to Government accounts next year, and that the remaining N.V.C. stores had been disposed of.

Disposal of outstanding Audit Objections. Shri N.R. Sawhney told the Committee that out of 447 Audit Objections only 92 remained and action was being taken to dispose of those also.

Grant No. 17—Medical and Public Health

The Committee examined Shri S.R. Maini, Secretary to Government, Punjab, Health and Local Government Departments and Dr.A.N. Bajaj, Deputy Director of Health Services. (*vide* Vol. II—Evidence).

Note 6, Pages 175-76. The Committee enquired the circumstances under which a driver for a lorry was appointed when the body of the said lorry was under construction.

Shri Vasudeva, Under-Secretary, Finance Department, however, informed the Committee that his Department had refused to regularise this expenditure, as the driver was kept on to perform the functions which were not his.

Shri Maini, however, stated that in case the Finance Department was not prepared to regularise the expenditure, the Administrative Department will call upon the officer responsible for this unauthorised expenditure to make good the loss.

Shri S.N. Vasudeva informed the Committee that with regard to the grants to local bodies, the Sanitary Board had passed the following resolution:—

"The Sanitary Board resolved that in future large grants-in-aid should be given to local bodies by instalments in order to obviate the amount remaining unspent for longer periods."

Minutes of the 23rd Meeting of the Public Accounts Committee held on the 26th February 1954 at 11 a. m. in the Committee Room of the Civil Secretariat, Chandigarh

PRESENT

Shri Kedar Nath Saigal	..	Chairman
Shri Daulat Ram Sharma	..	} Members
Shri Rala Ram	..	
Principal Harbhajan Singh	..	
Shri R. Srinivasamurti, Accountant-General, Punjab	..	
Dr. Kuldip Chand Bedi, Secretary	..	

WITNESSES:

- Sardar H.S. Achreja, Director of Food and Civil Supplies.
- Dr. A.C. Joshi, Deputy Director of Public Instruction and Deputy Secretary to Government, Punjab, Education Department.
- Sardar J.S. Basur, Director of Industries.
- Mian Kushal Singh, Under-Secretary, Rehabilitation Department, Jullundur.
- Shri Gulab Chand Jain, Assistant Secretary, Relief and Rehabilitation Department, Jullundur.

Observation of the Committee

On enquiry from the Chairman, the Committee was informed that the Secretary, Civil Supplies Department had sent no intimation about his inability to attend the meeting of the Public Accounts Committee.

The Committee were of the view that such an omission was derogatory to the Committee's status and should be avoided in future.

Grant No. 37—Capital outlay on Provincial Schemes of State Trading and items relating to Food and Civil Supplies for the year 1948-49, 1949-50 and Audit Reports thereon (Annexure XXII).

The Committee examined Sardar H.S. Achreja, Director of Food and Civil Supplies (*Vide* Vol. II—Evidence).

Appropriation Accounts for 1950-51

Audit Comments on pages 382-384 [paragraph 47(a) page 28].

The Committee wanted Sardar Achreja to explain the reasons for the delay in locating the records pertaining to unlinked items valued at Rs. 3,51,488 and the steps he had taken to ensure an expeditious settlement of the discrepancies. Sardar Achreja explained the system of linking, conceded that the work was in arrears and assured the Committee that he would take immediate steps to clear up those arrears. The Committee could, if it wanted, fix a period of time within which the work should be completed, he added. Otherwise, he would do so and issue a directive to the officials concerned to finish the work by that time.

The Committee observed that there was no question of fixing any time lag because the cardinal principle in accounting was that as soon as consignments were despatched from one place to another, they should be taken into account immediately. The right course that should have been adopted was that before the monthly accounts were closed, linking must have been done.

Sardar Achreja submitted that linking had been done up to August, 1953 and the remaining unlinked items were being enquired into. It would take his Department, he added, three months to complete this linking work.

In reply to a question, he said that if it was proved that a shortage was normal, natural and owing to circumstances beyond the control of the staff and not the result of defalcation, then that was written off by the competent authority after obtaining the sanction of the Finance Department.

When asked whether the receipt of 6,768 maunds, which remained unacknowledged and untraced a few years back, had now been acknowledged. Sardar Achreja said that he was not in possession of the facts of the case and that before giving any information, he would have to consult the relevant records.

When asked, Sardar Achreja quoted the average purchase prices and average sale prices of important foodgrains during the years 1950-51, 1951-52, and 1952-53.

In reply to a query whether the figures for profits for the years 1950-51, 1951-52 and 1952-53 were arrived at after taking into account the "establishment charges", Sardar Achreja submitted that a certain percentage of expenditure incurred on the pay of higher officers of the Department, which was not being shown previously on the side of the expenditure of the scheme was being shown as such from the year 1953-54.

The Committee enquired whether physical verification of stocks was being done every year. Sardar Achreja submitted that right from the inception of the Department, the stocks were verified twice every year—once by the Assistant Food Controller and for the second time by the Foodgrains Inspectors. The Head of the District, i.e., the District Food Controller also verified 10 per cent of the godowns at each centre in his circle in each financial year.

In 1952-53, a new system was devised. According to this system, Stock-verifying parties were deputed from one circle to another so that the men of the same circle might not mix up together and conceal some losses which might be found on verification.

At this stage the Accountant-General pointed out that the physical verifications were not carried out, as required by the financial Rules. The ground balances did not tally with the book balances. In fact, they varied very widely. The Food Department, he added, had made an *ad-hoc* adjustment of 10 lakhs in one year's accounts without any basis, but that was not accepted by the Audit.

Shri Vasudeva informed that the Finance Department in deciding cases of writing off, took into consideration a lower limit of 2 per cent. In their opinion, the losses should not go beyond that limit, he added.

Sardar Achreja informed that shortage detected at the time of physical verification was only noticed and recorded but the final check up was done when the godown which held the stock was completely empty.

The Accountant-General observed that the correct position in regard to Store Accounts was that as soon as any shortage or excess was brought to notice

as a result of verification, it should be investigated and book-balance corrected. The Finance Department's representative agreed.

Referring to page 224 of the Appropriation Accounts for 1948-49, Sardar Achreja said that the net loss of Rs. 1.73 lakhs had been written off under the orders of the Government without charge-sheeting or suspending the District Food Controller who was entirely responsible for this loss to the Government. He was a lien-holder of the Railway Department and was reverted to that office but actually he did not join his permanent post and resigned. The Civil Supplies Department had to recover a sum of Rs 1 thousand from him. He added, that at the instance of the Food Department, the Railway Department had withheld his Provident Fund. The Government had also been requested to file a civil suit.

In reply to a question, Sardar Achreja said that any enquiry at this stage would not lead to any results because all the witnesses might by this time have disappeared.

Referring to para 14 of the Audit Report, 1951, Sardar Achreja submitted that there was no question of taking any action against any official for the damage caused to foodgrains worth Rs 7,29,644. The arrangements for storage of foodgrains at Government godowns were adequate and stocks were not damaged due to defective storage or carelessness of the officials of the Department but due to unprecedented rains and floods all over the State.

In order to find out what was the quantity of foodgrains, which was unfit for human consumption, Mr. Mangat Rai, who was then working as Additional Secretary of the Department and Shri Dawar, the then Director in charge personally visited Talwandi, Tarn Taran etc., which were the affected areas. They witnessed salvage operations and whatever quantity of foodgrains they thought was unfit for human consumption was collected at a central place and auctioned in their presence.

It was observed that the Appropriation Accounts for the years 1949-50 and 1950-51 indicated that if adjustments had been made through the Statements of Excesses and Surrenders, the final appropriation would not have been much at variance with the actual expenditure. The Committee impressed upon the Director of Food and Civil Supplies the need for surrendering excess amounts in time.

Referring to para 50 of the Audit Report, 1952, Sardar Achreja said that the material purchased for the construction of storage bins and at present lying unutilized consisted of bricks and cement. This material was at present with the P.W.D. at Kalanwali, Kurukshetra, Bhatinda, Bhiwani and Sirsa. His Department had asked the Chief Engineer, Buildings and Roads Branch, whether these stores had been utilized by him.

Grant No. 16—Education

The Committee examined Dr. A.C. Joshi, Deputy Director of Public Instruction (*Vide Vol II—Evidence*).

Pages 159 and 163

(Sub-heads B-2 and R. 2(1).

Dr Joshi explained that the saving of Rs 3,000 due to unfilled vacancies was on account of the fact that some posts of Lecturers remained vacant during that year. These posts were offered to several candidates but they refused to accept the

same on one ground or the other. After a lapse of considerable period of time, some suitable candidates were appointed.

In reply to a question Dr. Joshi submitted that the Government Model School at Jullundur had been started because there was a great demand from the citizens of Jullundur for a better kind of schools and the Training College for Teachers located at Jullundur also needed a good experimental school. The tuition fees charged by Model School, Jullundur and Government Special School for Children, Nangal, were Rs. 10 and Rs. 12, respectively.

Shri Vasudeva informed that the Finance Department had asked that these schools should be run as self-supporting institutions by levying a tuition fee of Rs. 10 per month per student.

Dr. Joshi said that these schools could not be run as self-supporting institutions in the earlier stages, because they had to spend a lot on furniture, etc. He thought that in the years to come they would become self-supporting.

Dr. Joshi, when asked, gave the number and value of scholarships for Europeans.

In reply to a question, Dr. Joshi said that scholarships were given on the recommendations of the Principals of the Schools. At the time of granting such scholarships, "Merit" and "Poverty" were also taken into consideration.

In reply to another query, Dr. Joshi said that the entire Harijan and Backward Fund had been exhausted by September 1953.

With reference to K-16, Expenditure on National Cadet Corps, he said that the provision for outstanding debts of the previous years was omitted to be made through some misapprehension. He conceded that this was an act of omission on the part of the Education Department.

Replying to a question, he said that the Police Academy, Kunjpura, was being maintained by the Police Department out of the subscriptions raised from the Members of that Department. This institution had been recognised by the Department and it was open to inspection only by the inspecting officers of the Education Department. It was not under the administrative control of the Education Department.

With regard to the quick disposal of audit objections and reports relating to the Schools and Colleges, Dr. Joshi submitted that the Education Department had recently issued a letter asking all its subordinate Offices to supply the information to the Accountant-General direct without any loss of time.

Grant No. 33—Miscellaneous (Vide Annexure XVIII).

The Committee examined Sardar J. S. Basur, Director of Industries (Vide Volume II—Evidence).

The Chairman remarked that though the Industries Department had stated in the written reply furnished by it, that Spinning Centres were being run on commercial lines, actually they had not been declared as such. These centres, the Chairman added, were far from being run on commercial lines. They were incurring a loss every year. Sardar Basur submitted that the Weaving and Spinning Scheme showed a net profit of Rs 88,290 up to 31st December 1952. Moreover, in starting this scheme the intention of the Government was to provide work for displaced weavers and spinners and not to earn profits.

At the instance of the Committee, Sardar Basur gave the names of the centres and sub-centres being run under this scheme.

In reply to a query, Sardar Basur told that (i) cloth worth about Rs 40 lakhs had been sold during the last 4 years and (ii) out of 11,407 wheels, 6,640 had been disposed of and the value of the remaining wheels was estimated at Rs 10,365. He hoped that the remaining wheels would also be disposed of.

Government Wool and Spinning Centres

Sardar Basur said that the balance sheet of the scheme showed that up to the 31st December 1953, the loss was of the order of Rs 64,739-13-6. This loss had been calculated without taking into account "interest on capital" and other indirect charges.

In the beginning of 1953-54, the Government decided to close down this scheme but the people affected by this decision made representations to the Government to the effect that they would be thrown out of employment. On reconsideration, the Government decided to continue this scheme in the interest of those people.

It was pointed out to Sardar Basur that the closing balances in the Personal Ledger Accounts of both these schemes were very much in excess of the requirements and also in excess of the amount allotted by the Government. The principle of the Personal Ledger Account was that the Department should not have at any time more than the allotted sum and if it had more, that should be refunded to the Government treasury.

Grant No. 33—Miscellaneous ; Grant No. 39—Loans and Advances bearing interests.

Rehabilitation Department. The Committee then examined Mian Kushal Singh, Under-Secretary, and Shri Gulab Chand Jain, Assistant Secretary, Rehabilitation Department. (*Vide* Vol. II—Evidence).

The Committee enquired what steps had been taken to ensure proper recoveries of outstanding loans. Shri Gulab Chand Jain submitted that up to September 1953 the figures of the amounts due to be recovered and recovered were Rs 2,46,000 and Rs. 1,93,42,778, respectively. The Deputy Commissioners were being pressed to make the recoveries. The Rehabilitation Department also had in each district subordinate staff comprising Inspectors and Assistant Inspectors to do the recovery work.

In reply to a question whether in any case amounts had to be written off as irrecoverable, Shri Jain submitted that so far the Department had not written off any amounts but at some stage they might have to do so.

The Committee wanted to know what steps were being taken to avoid the recurrence of irregularities pointed out by the Audit in regard to expenditure on relief and rehabilitation of displaced persons and to ensure prompt disposal of audit objections and inspection reports. Shri Jain submitted that these irregularities were repeated from year to year in the Appropriation Accounts. However, an Officer on Special Duty who used to go to each Camp for verification had been asked to deal with the audit objections and it was hoped that in future delays would not occur.

With reference to page 21, para 35, *Vide* Annexure XIX the Committee wanted to know why a loss of Rs 70,086 had been incurred by the Rehabilitation Department.

Mian Kushal Singh submitted that the work had been got done in abnormal times. Moreover, the actual excessive expenditure worked out to Rs. 20,436 and not Rs. 70,886 because the cost of paper had not been taken into account while arriving at the latter figure.

Shri Jain informed the Committee that after inviting tenders, 19 presses all over the Punjab and Delhi were entrusted with the work. The Rehabilitation Department did not accept even the lowest quotation but gave the work to all the presses at a uniform rate.

Minutes of the 24th Meeting of the Public Accounts Committee held on the 27th February 1954 at 10.30 a.m. in the Committee Room of the Punjab Civil Secretariat, Chandigarh

PRESENT:

Shri Kedar Nath Saigal

Chairman

Shri Daulat Ram Sharma

Shri Dev Raj Anand

Sardar Harkishan Singh Surjit

Principal Harbhajan Singh

Shri Rala Ram

Members

Shri R. Srinivasamurti, Accountant-General, Punjab.

Dr Kuldip Chand Bedi, Secretary

Shri S.N. Vasudeva, Under-Secretary, Finance.

WITNESSES

Mian Kushal Singh, Under-Secretary, Rehabilitation.

Shri Gulab Chand Jain, Assistant Secretary, Rehabilitation.

Shri P.K. Kaul, Financial Commissioner, Revenue.

Shri H.B. Lall, Deputy Secretary, Development.

Sardar J.S. Uppal, Deputy Secretary, Revenue.

Shri B.C. Katoch, Inspector General of Prisons.

Shri H.B. Gupta, Deputy Secretary, Electricity Branch.

Shri O.P. Sethi, Under-Secretary, Electricity Branch.

Shri H.R. Advani, Under-Secretary, Electricity Branch.

The Committee examined Mian Kushal Singh, Under-Secretary and Shri Gulab Chand Jain, Assistant Secretary, Rehabilitation Department (*Vide* Vol. II—Evidence.)

Para 35, page 21 of the Audit Report. The Committee resumed the discussion of the case. On an enquiry as to how did 19 firms get orders when 11 firms had quoted, the departmental representative stated that the work was so heavy that it could not be done by 11 presses. So, it was decided to give it at a uniform rate to 19 presses.

The Committee was informed that the presses were selected by the then Director General in consultation with the Committee of officers of the Department. It was an informal meeting and no formal record of its proceedings was kept.

The Committee still felt that the rate was excessive.

Sub-head L-1 (b). 1(ii)—Accommodation: Explaining causes of saving of Rs. 7,78,712 and of Rs. 5,25,425 Shri Gulab Chand Jain stated that it was as stated by the Chief Engineer due to non-adjustment of debits in certain cases and of non-completion of works in others by the contractors. He further stated that although the grant was controlled by the Rehabilitation Department the Chief Engineer surrendered savings if any direct to the Finance Department.

The Committee thought that by better co-ordination between the Rehabilitation Department and the Chief Engineer the amount could have been surrendered in time.

Sub-head L-2-K: It was explained to the Committee that the erroneous provision of Rs 10 lakhs under this sub-head L-2-K instead of L-2-L was due to a mistake on the part of the Finance Department.

Stipends to Refugee Students: The saving of Rs 2,73,000, the Committee learnt, was due to want of co-ordination between the Relief and Rehabilitation Department on the one hand and the Director of Public Instructions on the other, with the result that many refugee students were not able to get stipends.

It was found that there was a great need for closer estimation of expenditure.

Grant No. 11—General Administration (*Vide* Annexure VIII)

Para 42, Page 23 of the Audit Report, 1952. The Committee Examined Shri P.K. Kaul, Financial Commissioner, Revenue and Shri H.B. Lall, Deputy Development Commissioner (*Vide* Vol II—Evidence).

The Financial Commissioner informed the Committee that the criminal case had not been finally decided by the High Court and that Civil action was proposed against the contractor. Shri Vasudeva stated that details of a scheme to have a separate cadre of trained treasury officers were being worked out.

Para 42, Pages 119—133. Under sub-head P(i) (c) and P(i) (d) a saving of Rs 3,80,297 (Annexure VIII) occurred due to certain schemes being immature and non-execution and late starting of certain works. Shri H.B. Lall stated that this happened because a sum of Rs 2 lakhs was sanctioned as late as December 1950 and it was not possible to execute the scheme before the end of the financial year.

Similarly the amounts placed at the disposal of the Deputy Commissioners, Kangra, Ambala and Amritsar, also remained unspent because it was difficult to foresee whether the work could be completed by the end of the financial year.

The Accountant-General observed that budgeting should be made only after the plans had been finalised and then the money should be got allotted that could be spent.

The Committee further learnt that the schemes were not put through even during the next year.

Para 50 of Audit Report. Asked about the total increase in production as a result of land reclamation scheme Shri H.B. Lall gave figures of increase in food production as a result of canal irrigation scheme, Tube-well scheme percolation wells, compost made, wild cows captured, and other schemes.

When asked Shri Lall stated that in respect of Tube-well Scheme, Land Reclamation and Mechanical Cultivation Scheme the expenditure incurred had been commensurate with the results achieved while in respect of Fertilizer and Irrigation Schemes it has not been so.

Grant No. 29—Famine

The Committee Examined Sardar J. S. Uppal, Deputy Secretary, Revenue (*Vide* Vol. II—Evidence).

The Committee felt that there had been inordinate delay by the department in furnishing replies to the questions sent by it and that the department had not shown the courtesy of even saying to the Committee that information on the points asked by it was being collected.

The Accountant-General stated that the Department had not supplied figures and explanations required for incorporation in the Accounts for 1951-52 and Audit Report 1953 with the result that he was unable to present the accounts to the Assembly during the Budget Session.

Sardar J.S. Uppal, Deputy Secretary, Revenue, promised to look into the matters.

Sub-head A (2) Page 326. Explaining the circumstances in which wages were not paid to labourers and funds lapsed the Deputy Secretary (Revenue) stated that labourers did not turn up to draw their wages for fear of depot-holders who demanded payment for rations given to them on credit.

Shri Daulat Ram Sharma suggested that payment be sent to them by money orders. Sardar J.S. Uppal promised to examine the suggestion.

When asked to explain the reasons for the saving of Rs 44,855 indicating when the sanction for payment of gratuitous relief was applied for and issued, Sardar J.S. Uppal stated that it was a case of reimbursement of the amount spent by the Deputy Commissioner and of the funds like the Red Cross and Charity Donations at the time of floods. His attention was drawn to Rule 2(1) of the Punjab Finance Rules which stated that no private cash could be mixed up with the public cash or account.

Grant No. 13—Jails and Convict Settlements

The Committee Examined Shri B. C. Katoch, Inspector-General of Prisons (*Vide* Vol. II—Evidence).

On enquiring the Inspector-General of Prisons, Shri B.C. Katoch informed the Committee that he had submitted a proposal to the Government to make the jails self-supporting. He stated that last year's outturn from jails was of the value of about Rs 9 lakhs and the proposed scheme aimed to increase the outturn to the value of Rs 70 Lakhs. That would give a sufficient profit of Rs 23 lakhs to make the jails self-supporting. The Scheme he submitted was still under consideration.

The Committee wanted to know what steps the Inspector-General was taking to avoid losses of Rs 5 to 6 lakhs every year in the factories?

Shri B.C. Katoch explained that on the articles manufactured in jails no labour was charged but the labour charges were debited in the factory accounts. But in

accordance with the recommendation of the Public Accounts Committee for the last year now labour charges were not being debited to factory accounts. Therefore the working of factories was not showing any loss.

On an enquiry the Inspector-General remarked that the standard of upkeep of prisoners in the post war period was better than the pre-war period. He could not give figures to show what was being spent on a prisoner then and what was being spent now.

Asked by the Chairman about the action that Shri B.C. Katoch was taking to dispose of audit objections expeditiously he stated that out of 220 objections 54 had been disposed of and most of the remaining related to recoveries to be made from the Muslim officials and contractors who had now migrated to Pakistan. The matter had now been referred to Government for being dealt with at high level as his efforts to affect recoveries had failed because his counter part on the other side did not even acknowledge his letters.

Regarding the disposal of audit objections and reports relating to the years 1950-51, 1951-52 and 1952-53 the Accountant-General suggested and the Inspector-General of Prisons agreed that an officer of the latter department should settle the small points by personal discussion with an officer of the former office.

The Committee decided to postpone the examination of the representative of the Electricity Branch to a later date due to inability of the Chief Engineer to attend the meeting of the Committee and also in view of the fact that replies to several points raised in the questionnaire had not been received and the departmental representatives were not ready with the answers.

The Chairman of the Committee also drew attention of the representatives of the Department to the inordinate delays in the submission of material for the preparation of the Appropriation Accounts of the year 1951-52 by the Accountant-General. The Chairman further pointed out that in spite of specific instructions issued by the Secretary to Government, Punjab, Finance Department, in his letter No. 6792-B-515648, dated 4th October, 1951 in which it was stated that the notable defaulter in respect of submission of material for the Appropriation Accounts was the Electricity Department, no improvement had taken place. The Accountant-General brought to the notice of the Committee that the delays by the Electricity and other Departments were holding up the finalisation of the Appropriation Accounts, 1951-52 and 1952-53.

Minutes of the 25th Meeting of the Public Accounts Committee held at 10.00 a. m. on Sunday, the 28th February 1954, in the Committee Room of the Assembly Secretariat, Chandigarh Capital

PRESENT :

Shri Kedar Nath Saigal	..	<i>Chairman</i>
Shri Daulat Ram Sharma	..	} <i>Members</i>
Principal Harbhajan Singh	..	
Sardar Harkishan Singh Surjit	..	
Shri Dev Raj Anand	..	
Shri R. Srinivasamurti, Accountant-General, Punjab		
Dr. Kuldip Chand Bedi, <i>Secretary</i>		

The Committee considered the grants to be scrutinized at its next meeting to be held on the 9th, 10th, 11th and 12th March 1954, in the Assembly Secretariat, Chandigarh Capital. The following programme was chalked out—

- 1 **Grant No. 25—Electricity Schemes Working Expenses ;
Grant No. 28—Electricity Schemes Capital Expenditure**

2. **Grant No. 23—Civil Works**

Grant No 27—Civil Works--Capital

The Committee observed that as written replies in respect of some of the questions had not been received, the Chief Engineer (Buildings and Roads Branch) should come fully prepared to answer those points orally as also any other points that the Committee might like to get elucidated during the oral examination. The Committee also decided that the Secretary to Government, Punjab, Capital Project and the Secretary to Government, Punjab, P.W.D., Buildings and Roads Branch, along with the Financial Adviser and the Administrator, Capital Project, should also appear before the Committee.

3. **Grant No. 7—Irrigation Works.**

Grant No. 8—Charges on Irrigation Establishment

Grant No. 9—Irrigation Capital (Except Bhakra-Nangal Project) and the accounts relating to the Government Central Workshops Amritsar

The Committee directed that express telegrams be sent to the Irrigation Chief Engineers except the one dealing with Bhakra-Nangal Project to appear before the Committee on the specified dates. The Superintendent, Government Central Workshops, Amritsar, should also be called to appear before the Committee on the same day.

4. The Committee also decided to examine the Administrative Secretary as well as the Head of the Department in respect of appropriation accounts for the year 1950-51 relating to the Transport Department.

The Heads of Departments will be examined on the dates noted below—

9th March 1954
10.00 a.m. to 1.00 p.m. Chief Engineer, P.W.D., Buildings and Roads Branch.

10th March 1954
10.00 a.m. to 1.00 p.m. Transport and Irrigation Department.

11th March 1954
10.00 a.m. to 1.00 p.m.

1. Electricity Department.
2. Secretary, Finance and Secretary, Health and Local Government Departments in regard to proceedings of the meeting of 8th January 1954.

12th March, 1954 2.30 p.m. Consideration and Drafting of the Report.

After this, a Demi-official letter No 1201-CTR/54/3255, dated 15th/16th February 1954 from the Under-Secretary to Government, Punjab, Health and Local Government Departments, to the Secretary, Punjab Legislative Assembly, Chandigarh was considered by the Committee along with the enclosures.

The various amendments suggested by the Under-Secretary in his evidence and that of the Officers of the Labour and Printing Department were considered. The Committee felt that even when there was a general talk, the questions and answers which were finally recorded were actually read out to the officers concerned and their answers were also taken down *verbatim*. In the case of all other Departments which have been examined the Committee have noticed that the recorded proceedings have practically been accepted without question. However, the Committee have no objection to making the necessary corrections as suggested by the Under-Secretary to Government, Punjab, Health and Local Government Departments in his evidence and that of the officers of the Labour and Printing Department. They could not, however, accept the suggestion that the name of 'Daily Vir Bharat' was there in the list of 12 Presses recommended to Government or suggested for inviting quotations. The actual names which were recommended in the file were seen by the Chairman and the Members of the Committee and the name of this Press was not stated in the oral examination by any officer as one of the Presses that were asked to quote.

The Committee decided that the sequence of the questions and answers could not be changed except for the verbal changes suggested in the letter, under consideration. They, however, took note of statement of narration now submitted by the Controller of Printing and Stationery, Punjab, and decided to consider the note on its merits.

The Committee, however, agreed to delete the observations at page 61 of the draft typed proceedings, as desired by the Under-Secretary to Government, Punjab, Health and Local Government Departments

The Committee directed that an extract from the proceedings may be sent to the Under-Secretary to Government, Punjab, Health and Local Government Departments.

Letter No. 179-I & C-54/3779, dated Simla-2, the 2nd February 1954, from the Secretary to Government, Punjab, Industries Department, was placed before the Committee. The Committee also examined the letter to which it was a reply and noted that the relevant information had already been sent to the Department in the Assembly Secretariat letter No. CB/PAC/M/53/8011, dated 29th December 1953. However, the Committee directed that the Chief Conservator of Forests, Punjab, and the Controller of Stores should be addressed at the same time to get in touch with each other and supply the required information before the 10th March 1954.

The Secretary placed another letter No. 2-g/53/560-GG, dated the 26th February 1954, from the Secretary to Government, Punjab, P.W.D., Buildings and Roads Branch, before the Committee. In this letter the Secretary to Government, Punjab, P.W.D., Buildings and Roads Branch has stated that the Superintending Engineers, Electrical Engineer and Principals, Government School of Engineering and Punjab Engineering College have been directed to have the disposal of Inspection Reports expedited and take personal and keen interest in the matter. The Committee directed that this letter be put up to them on the day on which the Secretary to Government, Punjab, P.W.D., Buildings and Roads Branch is to be orally examined.

Minutes of the 26th Meeting of the Public Accounts Committee held on Tuesday, the 9th March 1954 at 10.00 a.m. in the Committee Room of the Assembly Secretariat, Sector 10, Chandigarh

PRESENT :

Principal Rala Ram	..	<i>Acting Chairman</i>	
Shri Daulat Ram Sharma	..	} <i>Members</i>	
Principal Harbhajan Singh	..		
Sardar Harkishan Singh Surjit	..		
Rao Gajraj Singh	..		
Shri R. Srinivasamurti, Accountant-General			
Dr. Kuldip Chand Bedi, Secretary			

WITNESSES

[Sardar Nawab Singh, Chief Secretary to Government, Punjab.

Shri P.L. Varma, Chief Engineer, Capital Project and P.W.D., Buildings and Roads Branch.

Shri Shiva Rama Krishna, Financial Adviser and Chief Accounts Officer, Chandigarh Capital Project.

Shri D.P. Nayyar, Superintending Engineer and Ex-Officio Deputy Secretary, P.W.D., Buildings and Roads Branch.

Shri B.B. Vohra, I.A.S., Administrator, Capital Project.

As Shri Kedar Nath Saigal, Chairman of the Committee was not present Principal Rala Ram was voted to take the Chair.

Grant No. 23—Civil Works.

Grant No. 27—Civil Works—Capital (Chandigarh Capital Project) (Annexure XIV)

The Committee examined Sardar Nawab Singh, Chief Secretary to Government, Punjab. Shri P.L. Varma, Chief Engineer, Capital Project and Buildings and Roads Branch, Shri B.B. Vohra, Administrator, Capital Project and Shri Shiva Rama Krishna, Financial Adviser and Chief Accounts Officer, Chandigarh Capital Project.

The Committee enquired why no reply had been sent so far by the Capital Project Department to the questionnaire sent to it about 7 months back. Shri Vohra submitted that the questionnaire under reference was first sent to the Public Works Department, Buildings and Roads Branch and it was received in the Capital Project Office on the 16th September 1953, which sent its reply to the Secretary of the Public Accounts Committee on the 20th October 1953. Replying to a question, he said that a copy of the reply had not been sent to the Accountant-General, Punjab. He was not aware whether it was necessary to do so, he added.

The Acting Chairman of the Committee drew his attention to the following Assembly Secretariat letter sent in this behalf to the Secretary, Buildings and Roads Branch—

“I am directed by the Public Accounts Committee to enclose two copies of the list of points cited above as subject relating to Grants Nos. 23, 24, 27 of your Department and to request you kindly to forward your replies (with 14 spare copies) to the Committee as well as to the Accountant-General, Punjab (2 Copies) and to the Secretary to Government, Punjab, Finance Department within a period of 15 days after its receipt.....”

In reply to a question as to why sales of plots had not materialised to the extent anticipated and provided for in the Project Estimates, Shri Varma submitted that the Project was sanctioned in the year 1950-51, and it was expected at that time that the architects would come earlier. Most of them joined in December 1950. In fact, one of them did not arrive till 1951. The reason for this delay was that a good deal of time was taken in arriving at a decision to send some high officials of the Punjab Government abroad for selecting the foreign architects. Moreover, he added, it was not anticipated that the original Master Plan would be changed. In short, he added, that the fluidity of the Project was so much that no body could correctly anticipate anything at that time.

The Committee wanted to know whether a phased programme of works had been drawn up so that the actual work could be compared with the estimated programme. If not, what procedure had been devised to ensure that performance did not lag behind.

Shri Vohra submitted that a tentative statement of programme of works for the plan period 1951-52 to 1955-56 had been drawn up. 15 copies of this statement had already been supplied to the Secretary for distribution to the Hon. Members of the Committee. A complete programme would be prepared shortly, he added.

Another yardstick for assessing the progress of works was the expenditure actually incurred *vis-a-vis* the total estimated expenditure. He added that actually there was a double check-financial as well as physical.

In reply to a question, Shri Vohra said that 50 per cent of the total expenditure to be incurred during the plan period had been incurred so far. The total expenditure to be incurred on the construction of Government buildings was Rs 567 lakhs. Out of this amount, 299 lakhs were to be spent on the construction of Government non-residential buildings and the remaining amount was to be spent on the Government residential buildings.

The amount to be spent in connection with the construction of the buildings of schools and hospitals was provided for under the “Development Expenditure”. The civil buildings expected to be constructed would cost about Rs 236-lakhs, he added.

When asked to explain briefly the position with regard to the sale of plots Shri Vohra submitted that out of a total amount of Rs 4½ crores planned to be realised by the end of the plan period, a sum of Rs. 129 lakhs had been recovered so far, by way of instalments. During the next two years the same amount was expected to be realised. Some more money was also expected to be realised by selling fresh plots. Out of 8 thousand plots, 7,242 plots had already been sold.

When asked whether the Capital Project Office anticipated any difficulty in selling the remaining plots and the plots yet to be developed, Shri Vohra replied in the negative.

He informed the Committee that only 66 (3 residential houses and 63 shops buildings were under construction at present in Chandigarh.

Replying to a question, Sardar Nawab Singh said that it was hardly possible for him to explain the reason due to which private enterprise was not constructing any buildings in Chandigarh. Shri Vohra said that about 75 per cent of the plots had been purchased by the refugees, who were apparently short of money. They were, he thought, awaiting the payment of compensation by the Government and they would probably construct buildings after they had received it.

Rao Gajraj Singh thought that the non-construction of a "Bund" over the Cho made the transportation of material required for the construction of buildings in Chandigarh difficult during the rainy period and that was why private people were not constructing the buildings quickly.

In reply to a question, Sardar Nawab Singh said that there was no shortage of any material and that the Government was in a position to supply any material required by the private enterprise for the construction of buildings. He added that due publicity had been given to this Project.

The Committee wanted to know whether the delay made by the private enterprise in constructing buildings did not adversely affect the future sale of plots. Sardar Nawab Singh said that in fact even now so many applications requesting for the allotment of plots were pending in the Capital Project Office.

Replying to a query, Sardar Nawab Singh said that while the residential plots were being sold at fixed rates, the commercial plots were being auctioned.

The Committee enquired as to how did the development expenditure compare with the estimated costs. Sardar Nawab Singh said that at present development costs consisted of expenditure on 14 items, viz., Land Acquisition, Survey, Roads and Bridges, Storm, Water drainage etc., etc.

His Department always tried to ensure that under each item such amount was spent as had been fixed in the plan. If expenditure on any item exceeded the fixed amount, the additional expenditure was met from another item. In other words, readjustments were made within the "Development Head".

Rao Gajraj Singh enquired whether anything had been provided for the common people e.g., Sarai, Rest-house or a Hotel. Sardar Nawab Singh said that one hotel had already been sold. A sarai had also been constructed. The Government had decided to accommodate the Estate Office in that building because there was acute shortage of office accommodation in Chandigarh.

In reply to a question by Shri Harkishan Singh Surjit as to why the plan to send the architects round the important cities of India to enable them to acquaint themselves with the style of Indian architecture was given up, the Committee was told by Sardar Nawab Singh that the proposal was reconsidered but dropped because it was thought that after all they must have seen the designs of the buildings in the cities in different States where they had received their education and must be acquainted with the architecture in vogue there. The Committee was also informed that the designs had been made by the architects in consultation with the engineers and were considered and discussed in the departmental committee of which the Chairman was

the Chief Administrator and that there could not be any doubt that these people were fully conversant with the Indian ways of living. It was under these circumstances, added Sardar Nawab Singh, that it was not considered desirable to incur expenditure on taking the architects round the cities of the country. In reply to another question, the Chief Administrator, Capital Project admitted that in the beginning people were critical of the designs of the houses. He, however, added that it was due to the designs being rather novel and out of the ordinary but now when he met people occupying those houses he did not hear complaints about any great difficulty. Asked as to whether the desirability of integrating the good points of the Indian style and the Western style of architecture was considered while approving the designs, Shri P.L. Varma replied in the affirmative and said that every effort had been made to make the houses convenient to live in.

In reply to a question by Shri Surjit as to the comparative cost of the residential buildings built by the Punjab Government and the Central Government, Shri Varma stated that they had not been able to collect the information. He, however, added that roughly speaking the cost here was fifteen per cent lower. When asked whether the cost of construction on various types of buildings would be commensurate with the rents to be realised, Sardar Nawab Singh replied in the negative and said that it could not be because they were subsidising the Government servants' rents. In reply to another question whether the type of accommodation had been bettered, the Committee was told that in the upper categories it had been lowered, but in the case of lower categories it had definitely been raised.

When questioned about the expenditure that had been incurred on the publicity work in connection with the sale of the plots, Mr. B.B. Vohra told the Committee that a sum of about Rs one lakh had been spent on this account and explained that it comprised issuing the brochures, advertisements, etc. He also stated that a film on Chandigarh was under preparation and would be complete very soon.

Asked as to whether the whole of the land required for the construction of the Capital had been acquired, Sardar Nawab Singh replied that in its first stage the Capital was intended to accommodate a population of 150,000 and land had been acquired accordingly. The Committee was then informed that 8,600 acres of land had been acquired and a sum of Rs 60 lakhs had been spent on its acquisition up till now but payment had not been made in 20 to 30 cases pending the awards of the arbitrators and a saving of about Rs five lakhs was anticipated on that account.

In reply to the question as to why the normal procedure was deviated from a sum of Rs 35 lakhs paid to the Custodian of Evacuee Property in the form of a lump sum in advance, the Committee was told that this was done to avoid payment of the rent of the land. When asked to explain the reason why payment of Rs 35 lakhs was made without assessing the actual amount of compensation in advance, Sardar Nawab Singh stated that there were several methods of acquiring land and that the Government was also competent to acquire land by private treaty. Mr. B.B. Vohra added that this land had been acquired under the Requisitioning of Property Act but the compensation was assessed as under the Land Acquisition Act. He also pointed out that if the price of the requisitioned land was not paid for two or three years, rent had to be paid for its use in addition to its value.

The Chief Secretary replying to a question said that he anticipated no difficulty in recovering the sum of Rs 5 lakhs from the Custodian of Evacuee Property.

Grant No. 23—Civil Works.

Grant No. 27—Civil Works—Capital.

The Committee examined Shri P.L. Varma, Chief Engineer and Secretary to Government, P.W.D., Buildings and Roads Branch, and Shri Shiva Rama Krishna, Financial Adviser and Chief Accounts Officer, Chandigarh Capital Project.

The Acting Chairman said that it had been mentioned in the Audit Report that works estimated at Rs 11.50 lakhs had been taken up without detailed estimates being sanctioned therefor. He enquired whether there had been an improvement in regard to this or more works had been undertaken in 1951-52, 1952-53 and 1953-54 without proper sanctioned estimates. Shri Varma submitted that by and large no works were commenced without obtaining the administrative approval. It was, however, not possible to obtain the technical sanction unless the project was to be tremendously delayed. Some of the estimates to be prepared were very big and sometimes it took his Department a year or two in preparing one such estimate.

The Accountant-General, he added, had now relaxed the rules in this connection and now his Department could sanction estimates by parts. As a result of this relaxation, his Department had been able to reduce such objections by 50 per cent.

When asked, Shri Shiva Rama Krishna said that a sum of Rs 254 lakhs had been held under objection for want of technical sanction. The technical sanction in respect of Rs 172 lakhs had been obtained up to the 31st December 1953 and the remaining amount was still under objection for want of technical sanction.

The Accountant-General informed the Committee that 79 works in 1950-51, 123 works in 1951-52, 317 in 1952-53 and 230 in 1953-54 were started without sanctioning estimates. He added that the estimates in respect of many of these works had since been sanctioned and now the number of works without sanctioned estimates was 270.

Shri Varma submitted that he had explained to the predecessor of the present Accountant-General that even when an estimate was not technically sanctioned, for one reason or the other, the control was effective because the Executive Engineer had an estimate with him.

The Acting Chairman pointed out that it was a fundamental rule that no work should be commenced unless properly detailed designs and estimates had been sanctioned, allotment of funds had been made and orders for its commencement had been issued by the competent authorities.

Shri Varma pointed out the case of the High Court building. He said that it took him 1½ years to prepare its estimates and it was likely that it might take him six months more in completing them. If the technical sanction in respect of the estimates of this scheme had to be obtained before actually starting the construction work, the construction of this building would have been delayed for two years.

The Committee enquired whether the Chief Engineer thought the rule relating to technical sanction to be redundant or not salutary. Shri P.L. Varma said that this rule could not be rigidly enforced. If it were enforced rigidly, everything would stop.

The Accountant-General said that so far as the major works were concerned, their estimates could be technically sanctioned in parts but in respect of the small works, such a procedure should not be followed. Shri P.L. Varma said that the staff already provided to him was inadequate to come with the existing work and if it was wanted that every estimate should be technically sanctioned before the work was taken in hand with a view to exercising effective control over the volume of work entrusted to the contractors, then the existing staff should be increased by at least 4 or 5 times.

The Financial Adviser said that big scandals had occurred in many big projects simply because their estimates had not been technically sanctioned.

Shri P.L. Varma assured the Committee that his Department was straining every nerve to give the technical sanctions as fast as it could.

The Acting Chairman said that it had been noticed that about 86 works had been started without entering into proper agreements with the contractors and about 64.5 crores had been paid to the contractors. Shri P.L. Varma submitted that the legal position was that when a contractor gave his tender and it was accepted by his Department, it became a legal document. Sometimes the contractors refused to sign agreements for one reason or the other. In their cases, he signed their tenders and they became agreements.

The number of works in respect of which no proper agreements had been executed had since been reduced to 35, he added.

In one of these cases, a contractor had said the clause regarding the arbitration by a particular Officer provided for in the agreement was not acceptable to him. He wanted that an Officer of a higher status should be appointed as an Arbitrator. He said that he could not change this clause but he could only refer such cases to the Legal Remembrancer. However, he added, if a tender submitted by a contractor was accepted and signed by him, it became a legal agreement and the interests of the Government were fully safeguarded.

In reply to a question, Mr. P.L. Varma stated that tenders were received in the office of the Executive Engineer, where they were checked by the Accountant, Head Clerk and the Executive Engineer himself and that a very serious notice could not be taken of a discrepancy in the forwarding letter. When Mr. Murti observed that all the instances supported the view of the Committee that work should not be started without getting pucca agreements signed as otherwise there would be disputes, Mr. Varma explained the whole procedure. He said that tenders were received and checked in the office of the Executive Engineer and signed by that officer himself. The tenderer whose tender was accepted was informed and asked to send an acknowledgement letter. There was thus no weakness in the system and no difficulty in enforcing the agreement. When asked if any legal case had arisen, he replied in the negative.

When his attention was drawn to the fact that contract agreement statements were not complete, he submitted that the number of such cases had been reduced and that the Superintending Engineer was taking personal interest in those cases.

In reply to a question as to whether in cases in which the execution of work started without contract agreements tenders had been invited, Mr. Varma replied that this had been invariably done. Asked as to why there should be delay in executing contracts when they were having standard contracts in all cases except those of special or very big works, Mr. Varma submitted that sometimes it so happened that the tenderer or the man who had the power of attorney went out of India and could not be contacted. When questioned about the present position, he stated that the work was started only after the tender had been accepted, but that delays occurred as a number of formalities had to be gone through. Asked as to what steps he had taken to minimise the chances of disputes, he replied that he had directed that no payments should be made to a contractor, unless he signed the agreement forms without the permission of the Superintending Engineer and in some cases his permission. Shri Murti then observed that the fact that only formal contracts were required to be executed after the tenders had been accepted put an entirely different complexion on the matter. But he and the Committee are unable to understand why there should be such delay in the execution of contracts, if such was the case.

In reply to another question, the Committee was told that there was no such case where the tender had not been accepted and the work had been started. When asked as to why in some cases four or five payments had been made without the contract agreements being signed, Mr. Varma replied that a stage came where payments had to be stopped but the interests of work could not be ignored.

Questioned about the incompleteness of Work Abstracts Mr. Varma submitted that except for one Division viz. Public Health, these were complete and up-to-date in respect of all other Divisions. When it was pointed out to him that the same Division was the worst defaulter and that in that Division the value of the stores had been charged off but they had not been accounted for, he replied that the fact was that the items were too many and they had opened too many sub-heads. He added that he had deputed his own man to go into the matter. The Committee directed the Chief Engineer to go into the working of that Division very carefully. Mr. Varma submitted that the strength of the Public Health Division accounts and audit staff should be increased because the specifications of each item were far too detailed. He added that the Committee appointed by the Government to go into the questions of accumulation of arrears had reached the conclusion that the details were far too many to be watched at higher levels and that unless some effective method was devised to check them at lower levels things would not improve. According to him the remedy lay in overhauling the whole accounting procedure. To another question, he replied that there was really too much centralisation. In reply to the question whether even at Chandigarh he felt the need for decentralisation, Mr. Varma replied in the affirmative.

The Committee wish to observe that it is for the Departments to take all suitable measures to exercise rigid financial control, and strict observance of rules and procedure laid down. There could be no laxity on any account.

In reply to another question, Mr. Varma submitted that the physical verification of stores was done every year and that the position in this connection was satisfactory. There was no serious deficiency except in some cases which had been handed over to the Police. He also informed the Committee that card system had been introduced for the easy check-up of the stores.

Grant No. 27—Civil Works—Capital

At the outset, the Chief Engineer was asked as to why there were large variations under minor and sub-heads of the grant and why the net savings constituted more than 50 per cent of the final grant. Shri Varma submitted that items y-4 and s(ii) should be omitted from discussion as they related to the Capital Project which in 1950-51 was in a fluid state, without any plan or objective, and there was uncertainty about the date of the taking over of the possession of the land due to demonstrations and agitations. The Committee then decided to leave out the variations in the figures relating to the Capital Project and to deal only with the Civil Works under Buildings and Roads Branch.

When asked to elucidate the point mentioned at serial No. 1 on page 2 of the written reply, Mr. Varma submitted that it was due to the failure on the part of the contractor to fulfil his obligation. When asked whether any penalty was imposed on him for default, he replied in affirmative.

U—Miscellaneous.

	Rs
(1) Non-assessment of the rate of compensation by the Civil authority ..	3,99,626
(2) Non-announcement of the award by the Deputy Commissioners ..	34,123
(3) Non-acceptance of the compensation of the evacuees land by the Deputy Commissioners ..	2,16,237

The Committee wanted to know why there was delay in the acceptance of the compensation or announcement of awards. If there were some difficulties, why were the savings mentioned against the above items not foreseen and surrendered in time. Shri Varma submitted that he had gone into the whole question and found that at present his Department had a sum of Rs 15 lakhs on this account. He had made enquiries from the Commissioner and the Deputy Commissioners as to why this compensation was not being paid. He was told that the staff already working under the respective Deputy Commissioners was quite inadequate and that they required additional staff for handling this work. For doing this work, the Government had now placed an Officer at the disposal of the Buildings and Roads Branch who enjoyed the powers of a Collector.

In reply to a question whether the Buildings and Roads Department could not visualise these difficulties during that year and surrender the amount in time, Shri Varma replied in the negative.

The Committee then wanted to know—

- (i) when was the order for the purchase of machinery placed on M/s Larsen Tubro and Co. ?
- (ii) when was the estimate in question sanctioned by the Department ?
- (iii) why was not the question of funds considered at the time of sanction ?

Shri Varma stated that this case related to the purchase of a boring rig, orders for which were placed through the Director-General of Disposals and Supplies. The latter officer intimated that it was not possible to ship the rig in time for certain conditions. In the meantime the Buildings and Roads Branch carried on the work with another rig. Subsequently the Disposals Directorate asked the Buildings and Roads Branch to place funds at their disposal because ship documents would be the "paying basis". Enquiries made from that office revealed that no such provision had been made in the agreement and his Office, therefore, refused to pay the amount in advance. The Directorate, however, insisted that that was the normal procedure and 90 per cent of the amount involved should be paid in advance. This position was not accepted by the Buildings and Roads Branch.

The Accountant-General said that provision for the funds should have been made under the head "S(ii) Civil Works—New Capital" instead of under U-Miscellaneous—Departments" subordinate to "81—Capital Accounts, etc."

Shri Varma said that at the time when the provision was made, there was only one Superintending Engineer, Public Health who dealt with trial borings. The

funds in question were provided for him under "81—Capital Outlay" on the Buildings and Roads side. Later on the office of the Capital Organisation was separated from the Buildings and Roads Branch and the cost of rig, was paid out of the Capital Project funds and stated that this was a mistake.

The Committee wanted to know the reasons which led to the abandonment of 200 houses costing Rs. 1,98,844 at Hissar. Shri Varma said that the Government thought that this colony at Hissar might not prove successful, as there was no scope of employment for the people to be rehabilitated there and it was, therefore, abandoned.

Y—Suspense. Shri Varma submitted that the Buildings and Roads Branch had obtained large stocks from the Disposals Directorate. For three years, it could not be told to the Staff as to when the debits were expected from that directorate. In this connection, he had personally approached the Officers of the Accountant-General's Office three or four times. In his presence, he said, those Officers wrote several letters to the Disposals Directorate for transmission of the debits to his Branch. Shri Varma said that there was a mess of things in the Disposals Directorate and that they did not send the debits for a long time.

The Committee directed him to furnish a self-explanatory note in respect of the remaining points immediately.

Minutes of the 27th Meeting of the Public Accounts Committee held on the 10th March, 1954 at 9-00 a.m. in the Assembly Secretariat, Chandigarh

PRESENT :

Shri Kedar Nath Saigal	..	Chairman
Principal Habhajan Singh	..	} Members
Shri Rala Ram	..	
Rao Gajraj Singh	..	
Shri Daulat Ram Sharma	..	
Sardar Harkishan Singh Surjit	..	
Sardar Darbara Singh	..	
Shri R. Srinivasamurti, Accountant-General, Punjab		
Dr. Kuldip Chand Bedi, Secretary.		
Shri S. N. Vasudeva, Under-Secretary (Finance),		
Thakore Narindra Singh, Assistant Secretary (Finance)		

WITNESSES

Shri P.L. Varma, Secretary to Government, Punjab, P.W.D., B. & R. Branch.
 Shri R.P. Kapur, Secretary to Government, Punjab, Transport Department.
 Shri R.D. Budhwar, Provincial Transport Controller.
 Shri R.K. Gupta, Chief Engineer.
 Shri S.L. Malhotra, Chief Engineer.
 Shri R.R. Handa, Chief Engineer.
 Shri J.S. Claire, Superintendent, Government Central Workshops, Amritsar.
 (contd)

Grant No. 27—Civil Works—Capital. The Committee first continued the further oral examination of the Chief Engineer, P.W.D., B. & R. Branch. The first question was put by Shri Surjit. It related to the explanation given against items 48 and 56 for 1950—51 at pages 298—303 of the Appropriation Accounts. Asked as to why the Executive Engineer failed to obtain necessary funds, Mr. Varma stated that these items related to rehabilitation schemes viz. construction of small Townships and the drainage works connected therewith. He attributed excesses in question to the fact that under orders from the Rehabilitation Reorganisation the scheme of drainage and water supply pertaining to these Townships had to be omitted in spite of the opposition of his Department. Questioned further as to why there were excesses in all those cases, Shri Varma replied that there were two schemes in operation; some debits of scheme

No. 1 were debited to scheme No. 2 so that the expenditure which had to go proportionately to item 2 was debited by the Executive Engineer in its entirety to item No. 1. To Mr. Murti's question whether this had been done because there was not enough budgetary provision for item 2, he replied that this was not so and it was difficult to adjust expenditure on drainage works. The Committee desired that action should be taken against the Executive Engineer concerned. The Chief Engineer also should exercise at all levels greater and more effective control over expenditure. It is for the Chief Engineer, B.&R. Branch to arrange for adequate organisation, for this purpose.

In reply to the question whether they had a pucca schedule of rates based on the analysis of current market rates, the Chief Engineer said that they were still working on percentage rates which were adjusted according to the tenders received. He informed the P.A.C. that a Committee had been appointed by the Finance Department in May, 1953 to examine the question of discrepancies in rates, though no meeting had been held so far. Shri Murti observed that the whole schedule was out of date and stressed the need for bringing it in accord with the current market rates of labour and materials. It is very unsatisfactory that the Committee had not yet started work, even though it is nearly 10 months since it was appointed. The Committee desired that a schedule of Rates based on detailed specifications, and an analysis of Rates to accord with current market rates of labour, materials etc, should be made out very early.

Asked as to what control he exercised over the preparation of material-at-site accounts which remained to be prepared, Mr. Varma replied that he exercised no supervision over them except when the returns came to him through the Executive Engineers. He further explained that arrears had been accumulating since 1947 and that a Committee had been constituted to go into the question. The Committee had recommended that cases should be settled on the spot but somehow its recommendations had not yet been implemented. The P.A.C. then recommended that the recommendations of Ishar Dyal Committee as accepted should be implemented immediately and a three-man Committee be appointed to dispose of minor objections on the spot.

When it was pointed out to Shri Varma that there were as many as 6,000 items of the value of Rs. 5.92 lakhs under objection in his branch for want of sanctioned estimates, he was surprised and promised to give his personal attention to the disposal of these objections. Shri Murti observed that the position in regard to the disposal of inspection reports and audit objections in all the Branches of the P.W.D. was very alarming. He brought it to the notice of the Committee that so far as inspection reports were concerned there were 407 items outstanding at the end of October, 1953 and that the pace of their disposal had not quickened despite the fact that he sent quarterly list of arrears and expenditure held under objection.

The Accountant-General informed the Committee that items amounting to several lakhs of rupees had been held under objection for want of estimates, excess over estimates, and for other reasons.

Shri Varma conceded that there was a deterioration in the accounting system of his department but he felt that it could only be arrested by employing more trained staff and not by burdening the present staff which was already over-worked. He, however, promised to look into this matter and submit a comprehensive note for the information of the Committee.

Observation of the Committee. The Committee felt that the situation was alarmingly unsatisfactory and directed the Chief Engineer to take effective steps to remedy and check such irregularities as had been pointed out by Audit. The Committee desired that a Memorandum should be submitted very early in the matter.

Para 61 of the Audit Report—Arrears in Public Works Divisional Offices. Replying to a question Shri Varma said that the Ambala Division had a work load of 80 lakhs. He informed the Committee that the sanction of the Finance Department had been obtained for splitting this Division into two Divisions. After the splitting had taken place, Shri Varma added the arrears would soon be cleared up.

“Remittances into Treasury”, and “Cheques”. The Accountant-General pointed out that no effective action had been taken to reconcile the figures adjusted in Divisional Accounts and those accounted for in the Treasury Books with the result that large amounts were still outstanding.

Shri Varma submitted that the existing Units could not cope with the present work and that it was necessary to start some independent unit to finish the work under reference.

The Committee observed that the non-reconciliation of Divisional Accounts figures and the treasury figures might lead to defalcations and directed that suitable steps be taken at once to see that the figures were reconciled quickly.

Para 18 of the Audit Report. Withdrawal of money to avoid lapse of funds. In reply to a question, Shri Varma said that the Divisional Officer must have drawn the amount on receipt of a demand notice from the Deputy Commissioner's office. Shri Varma further said that he was aware of one or two cases in which the Executive Engineer failed to pay the amount in time and they drew the money from the treasury and paid the same to the people direct. The Committee desired to state that this was very unsatisfactory.

Para 28 of the Audit Report (vide Annexure XIII). The Committee enquired whether the work had been completed by the contractor or not. Shri Varma said that the Contractor had practically failed but the Executive Engineer asked him to find a financier and complete the work. After a good deal of trouble, he completed the work.

Shri Varma informed that he had now issued orders that whenever a negotiated contract was to be entered into all the tenderers must be approached in writing.

The Accountant-General suggested that the following procedure regarding acceptance of revised offers and quotations received after the opening of tenders, which had been prescribed for the Store Purchase Officer, could also be followed by the Buildings and Roads Branch:—

“Revised offers, tenders, or quotations should not ordinarily be considered but where this is deemed unsound in view of rates originally quoted being very high or otherwise all the tenderers should be given an opportunity to revise the rates, which should be fixed by negotiation.”

Mr. Varma said that instructions to this effect had already been issued to all those working under him. The Committee asked Shri Varma to explain what was the procedure at present observed by him in regard to purchase of timber required for the works. He said that he had bought timber only once for the construction of houses required for the displaced persons. In 1948 there was an acute shortage of timber because supplies from Jhelum had been stopped. The entire quantity of timber was to be supplied by Jagadhari. The Chief Conservator of Forests was asked to assist the B. & R. Branch in the purchase of this timber. One of the Executive Engineers along with a representative of the Forest Department went to select the timber. When the timber had been finally purchased, reports came in

that the right quality of timber had not been purchased. The whole matter was enquired into and it was found that some mischief had been done somewhere. The Executive Engineer was charge-sheeted and later dismissed. He said that it was very difficult for the Engineers to judge the timber in the shape of logs.

The Committee wanted to know as to whether it would not result in an economy if the B & R. Branch purchased their requirements of timber from the Forest Department and got the things manufactured through the contractors under their own supervision instead of purchasing finished goods. Mr. Varma submitted that supervision could be exercised over the contractors only if the work was done under factory conditions. The Committee then recommended that in the interests of economy timber should be purchased from the Forest Department by the B. & R. Branch directly and that it should be converted into furniture etc, under factory conditions under the latter's supervision. Mr. Varma was of the view that this proposal would be practicable and economical only if the Forest Department guaranteed the quality of the wood supplied by them.

Questioned as to why his Department was not making full use of the Government Central Workshops, Amritsar, where the overheads were so very high. Mr. Varma stated that the rates quoted by the Workshops were very high as compared with the market rates. In this connection, he cited the case of concrete mixers and casing pipes. He was of the view that the method of accounting overheads in the Amritsar Workshop was wrong and that unless the capital value of the plants was written down its rates could not become competitive.

Mr. Varma then undertook to supply a note to the Committee in regard to Rs. 4,05,389 worth of material that was intended to be utilised for the construction of storage bins and station godowns but had been lying unutilized. He, however, informed the Committee that the material consisted of only steel, iron hoops, etc. and not cement.

The Committee then wanted to know the action taken by his Department to carry out the recommendations of the previous P.A.C. Shri Varma promised to send a note in this connection to the Committee.

When his attention was drawn to excesses under various items in the Appropriation Accounts pertaining to his Branch, Mr. Varma undertook to send a written reply. When asked to explain the excess under item relating to Establishment he submitted that it was due to a revision of procedure. The Finance Department had agreed, added Mr. Varma, that they should charge establishment charges on Rehabilitation works to head No. 81 while the Accountant-General had expressed the opinion that they should be charged to Civil Works. Shri Murti remarked that some of the expenditure under Suspense could have been distributed to other works.

In regard to large savings under sub-head S. Grant No. 23 and V Grant No. 27, etc, the Chief Engineer accepted that in some cases the funds could be surrendered, but due to a misunderstanding it was not done.

Then the attention of the Chief Engineer was drawn to the objection made in para 297 of the Audit Report, 1952. He was asked as to what steps had been taken to avoid losses on account of excess payments of compensation for buildings requisitioned for occupation by Government servants not drawing sufficient pay. Mr. Varma stated that he would send a note explaining the present position in regard to this matter to the Committee.

Grant No. 33—Miscellaneous; Grant No. 37—Capital outlay on Provincial Schemes of State Trading (Annexure XX): The Committee then examined Shri R. P. Kapur, Secretary Transport Department and Shri R.D. Budhwar, Provincial Controller.

When asked, Shri Bhudhwar gave the following information.

1952-53

Ambala Roadways		Jullundur Omni bus Service	Amritsar Omni bus Service
Strength of the Fleet ..	73	58	95
Number of Buses actually put on the road daily	59	44	71
Mileage operated ..	2,417,798	2,070,522	3,894,160

Shri Kapur said that till recently 75 per cent of the fleet was being put on the road and the remaining was being kept in reserve. But now, he added, instructions had been issued that only 10 per cent of the fleet should be kept in reserve and the remaining should be put on the road.

In reply to a question, Shri Kapur said that it was found more economical to have a less number of buses in reserve and that was why he had already issued instructions reducing the percentage of fleet to be kept in reserve to 10.

He said that if the Bus Services had to operate on long routes, they could keep a less number of buses in reserve but when they had to operate on shorter routes, more buses were required to be kept in reserve.

Shri Budhwar informed the Committee that the Government Transport Services had taken to longer routes some time back but no additional staff had been appointed for running the buses thereon.

In reply to a query, Shri Kapur said that there was scope for reduction in the number of posts at that time but now it was not possible to retrench any person because all the persons were kept fully busy.

Sardar Harkishan Singh Surjit said that the Transport Department had stated in the written material furnished by it that there was a great decline in receipts. The average number of passengers carried per mile was nearly 3 in the case of Jullundur Roadways, less than 2, in the case of Ambala Roadways and only 2.57 in the case of Amritsar Omnibus Service. He felt that no private operator would ever run bus services on this basis, and enquired:—

(i) what steps had been taken to reduce the expenditure on overheads;

and

(ii) what was the cost of carrying one passenger over a distance of one mile?

When questioned as to why frequency of services had not been reduced with a view to increasing the earnings per passenger mile, Mr. Kapur replied that it was not always on economic grounds that services were being run and that essential

routes could not be closed down. In reply to a question whether it was not considered necessary to show profits to make the scheme of nationalisation of road transport successful, Shri Kapur stated that the Department always examined how a particular route was being operated but public convenience could not be ignored. His view was that the object of the nationalisation of roads transport was not just to earn profits but to provide greater amenities to the public also. In reply to another question, he said that even after accounting for several items of expenditure such as Income-tax, Registration fees, Sales Tax etc., which the private operators had to incur, their bus services were showing profits. He added that they were calculating interest also in their working accounts though the private companies were not doing so.

The Committee was then told that the Punjab Transport Department had monopoly only over Jullundur-Amritsar route. Asked as to whether fares had been increased on this route, Mr. Kapur replied in the negative. When Mr. Surjit joined issue with him saying that the fare had been increased from Rs 1-9-0 to Rs 1-11-0, Mr. Kapur promised to make enquiries and verify it.

The Chairman then pointed out that the seats were very narrow and inconvenient. At his suggestion, Mr. Kapur agreed to travel in the Government buses to see things for himself.

The Committee was then informed that the Transport Department had three Workshops for the servicing, maintenance and repairs of the vehicles. When asked as to why the average number of passengers carried had not improved even in years subsequent to 1950-51, Mr. Kapur replied that it could improve only if the Government got longer routes. He, however added that expenditure had been reduced considerably by eliminating competition between one Government service and another, by installing diesel operated engines in buses and by standardising expenses on establishment, petrol, spare parts etc. in all the services and fixing optimum limits in all cases.

Asked about the measures adopted to prevent leakage of receipts, Mr. Budhwar submitted that a proposal to grant cash rewards to provide incentive to the staff was under consideration.

Sardar Harkishan Singh Surjit said that he did not see any reason why the Transport Department should keep on three General Managers and heavy staff under the present circumstances.

Shri Kapur said that the Transport Department had to operate right from the Pakistan border up to Rajasthan. In the coming financial year, the Department was going to expand its services. It was proposed to have in each Service at least 150 buses. In these circumstances, he said that it would neither be administratively feasible nor economically sound to have one General Manager for controlling such a large area of operations and a big number of buses. The maintenance was the crux of the entire problem. He informed that instructions had been issued to the General Managers to spend less time on the deskwork and devote as much time as was possible in the Workshops to see that the vehicles were maintained properly.

Replying to a question, Shri Budhwar said that the pay of a General Manager ranged from Rs 600 to Rs 750.

Sardar Harkishan Singh Surjit said that the statement of accounts showed that there had been loss and not any gain. He wanted to know, as a commercial concern

how could the Transport Department justify the running of these services. Shri Budhwar said that the year 1952-53 was admittedly a bad year. The reasons for the fall, he added, in the profits of the Government services during that year were:—

- (1) General Trade slump.
- (2) Imposition of Passenger Tax with effect from the 1st September 1952.
- (3) Running of shuttle train services between Jullundur and Amritsar.
- (4) Closing down of Wagah border and general tension as a result of strained relations between Pakistan and India during that period.
- (5) Increased cost of labour, enhancement of rates of dearness allowance, payment of arrears in thousand rupees as a result of benefit of war service given to ex-service men employed in the Government transport services, free issue of uniforms.
- (6) Increase in the rate of interest on capital from 3 to 3½ per cent.
- (7) Abnormal increase in the number of cycle rickshaws in Jullundur and Amritsar.

Shri Kapur said that his own personal feeling was that there had been a leakage of revenue during that year.

In reply to a question as to what steps had been taken to prevent such leakage, Shri Kapur said that the supervision had been tightened.

The Committee wanted to know whether it was justified to keep a General Manager for running a route mileage of 310. Shri Budhwar said that the route mileage was quite distinct from the mileage operated. The total mileage operated by the Jullundur Omnibus Service during the first six months of 1953-54 was 1,112,757.

Replying to a question, Shri Kapur said that the persons appointed to the posts of General Managers possessed both administrative and technical knowledge. At present there were two Gazetted Officers in each Government Transport Service, viz. General Manager and Works Manager.

Sardar Harkishan Singh Surjit said that the Store Accounts of Amritsar Omnibus Service showed a shortage of stores reported by the Sub-Committee,--vide page 400 of the Appropriation Accounts. He wanted to know the extent of shortages that had been established and what action had been taken against the person responsible therefor. Shri Kapur said that a Civil Suit had been filed and the amount had been decreed. The person responsible for this loss had been dismissed from service.

Replying to a question, Shri Kapur said that a physical verification of stores in stock was being conducted every month and adequate control was being exercised, against loss by theft, pilferage, etc.

Shri Budhwar said that the Transport Department was purchasing its bulk requirements of spare parts, tyres, tubes, etc. through the Director-General of Supplies and Disposals.

Shri Kapur informed the Committee that till recently private people were building bus bodies for the Transport Department at the rate of Rs 5,500 per body. Now the Department had decided to build these bodies at its own Workshops.

The Chairman said that the Committee understood that the audit objections were not being attended to properly by the Transport Department and wanted to know what steps were being taken by that Department to dispose them of expeditiously. Shri Budhwar said that every effort was being made to dispose of the audit objections and reports, as quickly as possible.

Shri Vasudeva informed that the Finance Department had evolved a new system under which each Department would be required to maintain a Register of outstanding Objections and Reports which would be seen periodically by one of the Officers of the Finance Department. This, in his opinion, would ensure a quick disposal of the Audit Objections and Reports.

At this stage the Secretary stated that during the days of the Session, the two English Reporters who took down the proceedings of the Committee verbatim had to attend the meetings of the Assembly also. They found it very difficult to cope with this work as well as the other work. He suggested that instead of having the proceedings of the Committee recorded verbatim, the Committee might have a summary of the proceedings. The Committee accepted his suggestion but felt that the number of the English Reporters was insufficient and directed him to take steps to have at least two more English Reporters for this purpose.

Grant No. 7—Irrigation (Works): Grant No. 8—Charges on Irrigation Establishment; Grant No. 9—Irrigation—Capital (Annexure VI and VII).

The Committee examined Shri S.L. Malhotra, Secretary Running Canals Administration, Shri R.R. Handa, Secretary, Bhakra Canals Administration, Shri R.K. Gupta, Secretary, Project Administration and Shri J.S. Claire, Superintendent, Government Central Workshops, Amritsar.

First of all, the Committee wanted to know why there were very large variations under these grants and defects in budgeting, as also the steps taken to ensure accurate and closer budgeting. Mr. Gupta explained that the statements of Excesses and Surrenders were not being prepared with greater care. The Committee next asked about the procedure followed by the P.W.D. Irrigation Branch in regard to the purchase of timber required for works. Mr. Gupta stated that it was being purchased from the contractors at rates generally lower than those specified by the Forest Department. Asked as to whether they were prepared to place tenders on the Forest Department for their requirements of timber, in case the departmental working of forests was increased, Mr. Gupta replied that they had no objection provided supplies were made in time and throughout the year. Mr. Murti observed that if there was co-ordination between the two Government Departments, the Forest Department should be able to supply timber to them at much cheaper rates. Shri Gupta submitted that this was true only in theory because it had yet to be seen whether in practice the departmental operations would cost more or less.

The Chief Engineers of the Irrigation Branch were next asked to state the extent to which the Government Central Workshops, Amritsar, was being utilised and the steps that they were taking to avoid losses due to high overheads. Mr. Claire submitted that for the last 15 months the capacity of the Workshops was being fully utilised and there were no losses but on the other hand there had been a profit of Rs 3.50 lakhs during 1952-53. Actually they were working on a 'no profit no loss' basis and the losses were the result of undistributed overheads due to a faulty system of accounting.

As regards utilising the capacity of the Amritsar Workshops and purchasing stores required for Bhakra-Nangal Project from there, Mr. Gupta stated that as the cost of the Project was to be shared by three States, the Bhakra Control Board would not allow them to purchase the stores from the Central Workshops regardless of the prices quoted by them, and so they had to purchase stores at competitive rates. Moreover, the Workshops could not always meet their requirements in time.

In reply to another question, Mr. Claire stated that the Workshops were working to full capacity.

Asked as to why the rates quoted by the Central Workshops for casing pipes and concrete mixtures were higher than the market rates by 25 per cent, Mr. Claire said that it must be an old case. Mr. Gupta explained that after Mr. Claire took over as Superintendent of the Workshops, they had written to all the Departments that they should also be allowed to quote for the stores required by them because they were prepared to compete with other commercial firms.

When their attention was drawn to the stores purchased by them from foreign firms in connection with Harike Project, Rupar Project etc, Mr. Gupta replied that they wanted the stores within a certain time but the Central Workshop was not in a position to supply them within that period. Mr. Handa added that the Central Workshops were very busy and that there was also the difficulty of getting steel but it was not correct that it was being ignored. Under the present Superintendent, the strength and the capacity of the Workshops were being increased he added.

Attention of Shri Gupta was drawn to the following statement made by Mr. Claire before the Public Accounts Committee on the 16th January, 1954, at Amritsar:

The second case relates to the Rupar Project. Orders for gates and hoisting mechanisms for this Project have been placed elsewhere presumably on the assumption that the outside manufacturers would do the job within the fixed time. The date fixed for completion of this job is March 1954. I may mention that no manufacturer can complete this job by March, 1954. But a private concern has the advantage over the Central Workshops that it can give unrealistic dates of completion solely with a view to getting the orders whereas the Government Central Workshops have no desire whatever to see an escape from realities.

The Committee enquired whether the Superintendent, Central Workshops, was asked to submit his tender in this case. Shri Gupta said that the Director-General of Supplies and Disposals had invited open tenders and the Superintendent, Central Workshops must have submitted his tender. He further said that the time was the most important factor in this case. The Government could not afford to delay the installation of the machinery beyond a particular date.

The Committee observed and the Chief Engineers agreed that it was better to give the work to the Government Central Workshops, even if it meant a little higher cost, than keeping them idle.

Shri Gupta said that the Bhakra Control Board had decided to accord preferential treatment to the Government Central Workshops, Amritsar. The Board had decided to place orders with these Workshops even if the amount quoted in any of their tenders exceeded the amount quoted in the lowest quotation submitted by any private firm by 5 per cent. The Workshops were also being asked to quote whenever a tender notice was issued.

The Committee observed that the Chief Engineer, P.W.D., Irrigation Branch, should exert pressure upon other Departments such as the P.W.D. Electricity Branch, Agriculture Department etc.etc. to see that whatever articles they required were manufactured at the Central Workshops, Amritsar.

Shri Gupta said that a letter had already been issued to all the Departments saying that the Superintendent, Central Workshops, must be consulted while placing

orders for the supply of articles costing more than Rs. 10 thousand. If he was unable to manufacture those articles at the Workshops, then orders therefor should be placed with the private firms.

Attention of the Chief Engineers was also drawn to another statement made by Mr. Claire before the Public Accounts Committee on the 16th January 1954, which reads thus:—

“My predecessor was asked to undertake certain work in connection with Harike Project, but he acted in a manner which made no sense to any body. The Designs and Deliveries offered were useless with the result that the Department had to go outside.

At that time, the Workshops did not have the capacity but it could have been created as we have done now by extending the structural steel shops. This could have been done three years ago and they could have produced Harike Gates and Gearing”.

The Committee enquired why was not the then Superintendent asked to create the capacity?

Shri Handa said that it was found that Mr. Drogden (a foreigner), the then Superintendent, was not working in the interest of the country. The Government paid him six months' salary and turned him out.

The Committee wanted to know whether it was a fact that the contractor in this case was not able to supply the machinery at the quoted rate and within the specified time. Shri Gupta said that the contractor had not so far made any change in the quoted rate but he was not able to supply the required articles within the specified time. The reason for this was that the gearing parts were being manufactured in Scotland and due to various controls imposed in the U.K., Scotland etc. they were not arriving in time in India.

When questioned about the details of the tube-wells actually sunk, the penalty leviable on the contracting firms which had failed to do the work within the stipulated time and the penalty actually levied, Mr. Malhotra handed over a statement showing the actual progress of the tube-wells scheme. He then stated that notice had been given to the contractor and a sum of Rs 70,000 was to be charged as penalty from him. Suitable action in terms specified by the P.A.C. was already being taken, he added. He, however, informed the Committee that the work was being carried on in the most difficult area which was marshy and water-logged and that the contractors performance was not really so bad as it appeared to be. Asked as to whether he had examined the accounts of the firm, he replied that till then he had not. When questioned about the estimated cost of a tube-well, he said that he would send the Committee information about the figures asked for. The total amount was, however, stated by him to be of the order of Rs 1.40 crores. He informed the Committee that the cost of the tube-wells sunk departmentally had been less because they were not so deep.

Asked as to whether proper accounts of the advance payments both ex-India and in India and recoveries had been kept, he replied in the affirmative. When Mr. Murti pointed out that these accounts had not been made available to him, Mr. Malhotra promised to look into the matter.

In reply to another question, Mr. Malhotra stated that the machinery became the property of the Government only when the final payment had been made.

On being questioned about the expectations regarding recovery of the penalty of Rs. 70,000, he replied that the question had to be considered both from legal and other points of view. Asked as to why the dates of completion of work were extended, he said that 8 tube-wells were to be sunk in water-logged areas and he could say from personal knowledge that it was impossible to finish the work in time.

Asked as to whether there were adequate arrangements for physical verification of the stores, Mr. Gupta referred to P.W.D. Code rules under which all stock must be measured every six months by the Overseer in charge and every two years by the S.D.O.

In reply to the question why Half-Yearly Stock Returns for 1951-52 had not been sent till then, Mr. Gupta replied that they had since been sent.

When questioned about the very large number of outstanding audit objections and inspection reports, Mr. Handa said that these had multiplied partly due to the inefficiency of the Divisional Accountants and partly due to the repetition of the same objections every year in a different language and partly due to the lack of adequate staff and consequent accumulation of arrears. According to him, there was nothing very serious about them. When Shri Murti was asked as to whether it was a fact that the efficiency of Divisional Accountants had deteriorated, he replied that he could not accept the vague statement. It was clearly laid down in the rules that the Engineers are responsible not only for the financial regularity of the transactions of the Divisions, but also for the maintenance of accounts of transactions correctly and in accordance with the rules. The Divisional Accountant is there only to assist them. (Rules 2.10 and 2.14 of D.F.R.). He also informed that it is mainly in view of this attitude of the Executive Departments that it has been decided by the Comptroller and Auditor-General in consultation with the Government of India that the Divisional Accountants are not primary auditors on his behalf. It has also been decided that the cadre of Divisional Accountants should be transferred to the control of the State Government from April, 1954.

The Committee observed that the method of approach of the Chief Engineer (Mr. Handa) was entirely incorrect and strongly emphasised that the Chief Engineer and his Officials must realise that they are primarily responsible for the proper execution of works, financial control and accounting.

Shri Murti then brought to the notice of the Committee that in respect of 1,016 items of the value of Rs. 65 lakhs relating to Running Canals Administration, detailed sanctioned estimates had not been supplied till then. Mr. Malhotra promised to look into the matter and to depute a Superintending Engineer to see that all these cases were expeditiously dealt with. He was asked to send a note to the Committee on this point.

Minutes of the 28th Meeting of the Public Accounts Committee held on Thursday
the 11th March, 1954, at 9.00 a. m. in the Assembly Secretariat,
Chandigarh

PRESENT:

Shri Kedar Nath Saigal,	..	Chairman	
Shri Rala Ram	..		} Members
Principal Harbhajan Singh	..		
Shri Daulat Ram Sharma	..		
Sardar Harkishan Singh Surjit	..		
Rao Gajraj Singh	..		
Shri R. Srinivasa murti, Accountant General, Punjab			
Dr. Kuldip Chand Bedi, Secretary.			

WITNESSES

Shri N.N. Kashyap, Secretary, Finance Department.

Shri S.R. Maini, Secretary to Government, Health and Local Government Departments.

Dr. A.C. Joshi, Deputy Director of Public Instruction.

Shri S.S. Kumar, Chief Engineer, Electricity Branch.

Para 46, Page 27 of the Audit Report.

The Committee examined Shri N.N. Kashyap, Secretary, Finance Department, Shri S.R. Maini, Secretary to Government, Health and Local Government Departments and Dr. A.C. Joshi, Deputy Director of Public Instruction.

The Committee wanted to know the detailed reasons for the large and increasing number of Grants and amounts lying unspent with the local bodies.

Shri Kashyap said that one of the reasons usually given was that the local bodies got the grants late in the year with the result that they were unable to spend them fully.

The Education Department had now decided to give grants in quarterly instalments.

The Sanitary Board had also passed a Resolution that in future large grants-in-aid would be given to local bodies by instalments in order to obviate the amount remaining unspent for longer periods. Shri Kashyap further said that the Finance Department was exerting pressure on the Education and Health Departments to see that the first instalment was fully spent before giving the second instalment to the local bodies.

The Accountant-General pointed out that in the case of Medical and Public Health grants, the procedure prescribed in the Manual, viz., that the amount required for immediate disbursement should only be given, was not being followed by the Department.

Shri Maini said that his Department had written several letters to local bodies but only a few of them had responded in time.

It was suggested that unless the local bodies accounted for the grants already given to them, no fresh grants should be allotted.

Shri Rala Ram wanted to know whether it would be possible for the Finance Department to place the grants at the disposal of local bodies in the month of April or May every year. Shri Kashyap said that immediately after the receipt of the details of a scheme pertaining to the subject of "Health" or "Education," the Finance Department issued the first instalment.

The Accountant-General pointed out that he had received a letter from the Director of Health Services wherein he had asked the former to supply figures of unspent balances of Grants with various grantees. He said that this information should have been in the possession of the Director of Health Services who actually administered the grants relating to his Department.

The Committee noticed that the Health and Education Departments did not know even the details of grantees. They had not taken steps to see that no fresh grants were given until the previous grants had been completely spent by the local bodies.

Dr. Joshi pointed out that in the United States of America the grants were given for a period of three years. Such a procedure, he said, enabled the spending authorities to spend the amounts most wisely, appropriately and systematically. He requested the Committee to consider whether it was not possible to introduce such a system in India. The Accountant-General pointed out that unless the main conception of "Appropriation Accounts" and "Vote of Grants" was changed, which inevitably involved the amendment of the Constitution, the procedure suggested by Dr. Joshi could not be followed. Actual provision and payments of funds could be made only on an annual basis and though there might be a biennial on other period programme.

Shri Kashyap suggested that the Secretary Health and Local Government Departments might be given time to go into the whole matter and find out what were the defects in the present system.

The Committee accepted his suggestion and directed that the Secretary, Health and Local Government Departments, should first find out why these grants were not spent by the local bodies and thereafter in consultation with the Finance Secretary devise ways and means to ensure that—

- (i) these grants were spent by the local bodies within the period allotted ;
and
- (ii) the departmental rules were complied with when the grants were made available to the local bodies.

The Committee desired Shri Maini to submit a complete report about the action he had taken in this matter.

Stationery and Printing Department, Part 27 of the Audit Report (Annexure XVII)

The Committee examined Shri S.R. Maini, Secretary to Government, Health and Local Government Departments and Shri S. K. Luthra, Deputy Elections Commissioner.

In reply to the question as to who had destroyed the file and on which date, the Committee was informed that it had been destroyed by the Weeding Officer. The Committee was told that the date would have to be ascertained from the records at Simla. Shri Murti then observed that when the audit para relating to that objection had been sent to the Government long ago there was no reason why the file should have been destroyed.

Mr. Luthra then submitted that the Government had decided to give the work to the selected Presses and requested the Committee to note the word "the". He also pointed out that it was decided to give the work to some more Presses to have a wider scope for tenders.

**Grant No. 25—Electricity Schemes—Working expenses, and Grant No. 28—
Electricity Schemes—Capital expenses.**

The Committee then examined Shri S. S. Kumar, Chief Engineer and Secretary to Government, Electricity Branch, Punjab.

Shri Kumar was first asked as to why written replies to the questionnaire were not supplied to the Committee by the 7th March, as promised in the last meeting of the Committee at which the Chief Engineer could not be present. Shri Murti told the Committee that he had received the material just then. Shri Kumar explained that soon after his return from Delhi he had sent an Officer to all the Divisions to collect the necessary information because in spite of repeated Demi Official letters and telegrams complete replies were not sent to him. Asked if he had gone through the replies himself and could vouchsafe for their correctness, Shri Kumar replied in the affirmative. Questioned about the inordinate delay in obtaining replies from his subordinates, Shri Kumar submitted that they had remained too busy up to that time due to rush of the work at Nangal. The Committee observed that it was a case of inexcusable laxity on the part of his subordinates and that it was strange that the latter did not reply to his repeated reminders.

The Committee observed that matters relating to financial control and P.A.C. work should be dealt with promptly and the Chief Engineer should take personal interest and exercise greater control over his subordinate officials.

In reply to a query, Shri Kumar said that all the Government-owned Thermal Stations (Annexure XV) were running at a profit.

The Accountant-General pointed out that without conducting a proper load survey, the diesel sets had been installed at Jagadhri and Panipat.

Shri Kumar said that the then Director of Industries had made his recommendations in this behalf only after conducting a load survey and it was only on the basis of his recommendations that the diesel sets had been installed there.

The Committee drew his attention to the following extract from the proceedings of its meeting held on 2nd February, 1954 in which the Director of Industries was orally examined:—

Shri R. Srinivasamurti : It has come to the notice of my office that a sum of rupees ten thousand was spent on a Work Centre at Jullundur but for want of an electric connection no work could be done and it had to be closed in June, 1951.

Sardar J. S. Basur : As I have said, in the beginning no detailed survey was undertaken as things had to be done in a hurry.

Shri R. Srinivasamurti : So far as the Enamel State Work Centre is concerned, machinery was acquired but could not be put to use for want of an electric connection.

Sardar J. S. Basur : Even some industrialists who have purchased plots in industrial area have not been able to get electric connections.

Rao Gajraj Singh : As between the two Government Departments, you could manage to get the electric connections.

Shri R. Srinivasamurti : It was due to want of proper planning that losses occurred.

Sardar J. S. Basur : When these centres were started, workers had no training and the goods produced were naturally inferior and could not be sold.

Shri R. Srinivasamurti : We can understand losses which were due to poor workmanship of the trainees and due to the fact that the Work Centres were established without regard to the availability of the raw material and other equipment.

Sardar J. S. Basur : I have given you the reasons for this.

Rao Gajraj Singh : Why should the centres have been opened without first making sure that the electric connection would be sanctioned and given.

Sardar J. S. Basur : It must have been thought that the sanction would be forthcoming. Even some industrialists who have purchased plots in the industrial area were under this very impression, but they have not got the connections yet.

Shri Kumar said that the fact was that the Enamel Work Centre did not even have the premises for a long time even after the lines had been laid out. The allegation that the industrialists, he added, who purchased plots in industrial areas could not get electric connections was totally incorrect. The power was available at that time and no connection was withheld.

Shri Kumar said that in view of the most unsatisfactory development in the industrial area at Bahadurgarh, it was decided not to instal the two 240 kW sets which had already been received thereby avoiding incurring further capital expenditure and the same had therefore been transferred to the Capital Project in the best interest of public service. The power at present being generated at Bahadurgarh was more than sufficient to meet with the requirements of the local people there.

In reply to a question, **Shri Kumar** said that, as a commercial concern he would not have installed the diesel sets there at that time.

Palwal Scheme

The Accountant-General said that the Palwal Scheme costing Rs. 2,98,477 was sanctioned in 1949. Subsequently it was revised in 1951 and the cost of the scheme was raised to Rs. 4,23,241. It was taken over from the licensee as he had

failed to electrify the town. According to the project estimates, this scheme was likely to become productive from the year 1953. The working results of this scheme were as follows :

Year		Rs.
1949-50	..	—14,640
1950-51	..	—13,624
1951-52	..	—5,906
1952-53	..	+ 662

Shri Kumar said that normally a scheme became productive after five years of its start.

The Committee wanted to know what were the financial results of the Electric Supply Schemes which had been taken over from the private undertakings.

Shri Kumar said that it was in 1945 that the Government of India issued instructions that as far as possible the Electric Schemes should be run by the State Governments themselves. In pursuance of that policy and under the Electricity Act, 1948, the Abohar, Fazilka, Karnal, Moga and Kalka Electric Supply Companies had been acquired. The Government was going to acquire the Panipat Electric Supply Company in July, 1954 and the Sonapat Electric Supply Company in February, 1955.

In reply to a query, Shri Kumar said that all these companies had diesel sets.

When questioned about the heavy losses in Thermo-Electric Schemes, Mr. Kumar submitted that at present there were no losses. He explained that the thermal schemes had been sanctioned immediately after the partition for rehabilitating the people because in East Punjab there was no source of supply barring a few licensees. Power was required for new townships and industrial centres to be established in various towns of the Punjab. Survey was carried out on the basis of the data supplied by the Director of Industries and diesel sets were installed because hydro power was not expected to be available in the near future but at certain places not a single industry was started. Asked as to the steps he was taking to avoid losses in future, he expressed the opinion that it was possible only if the Government did not force a Commercial Department to go in for schemes which were declared as unproductive right from the beginning. The Thermo-Electric Schemes were started for the rehabilitation of the uprooted people which was a major problem facing the Government at that time. Mr. Kumar added that after that no scheme had been launched which had not been shown as productive or nearly so and that a reference was invariably made to the Finance Department before proceeding with any scheme on a commercial basis. When asked if losses could be minimized on the existing schemes, Shri Kumar replied that when hydro power came, they would become paying concerns because of the development of the load which was sure to develop with the coming down of the rates.

When questioned about the rates, Shri Kumar replied that they varied from Re 0-7-0 to Re 0-8-0 and that for running the industries the rate was Re 0-1-6 and for operating tube-wells it was 2 annas. In reply to another question, he submitted that the concessional rate of 2 annas for industries had been decided upon by the Cabinet. Mr. Kumar also stated that the Hydro-Electric Sub-Committee of the Cabinet had decided that the 50 per cent of the losses incurred on the Thermal plants should be borne by the Bhakra Project, 25 per cent by the Rehabilitation and 25 per cent by the Irrigation and Industries Departments.

Regarding the audit objection given in para 17 of the Audit Report, Mr. Kumar stated that in that case of advancing Rs. 20 lakhs to Volkart Bros., Government had saved a large sum of money because the firm had agreed to make the supplies on the rates first quoted by them in spite of the fact that by the time sanction could be obtained devaluation had taken place. He added that the stores in question were required for two big stations but not knowing how much was applicable to one or the other, a lump sum was paid as advance and the amount was charged to "Miscellaneous P.W. Advances". When the Accountant-General objected that they should have been charged to the works concerned, he replied that his local officer did that. Realizing the difficulties it would have landed them into because of the wrong booking of the different parts of the plant at different places, the amount was put in Works "Suspense" Account. Correspondence regarding this matter had been going on between them, the Accountant-General and the Finance Department for the last 3 or 4 years.

Shri Murti observed that it was not a correct procedure to put the stores under the head 'Suspense' and that materials should be charged to the work concerned. The stores could be shown in material-at-site accounts within the work concerned. He quoted the Departmental Financial Rules in support of his view.

In reply to the question as to whether written instructions had been issued to the subordinate officers with a view to showing the cost of stores under the works concerned instead of sub-head 'Suspense', Shri Kumar replied that this had been done in March, 1953.

Asked if advances were paid before the shipment of the material ordered, Mr. Kumar replied in the affirmative. In reply to another question he stated that orders were not placed through Director-General of Disposals, but directly with the firms after the decision of the Hydro Sub-Committee of the Cabinet. Asked as to whether there was any guarantee about the foreign firms fulfilling their obligations, Mr. Kumar replied that their names and the control of the Ambassadors of their country were the only grantees because the firms would not accept a penalty clause. He further stated that when the rush of the demand was too much, the suppliers always asked for advance payment, 20 to 25 per cent with the contract, up to 60 per cent within two years and 90 per cent on the receipt of material. Material had, however, been received in all cases, he added.

The Committee wanted to know what works were being done by the departmental agency and what works were being let out on contract.

Shri Kumar said that in the Electricity Branch all works barring civil works were being undertaken departmentally.

In reply to a query, Shri Kumar said that the civil works were being given after inviting tenders. Tents, fans and articles of furniture were being purchased through the Stores Purchase Officer of the Punjab Government. Most of the highly technical equipment was being purchased after inviting tenders by the Electricity Branch itself. Some of the equipment was being purchased through the Director-General of Disposals and Supplies, Government of India.

Pages 277-278.

The Committee wanted to know the reasons for the delay in inviting tenders and making arrangements for the purchase of vehicles, lighting and shifting equipment etc. worth Rs. 4,35,000 thereby resulting in lapse of funds.

Shri Kumar said that the Technical Equipment Committee agreed to the proposals on 6th July, 1950. Before placing orders, the approval of the Irrigation

and Hydro Electric Committee had to be obtained and the current prices had to be ascertained. The information with regard to the availability of vehicles had also to be obtained from the Director-General of Supplies and Disposals. As the value of the equipment was quite heavy (it was round about 4 lakhs) it was decided to ascertain the correct prices by inviting tenders through the leading dailies of different States and the Indian Trade Journal in accordance with para 2.67 of the F.W.D. Code (Second Edition) Comprehensive details of our exact requirements and conditions of supply had to be prepared before the issue of general notice. In accordance with the Government instructions, the advertisement notice was sent to the Director of Public Relations on the 30th August, 1950. In order to enable the firms to submit complete and comprehensive tenders, a period of at least 2 months had been allowed to the tenderers.

Tenders from 34 firms were received by the end of November, 1950. It was anticipated that the final decision would be taken before the close of the financial year and the funds would be utilized. In this connection, it should also be remembered, Shri Kumar added, that full payment was required to be made in the case of vehicles against delivery. While going through the tenders, it, however, transpired that the tenders submitted various alternatives in respect of each item so much so that the number of alternatives reached a very high figure of 209. So actually the Electricity Branch had to consider 209 tenders and make a comprehensive statement. These 209 alternatives, Shri Kumar said, had to be examined from different angles, e.g., make, design, pattern, reputation, service guarantee and suitability of the equipment for various jobs. This task became all the more difficult when there were various alternatives with very narrow differences. Moreover, some of the tenders were not complete and clarifications had to be sought from the various tenderers. It was considered advisable that the trailers should preferably be purchased from the firms which had quoted for the tractors and as such enquiries had to be made again from such firms. The Electricity Branch thought it possible that the final decision would be taken before the close of the year. The field staff was pressing for the supply of vehicles as no work could be carried on without proper transport arrangements. In view of these circumstances, the funds could not be surrendered, at the time of submission of the list of Excesses and Surrenders.

In reply to a query, Shri Kumar said that he was fully satisfied that it was not possible for the Electricity Branch to surrender the amount well in advance. The Committee could not however agree with this view the facts adduced on the contrary indicate that delay in obtaining stores and making payments during the year was more or less inevitable.

The Chairman pointed out that during 1951-52 there was again a saving of Rs. 5.39 lakhs. The lapse of grant indicated lack of effective control over expenditure. He wanted to know what steps were being taken to secure closer budgeting and better control over departmental expenditure.

Shri Kumar said that orders for certain equipment had been placed and it was not known when they would be supplied to the Electricity Branch. The amount in question was not surrendered because it was thought that the equipment might be delivered to the Electricity Branch even after the submission of Lists of Excesses and Surrenders.

Para 26, page 18.

The Committee wanted to know why payment had been made without the sanction of the Finance Department and what action was proposed to be taken against the officers responsible for this irregularity.

Shri Kumar said that the Finance Department had not accepted the reasons given by his Branch for this payment and that the case was again being sent to the Finance Department for reconsideration. In reply to a query, Shri Kumar said that the contractor in this case was Rai Sahib Chhabil Dass.

When asked to explain the reasons due to which this payment had been made, Shri Kumar said that immediately after the partition in 1947, very heavy floods came in and the whole power-house was closed. There was a complete shut-down all over the Punjab. Then temporary repairs had to be carried out because due to floods a lot of silt came in and so many works were damaged.

When the estimate was prepared, it was expected that all the works would be completed in the months of December and January which was the "Low Water Period". Unfortunately, various delays occurred in the sanctioning of staff and materials and this dewatering work was done from the 13th January to the 13th April.

The contractor, he added, had to dig out from 4 to 6 feet deep in the river-bed in order to carry out the work of foundations. At certain locations, he had even to divert the course of the river to complete the work. A lump sum provision of Rs. 10 thousand was made in the original estimates for this dewatering work.

Shri Kumar then stated that the contractor in question had been paid only for the additional job required of him in order to complete the dewatering and to proceed with the work in that portion which was under water. Asked as to whether at the time of giving the contract, it was understood that the contractor should himself make arrangements for de-watering, Mr. Kumar replied that when the tender notice was issued it could not be foreseen that such conditions would have to be faced. Questioned further as to why the contract was given without seeing and verifying everything, Mr. Kumar replied that it was given in October or November. Asked if it was not a fact that the contractor made a claim for Rs. 10,000 only after he had completed the work, Mr. Kumar first said that this was not correct but later on admitted that the claim had been made after the completion of that particular item. Shri Daulat Ram Sharma observed that one thing was clear that proper estimates were not prepared before inviting tenders. Shri Kumar submitted that owing to floods proper survey of the site could not be done. Shri Murti then asked what prevented the officer in charge of the work to approach the Chief Engineer to increase the amount of the contract to provide for the unforeseen conditions so that the necessary sanction from the Finance Department could be obtained before making the payment. The Committee was of the view that it appeared that the Chief Engineer had been giving too much latitude to a subordinate officer. Mr. Kumar submitted that payment had been made with the approval of the Deputy Chief Engineer. The Committee then observed that this camouflage of making the payment for de-watering under the guise of river diversion work was not necessary. In reply to another question, Mr. Kumar submitted that now that the Finance Department had refused to accord sanction to the payment of the claim, the money already paid would either be recovered from the contractor or the official concerned. Asked whether when the difficulty in question arose the contractor had asked for the modification or cancellation of his contract owing to his inability to cope with the work within the sanctioned estimates or for the raising of the amount of the contract, Mr. Kumar replied that the contractor took up certain points during the course of the execution of the work. Asked as to whether his continuing with the work did not show his acceptance of the original contract, Shri Kumar replied that any way the money would be recovered.

Shri Murti then brought to the notice of the Committee that the contractor had been allowed the use of certain pumps free of charge. On further examination, the Committee found that the terms of the contract were vague and flexible and the number of pumps to be allowed for free use had not been specified in the contract. The Committee noted the fact that even the security had been refunded to the contractor though the correspondence about the claim was still going on and the matter was still under objection by the Accountant-General. Asked if he could supply copies of the tenders that had been received, he promised to do so later on.

The Committee next wanted to know when the case referred to in para 8 of the Audit Report which had been stated to be under departmental enquiry was likely to be decided. Mr Kumar submitted that the enquiry was being conducted by Mr. Fletcher and the officer in question was under suspension. Some delay had occurred, he added, due to the transfer of Mr. Randhawa who was originally to conduct the enquiry. Three or four hearings had taken place and the final decision would be made within a period of 4 or 5 months. This particular matter was one of the items of the charge sheet, explained Mr. Kumar.

Asked about the steps that had been taken to rectify defects in the stores accounts, as pointed out by the Auditor, Mr. Kumar replied that he had submitted a written note in regard to this matter. The physical verification was being done regularly and no major discrepancies had come to light, he added.

In reply to the question whether the capacity of the Central Workshops, Amritsar, was being utilized for the requirements of the Electricity Branch, Mr. Kumar replied that the Electricity Branch was one of the biggest indentors and most of their poles and sub-station equipment were fabricated by the Central Workshops. On being questioned further he submitted that the Workshops were one year behind the schedule in regard to the supply of requirements of the Electricity Branch and that orders placed in 1948 had not been fully complied with till then.

When asked whether the Electricity Branch was purchasing anything from the private firms which could easily be manufactured at the Government Central Workshops, Amritsar, Shri Kumar replied in the negative. Orders for the supply of articles were placed on private firms, he added, only after the Superintendent of the Workshops had communicated his inability to manufacture them at the Workshops. In other words, before placing orders for the supply of equipment etc on private firms, the refusal of the Superintendent to get them manufactured at the Workshops was invariably obtained.

Shri Kumar said that at present there was an acute shortage of steel in India. He had made frantic efforts to get some steel articles weighing about 191 tons but his efforts had not fructified. Those articles, he said, had now to be imported from abroad at a higher cost.

The Committee wanted to know what was the procedure at present observed by the Chief Engineer, Electricity Branch, in regard to purchase of timber required for his works.

Shri Kumar submitted that factually speaking a very little quantity of timber was required for works undertaken by the Electricity Branch. It was normally purchased from the Forest Department of the Punjab Government. Recently some wooden poles had been obtained from the Andamans Islands.

Pages 309-312 and 314. The Committee wanted to know whether factory like difficulties and delay in obtaining materials or other reasons which retarded work were taken into account while framing the estimates for the year. Shri Kumar submitted that such difficulties were always taken into account. The main difficult

was that for most of the electrical equipment the Electricity Branch was dependent on foreign markets. Sometimes the foreign firms promised to supply certain equipments by particular dates but they were not able to redeem their promises due to the non-availability of shipment or some other reasons. In such cases, he added, his Branch went on reminding them to supply the equipment till it was actually received. In most of the cases, the electrical goods expected to be received in the month of March were actually being received in April or May.

The Accountant-General pointed out that so many savings were explained as "Savings due to erroneous provisions". In other words, the provisions had been made under wrong heads. The Committee asked Shri Kumar to explain the reasons therefor. He said that Thermal and Nangal Projects were being mixed up by the officers of the Electricity Branch. Some schemes which were originally sanctioned under "Nangal Works" were subsequently charged under "Thermal Works".

The Committee observed that the Chief Engineer should take effective steps to avoid such irregularities in future and take disciplinary action against officials responsible for such mistakes.

Sardar Harkishan Singh Surjit said that he had received information that tenders were not being invited from certain countries. Shri Kumar said that his Branch was advertising its requirements through the Indian press and it was open to all the countries to submit their quotations. In fact he added, England, France, Switzerland, Germany, Austria and Japan had submitted their quotations several times to the Electricity Branch.

Sardar Harkishan Singh said that Czechoslovakia and Hungary were never informed about the requirements of the Punjab Government.

Page 323 (items 1 and 2). The Committee wanted to know if the acquisitive proceedings for land were initiated in time to enable the works being started as scheduled. If so why was the land not acquired in time in these cases and payment made to avoid lapse of funds.

Shri Kumar said that in many cases it had taken his Branch more than three years to acquire lands. He cited the case of Patti and said that the application for acquisition of land was made as early as February, 1950. It was followed by long correspondence. The Punjab Government in Rehabilitation Department approved the acquisition of land *vide* their No. LR/2950/LRG, dated 26th April 1951. The Deputy Commissioner was contacted with a view to expediting the taking over the possession of land. It was delayed on account of various formalities on the part of the Revenue authorities. The possession of land was actually taken on the 15th May 1952.

The Committee observed that if there was some difficulty in acquiring a particular land during a particular year, why the amount of compensation was provided therefor in that year. Even if it had been provided, the Electricity Branch should have at the time of submission of the List of Excesses and Surrenders visualised that there was no likelihood of that land being acquired during that year and the funds should have been surrendered.

The Electricity Branch, Shri Kumar said, kept on reminding the Rehabilitation Department and it was not known whether the land was going to be allotted by a particular date. The Electricity Branch could not surrender the funds because it was thought that the land might be allotted after the submission of Lists of Excesses and Surrenders.

The Committee observed that the statement of the Chief Engineer clearly revealed that there was no co-relation between the two Departments of the Government viz. Rehabilitation Department and the P.W.D. Electricity Branch

The Committee wanted to know what action was being taken to ensure speedy disposal of audit objections and inspection reports.

The Chief Engineer said that after the submission of replies by his Branch in respect of the reports and objections, counter-objections emanated from the Accountant-General's Office. So there was a continuous flow of Objections and counter-objections from the office of the Accountant-General, he added. He said that this difficulty was realised and discussed by the then Accountant-General, Secretary, Finance Department and the Chief Engineers and they recommended the adoption of certain methods. Out of many recommendations made by them, the Finance Department accepted only a few due to shortage of funds. One of their recommendations was that one senior officer from the Accountant General's Office and one Officer from the Branch concerned should meet periodically in this connection.

The Accountant-General said that so far as he was concerned, he was prepared to render every possible assistance to the Electricity Branch in settling objections by personal discussion at all levels.

The Committee discussed various points relating to the draft resolution to be presented to the Assembly.

It was decided that the Speaker should be requested to amend the resolution relating to the functions of the Committee so as to bring it in conformity with the relevant rule in the Rules of Procedure and Conduct of Business of the Parliament especially with a view to providing that 'it shall be the duty of the Committee on Public Accounts (a) to examine such trading, manufacturing and profit and loss accounts and balance sheets as the Governor may have referred to be prepared and the Audit Report thereon; and (b) to consider the Audit Report in cases where the Governor may have referred the Audit Department to conduct an audit of any receipts or to examine the accounts of stores and stocks.'

The Committee then noted that in the case of Kunjipura Academy the recommendations of the previous P.A.C. had not been implemented and that the expenditure shown as incurred on Police establishment had actually been incurred on education.

The Committee was of the unanimous opinion that the Central Workshops Authority should receive preference from all Government Departments while purchasing their requirements of stores.

The Committee also decided that its observations in regard to the Tector Cultivation Scheme should be sent to the Public Accounts Committee of the Parliament through proper channel.

The Committee then decided to hold its next meeting in the Assembly Secretariat, Chandigarh, on the 24th March 1954.

Minutes of the 29th Meeting of the Public Accounts Committee held at 11 a.m. on the 12th March, 1954, in the Assembly Secretariat, Chandigarh

PRESENT:

Shri Kedar Nath Saigal

.. *Chairman*

Shri Rala Ram

Principal Harbhajan Singh

Sardar Darbara Singh

Shri Dev Raj Anand

Sardar Harkishan Singh Surjit

Members

Shri R. Srinivasamurti, Accountant-General, Punjab.

Dr. Kuldip Chand Bedi, Secretary.

The Committee discussed various points relating to the drafting of the Report to be presented to the Assembly.

It was decided that the Speaker should be requested to amend the Rule relating to the functions of the Committee so as to bring it in conformity with the relevant rule in the Rules of Procedure and Conduct of Business of the Parliament especially with a view to providing that 'it shall be the duty of the Committee on Public Accounts (a) to examine such trading, manufacturing and profit and loss accounts and balance sheets as the Governor may have required to be prepared and the Audit Report thereon; and (b) to consider the Audit Report in cases where the Governor may have required the Audit Department to conduct an audit of any receipts or to examine the accounts of stores and stocks'.

The Committee then noted that in the case of Kunjpura Academy the recommendations of the previous P.A.C. had not been implemented and that the expenditure shown as incurred on Police establishment had actually been incurred on education.

The Committee was of the unanimous opinion that the Central Workshops, Amritsar, should receive preference from all Government Departments while purchasing their requirements of stores.

The Committee also decided that its observations in regard to the Tractor Cultivation Scheme should be sent to the Public Accounts Committee of the Parliament through proper channel.

The Committee then decided to hold its next meeting in the Assembly Secretariat, Chandigarh, on the 24th March 1954.

Minutes of the 30th Meeting of the Public Accounts Committee held in the Library Room of the Punjab Legislative Assembly Secretariat, Chandigarh, at 10 a. m. on the 24th March, 1954.

PRESENT:

Shri Kedar Nath Saigal

.. Chairman

Shri Rala Ram

..

Principal Habhajan Singh

..

Sardar Darbara Singh

..

Shri Harnam Singh Sethi

..

Shri Dev Raj Anand,

..

Shri Daulat Ram Sharma

..

Sardar Harkishan Singh Surjit

..

Members

Shri R. Srinivasamurti, Accountant-General, Punjab.

Dr. Kudlip Chand Bedi, Secretary.

With reference to the minutes of the 5th meeting of the Public Accounts Committee held on the 7th July, 1953, regarding perusal of certain relevant correspondence, the Accountant-General, Punjab, stated that he had studied the files made available at Nangal when he was on tour there in February, 1954. He stated that the original explanations given in respect of the Appropriation Accounts for the period 15th August, 1947 to 31st March, 1948, was incorrect. He had addressed an official letter to the Secretary, Punjab Legislative Assembly, with a note. The Committee decided that this case should be further examined along with the other material relating to the Bhakra-Nangal Project.

With reference to the proceedings of the meeting of the Committee, dated the 16th January, 1954, the Accountant-General informed the Committee that he had ascertained from the Chief Auditor, Northern Railways, that they do not charge profit on works done by the Railway Workshop for the Punjab Government.

With reference to the minutes of the meeting held on the 8th January, 1954, Serial No. 3 under grant No. 21 and para 37 of the Audit Report the Accountant-General stated that there were no cases of inadequate action to be considered by the Committee.

The Report of the Public Accounts Committee for the year 1953-54 was adopted and signed by the Members. The Chairman of the Committee was authorised to present it to the Punjab Legislative Assembly.

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The Report of the Public Accounts Committee for the year 1925
adopted and signed by the Members. The Chairman of the Committee was authorized

Committee.
General stated that there were no cases of inadequate accounts.
Serial No. 3 under grant No. 21 and para 37 of the minutes of the meeting.
With reference to the minutes of the meeting.

profit on works done by the Railway.
had ascertained from the Chief Engineer.
the 16th January, 1924, the
With reference to

other material
The Committee
said

ANNEXURES

ANNEXURE I

Talk given by the Accountant-General, Punjab, to the members on the functions and scope of the Public Accounts Committee.

Legislative control over the Executive Government is exercised in a number of ways. Of these, financial control is the most important and effective one. For a detailed and authoritative exposition of the financial control of the Legislature over the Executive Government, the Comptroller and Auditor-General's talk to the members of the Indian Parliament may be seen. (Printed as Annexure I to the Report of the Public Accounts Committee of the Punjab Legislative Assembly on the Appropriation Accounts of the Punjab Government for the years 1948-49 and the Audit Report, 1950, and Appropriation Accounts, 1949-50, and the Audit Report, 1951).

2. As explained by the Comptroller and Auditor-General, Parliamentary financial control is exercised in two stages—

- (a) at the time of the voting of grants, and
- (b) at the end of the year by means of the scrutiny of the Appropriation Accounts and the Audit Report submitted by the Comptroller and Auditor-General.

The Public Accounts Committee is concerned with (b). It is perhaps the most important Committee of the Legislature for securing effective Parliamentary control over financial administration in the State. In other countries where Parliamentary democracy is functioning effectively, it is considered an honour and privilege to serve on the committee. As has been pointed out in the Comptroller and Auditor-General's talk "Many distinguished men have sat on it and have laboured there for the maintenance of highest standard of financial rectitude at a sacrifice to themselves of time, energy and personal political interests, which has been to the very great advantage of the nation".

It is for the Public Accounts Committee to satisfy itself on behalf of the Legislature—

- (i) that the grants voted by the Legislature have been used for the purposes for which they were voted;
- (ii) that no expenditure is incurred in excess of the grants voted by the Legislature;
- (iii) that the Executive Government does not ask for more funds than what is likely to be utilised during the year, that is to say, that the actual expenditure is as close to the grants voted by the Legislature and that there are no unnecessary surrenders and supplementary grants.

3. In order to ensure that the vote of the Legislature is obtained only for the minimum amount of funds necessary for public service, Heads of Departments and Controlling Officers are required to keep an effective control over the flow of expenditure throughout the year and ask for supplementary grants where the provision originally voted by the Legislature is found to be inadequate or take steps to surrender surplus funds in case the amount initially voted by the Legislature is found to be excessive. In framing the Budget and submitting demands for grants, they should also estimate their requirements as accurately as possible. Lapses from this two-fold responsibility of the Executive Government and their principal officers, namely, (a) unnecessary supplementary grants, (b) large savings in the

voted grants, and (c) excesses over the grants voted by the Legislature, are brought to the notice of the Public Accounts Committee through the Appropriation Account. For an illustration of the form in which these lapses are set out in the Appropriation Accounts, please see Grant No. 7—Irrigation Works (unnecessary supplementary grants) and Grant No. 23—Civil Works (for excess over voted grant). Paragraphs 4 to 13 at pages 2 to 13 of the Audit Report, 1952, bring out the main lapses and briefly indicate the reasons therefor and also comment upon—

(i) the accuracy of budgeting (paragraph 11 *ibid*), and

(ii) control over expenditure (paragraphs 12 and 13 *ibid*).

4. The Public Accounts Committee has power to examine the officers responsible for the budgeting and control of expenditure (who are Secretaries to Government and Heads of Departments) and would be examining them as to why control has been lax and what steps are being taken to tighten the machinery of control so as to ensure that the broad principles set out in paragraph 2 above are complied with.

5. Another important function of the Public Accounts Committee is to see whether in the application of funds voted by the Legislature, the Executive Government and its officials have—

(a) exercised due care,

(b) complied with the prescribed rules and procedure, and

(c) conformed to the accepted standard of sound financial administration.

This examination will include the scrutiny of cases of financial irregularities, losses, infructuous or nugatory expenditure. These, again, have been set out in the Appropriation Accounts and Audit Report, under the heading "Financial Irregularities, Losses, etc.", paragraphs 14 to 43—pages 13 to 24 of the Report. The Report also brings to the notice of the Committee such material as is expected to be of real and practical interest, the general state of accounts, how far the accounts machinery is functioning effectively and the extent to which audit objections remain unsettled or unsatisfied,—*vide* paragraphs 45—65 (pages 24—45). The Report, again, contains a review of the trading and manufacturing accounts of Commercial and *Quasi*-commercial Concerns of Government.

6. The Committee would like to examine the Controlling Officers over the irregularities and probe into the reasons therefor, judge whether they are justified or whether there are any extenuating factors, and consider what steps should be taken to prevent their recurrence, so as to set up a high standard of financial administration. The Committee might also like to satisfy itself that Government Commercial and *Quasi*-commercial Concerns are conducted on sound business principles, that no avoidable losses are incurred, and, where it is found that an institution is not functioning or cannot function on sound commercial principles, what measures should be adopted either to get it to work on a commercial basis, that is to say, without incurring a loss and making a profit, if possible, or to modify its scope and content, so that no unnecessary or unjustified burden may fall upon public funds.

7. After the Committee has examined the departmental witnesses and probed into the reasons for loose budgeting, ineffective control over expenditure, unsound financial administration, failure to observe prescribed rules and procedure, losses, write off, infructuous and nugatory expenditure and the working of Commercial or

Quasi-Commercial Concerns, it may submit one or more reports to the Legislature, as it may consider desirable or expedient. The report or reports will contain the recommendations of the Committee for the rectification of the defects and omissions noticed by it, and for ensuring a sound financial administration and the enforcement of strict accountability for the proper use of public funds.

8. The Committee will also, in the course of its examination and review of the Appropriation Accounts and Audit Report, consider how far the recommendations of its predecessor Committees have been complied with by the Executive Government, and what steps should be taken to ensure compliance with its recommendations in cases where inordinate delays are noticed in implementing the recommendations.

9. Much of the power and effectiveness of the Committee lies in the detailed review to which it subjects the accounts of the year, and the fear and respect it inspires in the minds of the Controlling and Budgeting Officers by its close and searching scrutiny of the lapses brought to its notice through the Appropriation Accounts and Audit Report. In this task, the Committee is assisted by the Comptroller and Auditor-General who "guides the Committee in its labours, detects the points of question, presents them with such information concerning them as he has obtained and leaves the Committee to pursue them further, to consider them and to report on them". As it is physically impossible for the Comptroller and Auditor-General to be present, much as he would like it, at the meetings of the many Public Accounts Committees which are functioning in this country, he has generally to leave the task to his deputy in the State, namely, the Accountant-General. But the Report which is submitted to the Committee for consideration is carefully scrutinised by him and on his behalf and he also instructs the Accountant-General about the important points, which he considers should be brought to the special notice of the Committee.

10. Copies of the Appropriation Accounts for 1950-51 and the Audit Report, 1952, thereon, have been supplied to the members of the Public Accounts Committee. The points to which the Comptroller and Auditor-General has desired that the Committee's attention should be specially drawn, are set out in the attached list.

List of Special Points relating to Appropriation Accounts, 1950-51, and the Audit Report, 1952, for the consideration of Public Accounts Committee.

Page	Paragraph, Sub-head, etc.	Brief Subject
(I) AUDIT REPORT		
9-12	12(1) to (6)	Instances of defective control over expenditure
13	15	Irregularities relating to the Bhakra-Nangal Project.
15-F	17	
16	19, 20	
17	23	
20	31	
17	25	Irregular adjustment of Rs 20 lakhs.
18	27	Extravagant expenditure on printing of Electoral Rolls.
20	32	Withdrawal of money not required for immediate disbursement .. Rs 1,85,000
22	38	Ditto .. Rs 12,597
23	40	Ditto .. Rs 10,025
27	46	Audit of Grants-in-Aid.
31	48	Working of the Land Reclamation and Mechanical Cultivation Scheme.
31-32	49	Working of the Work Centres Scheme.
33	51	Audit comments on the working of the Government Central Workshops, Amritsar.
41	61	Arrears in Public Works Divisional Offices.
44	64	Delay in submission of material for the Appropriation Accounts.
(II) APPROPRIATION ACCOUNTS		
148	Notes (Para 1)	Loss in working of the Jail Factories.
209	Audit Comments	Audit comments on Government Livestock Farm, Hissar.
366	Audit Comments, Paras 1 and 4.	Audit Comments on Land Reclamation and Mechanical Cultivation Scheme
382-384	Audit Comments, Paras 2 to 8	Audit Comments on the Summarised Account of Foodgrains Supply Scheme.
(III) COMMERCIAL APPENDIX		
APPENDIX (1)		
396	Introduction, Para 3(b)	Loss on overheads.

ANNEXURE II

Questionnaire relating to the Appropriation Accounts, 1950-51, and the Audit Report, 1952, selected for examination by the Public Accounts Committee

PART I

Audit Report, 1952

Serial No.	Page	Para-graph/Sub-head,	Observations made by the Committee
1	3—6	5 and 6	The Committee would like to know the detailed reasons for large savings in the grants appropriations mentioned in these paragraphs.
2	7-8	8 and 9	The Committee would like to know why expenditure in excess of the grants appropriations was incurred. They would further like to examine the circumstances in which additional funds could not be obtained to cover the excesses.
3	9—12	12 (1) to 12(6)	The Committee would like to examine in details the cases of defective control over expenditure mentioned in this paragraph. They would further like to know efforts made by the Departments to secure close approximation between the grant and actuals at the close of the year.
4	12	12(7)	The Committee would like to know why unanticipated credits were utilised in these cases without the approval of the Legislature and whether any action was taken against the officials responsible for the omission.
5	13—15F	15 and 16	<p>The Committee would like to know whether the irregularities pointed out by Audit have since been remedied by the Department. They would further like to know—</p> <ul style="list-style-type: none"> (i) whether the progress of works on the Bhakra-Nangal Project, Chandigarh Capita Project is in accordance with the approved programme of construction ; (ii) whether adequate publicity is given in inviting tenders for Major works ; and (iii) whether adequate safeguard exists for checking pilferage in stores.

Serial No.	Page	Para-graph/Sub-head	Observations made by the Committee
6	15F—24	17—43	The Committee would like to examine in details the cases of financial irregularities, losses, etc., mentioned in these paras as well as in the form of "Notes" below the Appropriation Accounts of the grant concerned.
7	25-26 and 41	45(a), and 61	The Committee would like to know, why the accounts work is in arrears in certain P.W.D. Divisions and what steps have been taken by the Department to bring the work up to date? They would also like to examine the irregularities existing in various Divisions.
8	27	46	The Committee would like to have detailed information regarding unspent balances of grants-in-aid with the local bodies. They would also like to know the circumstances in which the unspent amounts have been refunded to Government so far.
9	28-29	47 (a) and 47 (b)	The Committee would like to have a detailed note on the working of the Foodgrains Supply Scheme and rationing Scheme.
10	29, 30, 31	47 (d) and 48	The Committee would like to have a detailed note on the working of the Scheme for the Sale of Improved Seed to Cultivators and Land Reclamation and Mechanical Cultivation Scheme. They would also like to examine the circumstances in which these schemes have resulted in huge losses.
11	31-32	49	The Committee would like to know (i) whether the surplus stock lying in the Work Centres has since been disposed of, (ii) whether the private accounts opened with the various branches of the Punjab National Bank have since been closed, and (iii) whether necessary steps have been taken by the Department to avoid losses in the working of the Centres.
12	32-33	50	The Committee would like to have a detailed consolidated note from the Finance Department on the working of Grow-More-Food Schemes in the State.
13	33—35	51	The Committee would like to examine the working results of the Government Central Workshops, Amritsar. They would further like to know the steps taken by the Department to exploit full capacity of the shops and to reduce losses on account of heavy overheads.

Serial No.	Page	Paragraph/ Sub-head	Observations made by the Committee
14	35-36	52	The Committee would like to examine the irregularities noticed in the audit of the accounts of the relief and rehabilitation of displaced persons.
15	36-37	53 and 54	The Committee would like to know further progress, if any, in these matters.
16	37-40	55-59	The Committee would like to examine these cases.
17	42-44	62 and 63	The Committee would like to know the reasons for delay in replying to audit objection and in the disposal of inspection reports.
18	44	64	The Committee would like to know the reasons for the delay on the part of Departments in furnishing material for the Appropriation Accounts as also the steps taken by them for prompt reconciliation of departmental accounts with those of the Audit Office, so as to avoid delay in furnishing the explanations of variations at the close of the year.
19	45	65	The Committee would like to know whether necessary action has since been taken in respect of outstanding cases from the previous Reports.

Grow-More-Food Schemes

1	32-33	Paragraph 50 of the Audit Report	<p>1. The Committee would like to have a statement showing—</p> <ul style="list-style-type: none"> (a) the total amount of food procurement and export bonus earned by the State Government during the period for which the bonus was in operation; (b) the expenditure incurred out of the bonus on Grow-More-Food Schemes; and (c) the expenditure incurred out of the bonus on the construction of storage bins for the storage of foodgrains. <p>2. During 1949-50 and 1950-51, a sum of Rs.2,36,32,925 has been spent on Grow-More-Food Schemes financed by loans from the Central Government. The Committee would like to have a statement showing the Schemes (particulars of the</p>
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Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee
1	2	3	4
1— <i>contd</i>	32.33— <i>contd</i>	Paragraph 50 of the Audit Report— <i>contd</i>	<p>schemes and the expenditure incurred on each) financed by loans from the Central Government as well as from the balance in the Food Procurement Bonus Account to end of 1952-53, as well as the estimated expenditure in 1953-54.</p> <p>3. In view of the large expenditure on these schemes, the large bulk of which is financed by loans, has any machinery been set up to apprise the results of the schemes and also keep an account of the additional revenue accruing from these schemes ? In other words, what machinery has been organised to test how far expectations regarding results have been fulfilled ?</p>

Finance Department

Audit Report	Paragraph 50 of the Audit Report	<p>The Accountant-General has brought to the Committee's notice a number of instances where funds have been drawn to avoid lapse of grants, even though they were not required for immediate disbursement ; in some cases they have also been kept out of public account,—<i>vide</i> paragraphs 17, 18, 21, 32, 33, 38, 40 and 41. The Accountant-General has reported that these irregularities are recurring year after year and the ventilation of this type of irregularity through the Audit Reports or warnings issued to Departmental authorities have not had much effect. The Committee would like to know from the Finance Department what action is proposed to be taken to ensure that in future irregularities of this type are effectively stopped.</p>
39 of the Audit Report	Para 59 of the Audit Report	<p>The Accountant-General has brought to the notice of the Committee two instances in which Government servants who were deputed for specialised training at Government cost were given special increments on the ground that officers with similar qualifications recruited outside were allowed such higher start in pay. The Committee feel that in regard to this, distinction should be drawn between officers who acquire a particular type of specialised training at their own cost and those who are assisted by the State to obtain such specialised training. The Committee would like to know whether a proper procedure has been evolved to ensure this distinction and if so, the Committee would like to be informed of it.</p>

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee
1	2	3	4

Note to the Finance Department.

1	27 of the Audit Report	Para 46 of the Audit Report	The Accountant-General has pointed out in paragraph 46 of the Audit Report that a considerable amount of old grants made to Local Authorities, mostly District Boards, remain unutilised. The Committee would like to have a note indicating the action proposed to be taken to ensure that these balances are properly utilised. Will the Finance Department, please, consider the question of issuing, in future, the grants by instalments, so that no large balance remains unutilised for a long time ?
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Punjab Public Works Department, Irrigation Branch

2	42-43 of the Audit Report.	Para 62	In paragraph 62 of the Audit Report (pages 42-43), the Accountant-General has brought to notice that a number of inspection reports and items still remain unattended to —		
			<i>Year</i>	<i>Number of Reports</i>	<i>Number of items</i>
			1947-48	.. 1	3
			(Post Partition Period)		
			1948-49	.. 22	120
			1949-50	.. 36	216
			1950-51	.. 27	297
			The Committee would like to know the steps taken to settle these audit objections and to impress upon the departmental officers the need for dealing with audit objections promptly. What is the position regarding Inspection Reports issued in 1951-52 and 1952-53.		

PART II

Appropriation Accounts, 1950-51

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee
1	2	3	4

GRANT NO. 1—LAND REVENUE

1	50	D.2 (a) (2) "Allowances and Honoraria, etc."	<p>The Committee would like to know the circumstances in which provision for expenditure incurred on behalf of the Relief and Rehabilitation Department was omitted to be made by the Director of Land Records. It is seen that there has been no such omission in respect of "Pay of Establishment".</p> <p>It is understood that a similar omission had occurred in the year 1951-52 also. The Committee would like to know whether any steps have been taken by the Department to avoid the defective budgeting indicated by these omissions, and if so, what are those steps?</p>
2	50	D-2 (c) (1) Consolidation of Holdings	<p>The Committee would like to know when it was found necessary to surrender Rs 3,53,040 (amounting to as much as 25 per cent of the grant under this sub-head); if it was due to the slowness of the work, the reasons therefor.</p> <p>The Committee would like to have a statement showing—</p> <ol style="list-style-type: none"> the expenditure incurred year by year since the compulsory consolidation work was taken up; the acreage consolidated year by year; the total expenditure per acre as well as the net expenditure per acre, allowing for the recovery of Rs. 4 per acre; the amount year by year recoverable and recovered from the cultivators; the basis on which the recovery of Rs. 4 per acre now made was fixed and whether there has been any alteration in circumstances since the rate of Rs. 4 per acre was fixed which justifies a revision of the rate; whether, in addition to the expenditure incurred by the Government, any other recoveries are made unofficially from the cultivators; and if so, how much has been recovered year by year and how it has been utilized;

Serial No.	Page	Sub-head/Paragraph	Observations made by the Committee
1	2	3	4
2— <i>conta</i>	50— <i>contd</i>	D-2(c)(1) Consolidation of Holdings— <i>contd</i>	(g) whether such moneys have been treated as part of the Government account and if, not, why not ? The Committee would also like to have a general note indicating the progress of work and when it is expected to be completed. It was understood that during the last two to three years, certain schemes were initially undertaken, but given up subsequently. The Committee would like to have an idea of the schemes taken up and subsequently abandoned, the reasons therefor and the amount of expenditure incurred thereon.

GRANT NO 2—STATE EXCISE

1	53	Note 4	The Committee would like to know the reasons for the fluctuations in expenditure during the years 1947-48 to 1950-51. In 1950-51 the percentage of expenditure to revenue is higher than that in any previous year. Why is it ? What is the position in regard to subsequent years ?
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GRANT NO. 4—FORESTS

1	60	Stores Account	The Committee would like to know— (a) on what basis decision is taken to work certain areas on a departmental basis and to let out certain other areas on contract basis ; (b) the relative financial advantages of the two systems and more especially whether departmental working is more profitable than working through private agencies ; statistics relevant for either point of view may be provided ; (c) whether proper Stores Accounts are maintained and whether arrangements exist for periodical verifications of the ground balances and their reconciliation with book balances ?
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Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee
1	2	3	4
1— <i>contd</i>	60— <i>contd</i>	Stores Account— <i>contd</i>	The Committee would like to have a note indicating whether the requirements of other Government Departments are met by the Forest Department from the timber felled on a departmental basis or whether they are allowed to buy from the contractors. The Committee would like to have the Chief Conservator's opinion whether it would not be profitable for the Government Departments to obtain their timber requirements straight from the Forest Department rather than from the contractors.
2	57	B-4 Other Charges	The Committee would like to know whether the contract for the supply of wire ropes was placed with the firm on condition that a licence for the import of the wire ropes would be recommended for or that the supply would be subject to the firm obtaining a licence? Was the question of placing the contract with a firm, which had either obtained a licence of its own accord or had adequate supplies, considered and if so, for what reasons was the contract not placed with such a firm?
3	59	Note 3	<p>The Committee would like to know—</p> <p>(a) the reasons for the drop in the receipts in 1949-50 and 1950-51;</p> <p>(b) the reasons for expenditure being more or less steady, while revenue is decreasing. In other words, while revenue for 1949-50 and 1950-51 has been less, expenditure has continued, more or less, on the scale of 1948-49 (in which year revenue was much higher). If this is due to any policy followed, the Committee would like to have full details of that policy. The Committee would like the relevant figures for 1951-52, 1952-53 and the estimates for 1953-54.</p> <p>The Committee would also like to have a statement showing the expenditure incurred on "Organisation, Improvement and Extension of Forests" year by year from 1948-49 and what proportion of the total expenditure it represents.</p>

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee
1	2	3	4

GRANT NO. 7—IRRIGATION (WORKS)

1	65	A-(4)	The Committee would like to know why the original grant of Rs. 1,70,000 could not be utilised for the purpose for which it was granted and why a re-appropriation surrendering Rs. 1,39,000 had to be resorted to.
2	66	B-(1) B-(2)	<p>(a) The Committee would like to know—</p> <p>(i) why it was found necessary to surrender in all Rs. 2,36,630 Rs. 1,07,130 (in respect of Sub-head B-1) (in respect of Sub-head J-2) from the original grant of Rs. 16,40,730 (Sub- Rs. 10,67,830 (Sub- head B-1) head B-2)</p> <p>(ii) what were the increases in labour rates as a result of which contractors could not complete the works?</p> <p>(b) The Committee would also like to have the following particulars in respect of maintenance expenditure analysed by the main canal systems, e.g., Bist Doab Circle, Western Jumna East Circle, etc. etc. :—</p> <p>(i) the grant originally asked for ;</p> <p>(ii) additions either voted or sanctioned during the course of the year ;</p> <p>(iii) total provision ;</p> <p>(iv) surrenders, if any, during the course of the year ;</p> <p>(v) net provision ; and</p> <p>(vi) actual expenditure.</p>

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee
1	2	3	4
2 <i>contd</i>	66 — <i>contd</i>	B-(1), B-(2) <i>cor.td</i>	<p>The particulars are required for the years 1949-50, 1950-51, 1951-52 and 1952-53.</p> <p>Where the net provision and the actual expenditure happen to be less than the original grant, the basis on which the original grant was calculated and asked for and the steps taken to ensure accurate budgeting may also be indicated.</p>
3	67	B-(4), B-(5)	<p>The Committee would like to know why surplus funds were omitted to be surrendered in these cases and what steps have been taken to prevent a recurrence of this omission in future ?</p> <p>It is said that Rs. 62,275 provided for maintenance of Grow-More-Food Schemes could not be utilised. What were the circumstances leading to this non-utilisation ?</p> <p>Again, it appears that omission for maintenance expenditure was short by Rs. 25,833—why this inadequate provision ?</p>
4	68	B-(10)	<p>The Committee would like to have a note explaining—</p> <p>(a) the basis on which the recovery of Rs. 62,934 from the Uttar Pradesh Government has been calculated ;</p> <p>(b) whether it takes into account all items of expenditure incurred in the Punjab whether by Government or through voluntary labour or otherwise ;</p> <p>(c) what charges are payable to the Uttar Pradesh Government for the use of the water in the Punjab and on what basis these charges have been fixed ; and</p> <p>(d) whether there has been any recent addition in the charges levied by the U.P. Government and if so, reasons therefor ?</p>
5	71, 72, 73,	K AA(1) DD	<p>The Committee would like to know in some details the reasons—</p> <p>(a) for the savings under these heads ;</p>

Serial No.	Page	Sub-head/paragraph	Observations made by the Committee
1	2	3	4
5— <i>contd</i>	71,72&73— <i>contd</i>	K AA(1) DD— <i>ccnd</i>	<p>(b) why the works for which provision had been made were either not executed or their progress had to be slowed down. In regard to these, as also savings under other heads (<i>vide</i> items 15, 17, etc.) the Committee would like to a somewhat detailed analysis indicating—</p> <p>(i) to what extent provision was made for works in regard to which the necessary preliminaries like the preparation of detailed estimates, acquisition of land, etc., had not been completed ;</p> <p>(ii) any difficulties met with in regard to the procurement of materials like cement, steel, etc. etc. ;</p> <p>(iii) late allotment of funds.</p> <p>A list of works in regard to which the provision included in the grant could not be used should be prepared and reasons for the non-execution or slow progress indicated against each.</p> <p>The Committee would also like to know—</p> <p>(a) what steps have been taken to get over the difficulties for the future;</p> <p>(b) what arrangements have been made to limit the provision to requirements estimated on a realistic basis taking into account difficulties like non-preparation of detailed estimates, difficulties in procuring materials, etc. As the Committee desires to have the general questions of savings and surrenders from the original grants examined, the answer should cover all the grants relating to Irrigation whether the grants relate to maintenance or new works expenditure (Capital or Revenues).</p>
6	73	FF(1) FF(2)	<p>The Committee would like to know the circumstances in which provision for works executed for other Governments and Departments was erroneously made under these heads and the steps taken to ensure accurate budgeting for the future.</p>

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee
1	2	3	4
7	74	HH(2)	The Committee would like to know whether any efforts were made by the Department to get the debits accepted by other Divisions or Departments, etc., to avoid unnecessary variation in the grant.
8	76	Para 9 of the Notes	<i>Loss due to floods.</i> The Committee would like to know why the repairs done after the flood of 1950 were not strong enough to withstand the damage caused by the 1951 freshet.
9	77	Statement showing the progress of expenditure on major works	<p>The Committee would like to have a note showing—</p> <p>(a) the provision made for repairs to and extensions of bunds in the Gurgaon District.</p> <p>(b) the actual expenditure incurred for the years 1949-50, 1950-51, 1951-52 and 1952-53.</p> <p>The Committee would like the Chief Engineer to consider whether it would not be possible to show the provision for the extension and maintenance of bunds in one place instead its being scattered under several sub or detailed heads. Alternately if there are any difficulties in exhibiting the provision under one sub-head, would the Chief Engineer please arrange to prepare a <i>pro-forma</i> note showing the total provision for extensions and maintenance of bunds and the expenditure incurred against them, and have them exhibited in a suitable place in the budget.</p> <p>The Committee would like to know why there was delay in sanctioning the estimates in respect of items 2 and 3 and why funds could not be allotted in time for item 4 and who are responsible for the delays and late allotment?</p>
(GRANT NO. 8—CHARGES ON IRRIGATION ESTABLISHMENT)			
10	82	A-7	The Committee would like to know the circumstances in which adequate provision could not be made.

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee
1	2	3	4
10— <i>contd</i>	82— <i>contd</i>	A-7— <i>contd</i>	The Committee would like to have a note showing the rates of basis on which the <i>Lambardari</i> fees have been fixed and are being paid.
11	85 89	J-3(i) M-4	The Committee would like to know why a provision for the payment of construction allowance was made although there was no sanction for it and why the funds were not offered for surrender at the time of submission of the second Statement of Excesses and Surrenders to Government.
12	86	J-3(i)	The Committee would like to know the details making up the amount of Rs 2,30,900 shown against "Non-payment of certain charges for want of sanction or verification" and also why steps were not taken to get orders in time for the adjustment of the cost of Police Guard and Public Health Staff?
13	96 97	Para 8 of the Notes	<p>The Committee would like to know, in some detail, the reasons on account of which the percentage of establishment charges to works expenditure has considerably increased during the year 1950-51 in respect of Bhakra Dam and Canal Project and Jagadhri Tube-well Project.</p> <p>It is said that the increase in the percentage in regard to Jagadhri Tube-well Works is due to the failure on the part of the contractors to import machinery required in time. This has resulted in Government establishment not being fully utilized. Was there any provision in the contract for the imposition of a penalty for failure to perform the contract, according to the time schedule? If there was provision, was the penalty imposed. If there was no provision in the contract, why was it omitted; the point being that in all these contracts time factor is very important.</p>
14	97-98	Para 9	The Committee would like to know the duties of the Khalasis and how they are employed.
15	98	Para 11	The Committee would also like to know whether Government orders have since been issued for regularising the unauthorised expenditure and what disciplinary action has been taken against the officials concerned.

Serial No.	Page.	Sub-head/ Paragraph	Observations made by the Committee
1	2	3	4
IRRIGATION (GRANT NO. 9—IRRIGATION CAPITAL)			
16	99, 101, 102, 103.	B-1 AA EE II.	The Committee would like to know the reasons for the slow progress of the works resulting in considerable savings,—vide question 5 under grant No. 7—Item 5.
17	99	B-2.	The Committee would like to know the circumstances in which provision for a work was erroneously made under this head.
18	99	B-5	The Committee would like to know reasons why such a large amount had to be surrendered and in particular on what expectations the provision was made, which of these expectations and to what extent were not realised and the reasons therefor.
19	100.	B-8:	The Committee would like to know why the payment of compensation to the shareholders of the Shah Nahar Canal was delayed. It is said that the payment was held up for want of decision. Whose decision was required and why was it not taken?
20	102.	CC(2)	The Committee would like to know why the adjustment could not be made in time.
21	103.	KK(2)	The Committee would like to know the efforts made by the Department to call for the outstanding debits and get them adjusted before the close of the year so as to avoid lapse of funds. The position in regard to this item in the previous year 1949-50 and subsequent years 1951-52 and 1952-53 may also be examined and the Committee informed of the results.
22	105.	Paragraph 12 of the Notes.	The Committee would like to know the disciplinary action taken against the person responsible for over-payment. In this connection the Committee would like to examine the relevant papers.
23	105, 106	Paragraph 13 to 19 of the Notes	The Committee is concerned to note these over-payments and apprehends that it is due to some laxity in the checking of bills. The Committee would like to know what steps have been taken by the Chief Engineer to ensure that the Accounts machinery is so geared that adequate checks are ensured and that similar over-payments will not occur in future.

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee
1	2	3	4
24	106	Paragraph 20	The Committee would like to know whether any departmental investigation was made to fix responsibility for the fraudulent alterations in the contract and whether any action was taken against the person found responsible.
25	106, 107, 108, 109, 110, 111,	Notes 21—23	<p>In the case of certain Irrigation Divisions, the Committee notice that—</p> <p>(i) the stock returns have not been prepared;</p> <p>(ii) the reserve stock limit has not been fixed or it has been exceeded; and</p> <p>(iii) the stock has not been verified.</p> <p>The Committee would like to know the reasons for these defects and defaults and the steps taken by the Irrigation Branch to remedy them. The Committee would also like to know whether adequate safeguards exist for checking pilferage in stores and that there are no unserviceable or surplus stores.</p>
26	113	Items 9—12 of the Statement	The Committee would like to know the reasons for the non-payment of the cost of land acquired for the construction of new distributaries mentioned at these items.
27	13—15D	Paragraph 15—Bhakra-Nangal Project	<p>The Committee would like to have a note about the constitution and functions of the Bhakra Control Board together with the manner in which control over the financing and execution of the project is exercised by it.</p> <p>One of the reasons given for the increase in the estimate is the additional cost of foreign machinery consequent on devaluation. The Committee would like to know whether the machinery could not be obtained from other countries at a lesser cost, particularly, whether quotations were called for from other countries and with what result. In other words, the Committee would like to have an indication of the relative costs and the delivery schedules from other countries.</p> <p>The Committee would like to have a note on—</p> <p>(a) the programme of construction of the various items;</p>

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee
1	2	3	4
27— <i>contd</i>	13—15D— <i>contd</i>	Paragraph 15—Bhakra-Nangal Project— <i>contd</i>	<p>(b) the extent to which the programme has been adhered to;</p> <p>(c) if the progress of work falls short of the programme, the extent of the deficiency;</p> <p>(d) to what extent (particularly which of the items) is the deficiency due to non-availability of machinery?</p> <p>In other words the Committee would like to have a clear idea of the extent to which works have been delayed in execution because of the non-arrival of the machinery and to what extent they have been delayed due to other reasons.</p> <p>Another point on which the Committee would like to have information is whether progress of arrivals of machinery is satisfactory or whether it is behind the schedule and if so, to what extent? When is the machinery expected to reach this country?</p>
28	15F	Paragraph 17	The Committee would like to know whether similar irregularities have been committed in subsequent years and whether steps have been taken to stop their recurrence.
29	16	19	<p>The Committee would like to know—</p> <p>(a) the person or persons responsible for the defective design;</p> <p>(b) whether this defect was not noticed by any superior authority, particularly, the authority who sanctioned the technical estimate;</p> <p>(c) was any investigation made to locate whether the damage was on account of the design or some other defect in construction;</p> <p>(d) were these constructions made by the contractors or by the Department itself. If by the contractors, was there any proper supervision and who were the contractors?</p> <p>What disciplinary action has been taken against those responsible for the loss?</p>

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee
1	2	3	4
30	16	20	<p>The Committee would like to know the person who was responsible for the selection of the site and whether any superior authority could not have detected the defectiveness of the site? The Committee would also like to know why the heavy rains in the locality were not taken into account in designing the temporary bungalows of the Executive Engineers and Sub-Divisional Officer.</p> <p>The Committee would like to know the action, if any, taken against the person or persons responsible for this loss.</p> <p>The Committee would also like to know whether the land on which these constructions were made belonged to the Canal Department or was it acquired for the specific purpose of constructing these buildings.</p> <p>The Committee would like to be assured that an adequate machinery exists to check that designs are not defective, sites are selected taking into account factors regarding their suitability, etc., so that there would be no similar loss in future.</p>
31	20	31	<p>The Committee would like to know—</p> <p>(a) whether the system of issuing coal to brick contractors continues;</p> <p>(b) if it is continuing, what steps are being taken by the Department to see that coal received by the Government is of good quality and of correct weight and that the contractor is issued only the stipulated quantities?</p>
32	21	Paragraph 36	<p>The Committee would like to know what action has been taken against the officials responsible for the irregularity mentioned in the paragraph.</p>

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee
1	2	3	4
33	33-34	Paragraph 51 relating to the Government Central Workshops, Amritsar	<p>The Committee would like to know—</p> <ul style="list-style-type: none"> (a) to what extent the capacity of the Workshops is now being utilized; (b) what is the idle capacity, more particularly what articles now required by other Government Departments can be manufactured at the workshop but which are not now being made; (c) what are the difficulties of the Departments in placing orders with the Workshops, and utilising its capacity. e.g.— <ul style="list-style-type: none"> (i) is the Workshops in a position to comply with the orders within the time stipulated by the indenting Departments; (ii) whether the rates quoted by the Workshops are competitive; and (iii) if the rates are not competitive what steps should be taken to make the rates competitive? <p>Whether steps have been taken to determine the maximum and normal loads for the Workshops so that in the accounts the over-heads unrecovered due to the volume of work being less than the normal load might be exhibited separately?</p> <p>Whether steps have been taken to separate machinery surplus to requirements and not likely to be used?</p> <p>The Committee would like to have a fairly detailed appreciation of the machinery now considered surplus to requirements or which cannot be used. Whether the sequestration of surplus stores has been completed or, if not, when it is likely to be completed.</p>

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee
1	2	3	4
33— <i>contd</i>	33-34— <i>contd</i>	Paragraph 51 relat ng to the Go- vernment Central Work- shops, Amritsar— <i>contd.</i>	<p>A statement may be furnished showing the profits or losses sustained by the Workshops during the last five or six years ending March 1952 or 1953 (if figures for 1952-53 are available). The Committee would like to have an appreciation by the Irrigation Branch indicating the extent to which the Workshops capacity can be profitably utilized for meeting Government and other requirements and the steps should be and are being taken to achieve this objective.</p> <p>It is understood that there are pieces of machinery purchased some years ago and lying unutilized. Can these be brought into Commission and if they cannot be, how best can they be utilized or disposed of?</p> <p>In calculating the profit or loss is the interest on the capital investment—both fixed and floated—taken into account? If so, could the Irrigation Branch make out a statement of Profit and Loss, separating the interest charges?</p> <p>What steps can be taken to reduce the capital at charge, that is to say, how much of stores and machinery surplus to requirements can be eliminated from the Workshops accounts.</p>

**LIST OF POINTS SELECTED BY THE PUBLIC ACCOUNTS COMMITTEE
FROM THE APPROPRIATION ACCOUNTS FOR 1950-51 AND THE
AUDIT REPORT 1952.**

BHAKRA-NANGAL PROJECT

NOTE

An attempt has been made to bring together all questions relating to the Project to which the Committee would like to have answers. If any questions included in this note find a place in other questionnaires, answers to them may be given in this section. References to paragraphs and pages of the Audit Report and Appropriation Accounts relate to the Appropriation Accounts 1950-51 and Audit Report 1952, or, where so indicated in the context, to the Report of the Public Accounts Committee on the accounts of 1947-48 and 1948-49.

I

At page 14 of the Audit Report are given certain statistics relating to the estimated amount of work due to have been done by certain dates and the quantities actually done, indicating a somewhat slow progress of works. The Committee would like an up-to-date statement showing—

- (a) the different categories of works ;
- (b) the quantum that should have been done or the stage reached by end of 1952-53 ;
- (c) the work actually done ;
- (d) the deficiencies and the reasons therefor ; and
- (e) the steps taken to make good the deficiencies and get the works executed according to schedule.

2. It has been stated that one of the main reasons for the retardation of work is the non-arrival of machinery in time. What is the present position and to what extent are deliveries behind schedule and what steps have been taken to speed up deliveries ? The Committee would like to have detailed information.

3. The other factor for slowness of work is stated to be the non-receipt of sufficient loans from the Central Government. This question has been dealt with in another section of this paper.

II

4. The Committee would like to have a statement showing a forecast of expenditure including the expenditure incurred so far, and revenue year by year for the next 15 years, and when the Project is likely to become productive.

This forecast may be made taking into account the latest position in regard to the levy of betterment revenue and in regard to the Electricity portion, the results of the load survey undertaken in consultation with the Central Power Commission. The Statement of revenue should distinguish the different items of revenue, like, Water Rates, Portion of the Land Revenue credited to Irrigation, realisations from Betterment Fee, etc. Expenditure should show separately the expenditure on capital, maintenance charges, interest, etc. In preparing the statement account should be taken of the revisions, if any, made in or found necessary to the Project estimate, since the last estimate was made,—*vide* reply of Shri Khungar at page 45 of the last P.A.C. Report and Paragraph 7 below.

III—FINANCIAL CONTROL.

5. For an effective financial control over the expenditure incurred on the project, it is essential that :—

- (a) only works which are included or likely to be included in the project estimate are taken up for execution ;
- (b) proper estimates are made before any item of work is taken up for execution, or where, due to urgency, they have to be taken up before estimates are prepared, the relevant estimates are prepared immediately, say, within a month or two ;
- (c) a regular review is undertaken monthly or at other convenient intervals to compare the *quantum* of work done with the expenditure incurred, so as to ensure :—
 - (i) that the actual cost is within the estimated figure ; and
 - (ii) that the progress of work does not indicate any serious departure from the estimates, either in regard to the *quantum* of work or unit cost ;
- (d) where the progress of work indicates that the original estimates are likely to be exceeded, appropriate action is taken to assess the excess, analyse the reasons therefor, and apprise the appropriate authorities of the excesses likely to be incurred ;
- (e) where there are savings under some heads, such savings are not utilised to cover excesses under other heads, without appropriate sanction ; and
- (f) proper store accounts are maintained and the book balances are periodically reconciled with actual stocks as disclosed by stock verification conducted by an independent agency.

The Committee attach great importance to the enforcement of an adequate procedure to secure these objectives.

6. They find from the Audit Report that :—

- (i) the Project estimates as a whole have not been sanctioned yet ;
- (ii) expenditure incurred on works started or done without estimates is as high as 3.57 crores, and the number of works amounts to 424 [paragraph 15 (ix) (a)—page 15-C] ;
- (iii) the ' Works abstracts ' and the ' Register of Works ', which bring out the quantities of different items of work executed and the rates at which they have been or are being executed are not posted by sub-heads in a majority of cases and the cost data have not been worked out [paragraph 15 (ix) (c)—page 15-D] ;
- (iv) that a large number of ' Material-at-site ' accounts (as many as 753) and stock returns (about 47) have not been either compiled or are incomplete, and that further physical verification has not been made in many cases, and consequently, there are no means of ensuring an effective control over utilisation as well as accounting of stores [paragraph 15 (ix) (b)—page 15-C & D] ;

- (v) that the 'schedule rates' have not been properly analysed, so that the departmental and financial authorities may satisfy themselves periodically that the rates at which works are done or let out are reasonable [paragraph 15 (ix) (d), page 15-D] ;
- (vi) the contract system does not provide for adequate publicity with the result that competition among the contractors is not quite to the extent to which it should be (paragraph 15 (d) and (iv) ;
- (vii) that no proper system of accounts has been sanctioned to regulate the working of the big Workshop [paragraph 15 (ix) (e), page 15-D] ; and
- (viii) there has been inordinate delay in the disposal of audit reports and objections,—vide [paragraph 15 (ix) (f)—page 15-D].

Points referred to at (vi) and (viii) are dealt with separately and this section deals with the other points.

7. The Committee would like to know whether the Project estimate has been sanctioned, and if not, what stage of consideration has been reached and when the estimate is likely to be sanctioned? In this connection, the Committee would like to refer to the reply given by Shri Khungar to the last Committee that the latest estimates were being checked up to see whether any revision was necessary. Has this examination been completed, and if so, what additions are now found necessary and what would be the additional cost? How would these additions affect the financial forecast [*vide* paragraph 4 *supra*] ;

8. Have estimates for all the works referred to in paragraph [2 (ii) been sanctioned] ? If all the works are not covered by sanctioned estimates, to what extent are works still left uncovered by estimates and what exactly are the difficulties in the way of getting estimates prepared and sanctioned ?

The Committee would like to have a statement prepared in the following form for 1950-51, 1951-52, 1952-53 and 1953-54 [1st April to 31st July 1953] :—

- (1) name of division ;
- (2) number of Works taken up without sanctioned estimates ;
- (3) approximate cost of the works taken up without sanctioned estimates ;
- (4) the average time lag between the commencement of the works and the preparation of detailed estimates and obtaining sanction thereto ; and
- 5. what are the reasons for the delay in getting estimates prepared and sanctioned.

The Committee appreciate that executive authorities have sometimes to take up works before proper estimates are made up and sanctioned but they feel that this procedure is attendant with grave risks and would like to be informed, in some detail, of the steps taken to stop or minimise the practice.

9. The Committee would like to have an informative note on the points referred to in paragraph 6 (iii) and the present position in regard to these accounts. Why are not these accounts properly posted or analysed and what are the difficulties in getting them compiled? The Committee would like to be informed as to how control over expenditure is being exercised in the absence of these statistics ?

10. The Committee are concerned to note that a large number of material-at-site accounts and stock returns have not been compiled or completed. Have the inadequacies been rectified ? What was the position at the end of 1952-53 in respect of material-at-site accounts and stock returns and how far have they been left incomplete or uncompiled ? The Committee would further like to know how control over the issue of stores to contractors is exercised in the absence of 'material-at-site' accounts ?

11. The Committee would like to have a statement showing the approximate total values of stores held in each division, and whether steps have been taken to appoint an independent stores verification agency for divisions other than the Nangal Central Stores (in regard to which the General Manager reported to the last Committee that a Store Inspector had been appointed), and whether the stores have been verified, if so when and with what results ? The particulars required are—

- (a) name of division ;
- (b) whether there is an independent verifying officer and if so from what date he has been appointed and what is his status ;
- (c) the periods covered by this inspection ; e.g stores verified during January and February 1953. etc. ; and
- (d) the broad results of the verification the deficiencies or excesses noticed.

12. Have any arrangements been made to analyse periodically the 'schedule rates' and test their adequacy in relation to changing conditions in the prices of materials and labour costs ? How many rates were test-checked in 1952-53, and with what results ? The Committee would like to be informed of the results in regard to the more important items.

If there are no arrangements for a periodical review of the rates, would the departmental authorities consider the desirability of instituting necessary arrangements ? The question of rates is an important one. The Committee feel that the present system of publicity given to contracts is not adequate and, consequently, the rates tendered may not be strictly competitive. Moreover, the Committee understand that the contractors do not quote specific rates but indicate the premium which they would require over the schedule rates. Having regard to the general nature of the quotations, it is important that the schedule of rates is correctly prepared, and periodically tested.

13. The Committee would like to know whether and, if so, what control statistics are maintained to ensure that the Workshop is working efficiently ?

14. The Committee appreciate that administrative and technical personnel has not been adequate in the past to cope with the increasing volume of work, but they are anxious that this problem should be studied carefully and plans laid to recruit and train the requisite staff, so that after a while this problem will either not exist or at least not present acute difficulties. Has any assessment of the accounts and technical personnel required for the works that have to be executed in the next five to seven years been made and what steps have been taken to recruit and train the requisite personnel ? If so, the Committee would like to be informed of :—

- (a) the deficiencies in the different categories of personnel ; and
- (b) the steps taken to recruit and train the personnel.

IV—CONTRACTS

15. While examining the accounts of the Bhakra-Nangal Project for 1948-49 and 1949-50, the Accountant-General informed the Committee that he had suggested to the Punjab Government the appointment of a Committee of Engineers together with a representative of the Finance Department to go into the methods of execution of works in different branches of the Public Works Department and to evolve, if possible, uniform system. The Committee approved the suggestion and desired that the Government should implement the same as soon as possible, and report the decision taken on this matter,—*vide* page 47 of the Committee's report. The Committee would like to be informed of the present position, particularly :—

- (a) Whether the Committee proposed by the Accountant-General has been appointed and if so, when it is likely to submit its report ; and
- (b) if the Committee has not been appointed what are the difficulties in the way of setting up the Committee ; when it is likely to be set up, and by what date it is expected to submit its report.

16. The following criticisms are put forward against the present system of 'Work Orders' :—

- (a) the contractors are too much dependent on junior officers, since it is open to them to terminate the contracts or allow them to continue; and
- (b) it is open to the contractors, after having accepted the contracts, to terminate them if they find the rates are not good enough. While the Government are bound to the rates, there is no corresponding binding upon the contractors to execute the work at the rates accepted by them ; they can with impunity terminate the contracts and use this weapon to get better rates.

17. The Committee are aware that the Irrigation Department has been used, for a very long period, to the system of 'Work Orders' and there is consequently an understandable measure of reluctance to try other method, even though such systems are successfully being applied by the other branches of the P.W.D., namely, the Buildings and Roads Branch and the Electricity Branch, not to speak of the experience in other States. The Committee also appreciate that there may be justification for the adoption of the present system in regard to works which are to be executed at out of the way places. The Committee would like to know whether the Department expects to meet with any difficulty in letting out the works on appropriate contract basis in respect of :—

- (a) building works situated in or near the urban areas ; and
- (b) bridges, cross drainage works, etc.

These are items of work exactly similar to those done by the Buildings and Roads Branch on a 'Contract basis'. If the Department agree that there would be no difficulties in getting these works done on a contract basis, as prescribed in the Codes, what steps have been taken to give effect to them.

18. The Committee understand that, at present, contractors are supplied with most of the materials required, e.g. bricks, tiles, cement, and steel. While there may be justification for the supply of steel and cement, the Committee feel

that normally bricks and tiles should be supplied by the contractors themselves. The present scheme under which these materials are supplied by the department throws upon it a considerable amount of work, which can well be avoided, e.g. fixing up of contracts for supplies of coal for burning bricks and supply of bricks arrangements for their storage and issue to contractors, a fixation of issue rates and recovery of the cost of issues. From the heavy arrears in accounts work as evidenced by the non-preparation of a very large number of 'materials at site' accounts and stock returns, the large number of audit and inspection reports and reviews lying unattended, the Committee are inclined to the conclusion that the technical and accounts personnel are hard pressed for time. Having regard to this pressure of work and the urgency of finding a way to get out of this situation, the Committee would like to know to what extent it would be possible to place contracts on a through rate basis, the contractors being required to supply not only labour, but materials like bricks and tiles. The Committee appreciate that if they supply the materials, supervision would have to be strict to ensure the usage of good quality materials, but they assume that even now there is a vigilant supervision and consequently there would be no difficulty in detecting and preventing the use of bad materials. The Committee put forward this suggestion not only to ease the burden of contract and accounts work, but also as an important method of stimulating the creation of a class of responsible contractors, a desideratum, in regard to the utility and necessity for which there can be no two opinions. If the Chief Engineers agree with the Committee's view, would they, please, indicate to what extent and by what stage this experiment can be tried ?

19. The Committee would also like to know at what rates steel and cement are being issued to contractors. If no monetary adjustment is now made, would the department consider the desirability of making monetary adjustment and issuing the materials at market rate, to—

(i) prevent excess issues of materials ; and

(ii) reduce the inducement to save materials ; and sell them at a profit elsewhere.

The Committee attach importance to the prescriptions of procedures which, will leave, normally speaking, no loop-holes.

20. From paragraph 15 (iv) of the Audit Report (page 15), it is seen that wide publicity is given only in respect of works costing over Rs 2 lakhs. In regard to other works, publicity is limited to the contractors working in the Circles or Divisions, and, in the case of works costing Rs. 10,000 and less, there is no obligation to invite tenders at all. The Committee feel that wider publicity should be given to all contracts estimated to cost of over Rs. 10,000. If the Works are to be executed at reasonably cheap rates, it is important that there should be keen competition among the contractors, and this competition cannot be stimulated unless the widest publicity is given.

21. There is yet another important consideration. When the peak period of construction is over, there would be more men desirous of getting work and less work to be given. Under these conditions, rates must fall, provided there is adequate publicity, for without adequate publicity, the necessary competition and mobility will not be possible. The Committee would like to recall in this connection the reply given by Shri Khungar to the last Committee (page 47 of the Report) that in view of the tendency, for rates to fall, this was an opportune time for liberally inviting tenders with a view to safeguarding Government's financial interests.

22. It may be argued that sometimes works have got to be taken up urgently. Such cases, if at all, should be rare, and this consideration cannot be an argument against the adoption of the general practice that all works estimated to cost over Rs. 10,000 should be widely advertised.

23. The Committee would like to be informed of the notice period usually given. They feel that at least a month's notice should be given. If the point is made that the works are urgent and very often they have to be let out at short notice, the Committee feel that a system which necessitates the letting out of large number of contracts at short notice is wrong and adequate measures must be taken to ensure that requisite notice period is given to all contractors.

24. The Committee would like to have the opinion of the Chief Engineers on the points raised in this section before it decides to make appropriate recommendations to Government.

V.—SETTLEMENT OF AUDIT OBJECTIONS

25. The Committees are disturbed to find that a large number of Audit and Inspection Reports are lying un-attended to. They would like to have a statement giving the following particulars :—

- (a) name of the Circle ;
- (b) number of Inspection Reports not finally disposed of ; and
- (c) number of Review notes not finally disposed of as at the end of 1952-53. The Committee would also like to know what steps, if any, have been taken :
 - (i) to impress upon the officials concerned particularly, the Executive Engineers, the necessity for dealing with the Audit reports expeditiously ; and
 - (ii) to clear the outstanding arrears. The Committee would like to have an indication of the probable date or dates by which it is expected that all Inspection reports, Review notes and other audit objections issued before 1st April 1953, would be cleared.

26. The Accountant-General has also brought to the notice of the Committee that:—

- (i) payments have been made, in some cases, to contractors, even before the issue of the 'Work Orders'.
- (ii) the monthly settlement with Treasuries (*vide* P.W.A. form 26) has not been made in several cases, with the result that recconciliation has not been effected between the Treasury figures and the Divisional accounts.

The Committee would like to know the steps taken to stop or rectify these defects.

VI.—IMPORT OF MACHINERY.

27. A reference has been made at page 15-B of the Audit Report to second-hand machinery costing about 23.76 lakhs ordered from America. Orders for this machinery were placed in May, 1952, on the understanding that it was ready for

shipment, but it was reported not to have arrived by November, 1952. Has the machinery since arrived and if so, when?

Was there a formal contract concerning this supply and, if not why was not a contract executed?

28. The Committee would like to have a statement giving the following information for the period 1948-49 to 1952-53, analysed by the years to which they relate:—

- (a) year;
- (b) total value of order for machinery placed with foreign countries;
- (c) distribution of orders among countries so much in America, so much in Great Britain, etc.
- (d) what proportion of the orders e.g., the value of machinery ordered was placed after calling for competitive tenders, and without competitive tenders; and

NOTE

The Committee appreciate that strictly competitive quotations cannot be had for machinery, and mechanical appliances, vehicles, etc, as the makes are different and the specifications vary to some extent. What the Committee want to know is—

- (a) within the range of possible supplies are the prices quoted by different makers compared to ascertain which source of supply would be the cheapest, and
- (b) whether makes of different countries, e.g. American, British, Swiss, German and Japanese etc., compared to find out which would be the cheapest source of supply.
- (c) reasons for placing orders without competitive tenders and steps taken to ensure that prices paid are reasonable and competitive.

29. Are all orders covered by binding contracts regarding quality of machinery to be supplied and delivery schedules; if not, to what extent have orders been placed without proper contracts and what are the compelling reasons necessitating this course? How are the risks attendant upon the execution of such orders delayed supplies, supply of unsuitable machinery safeguarded against?

30. Is payment made, in any case, in advance of supply? If so, what are the reasons for such payments and how have the interests of Government been safeguarded in respect of such payments.

A—Irrigation Grants 7,9,26 and 28

Item	Page	Paragraph/ sub-head	Observations made by the Committee
31	1	1 AA—Works	<p>(1) The original grant was 4.82 crores; of this 1.82 crores were surrendered, leaving a net provision of 3.00 crores. Actual expenditure amounted to Rs 2.68 crores, resulting in a saving of a little over 31 lakhs. The explanatory note indicates that a saving of 20.15 lakhs was due either to the slow progress of works or the non-execution or non-completion of the works. The Committee would like to know:—</p> <p>(a) on what basis the original grant of 4.82 crores was provided and why was it found necessary to surrender as much as 1.82 crores;</p> <p>(b) what were the reasons for the slow progress or non-execution or non-completion of the works even on the basis of the reduced demand.</p> <p>(2) The Committee are interested to ascertain whether in putting forward the demand for grants, the departmental authorities make due allowance for all foreseeable factors likely to restrict expenditure and if this were done, what were the unforeseeable factors that led to the surrender of 1.82 crores and a further saving of 20 lakhs.</p> <p>(3) The Committee would like to know the position regarding the grant initially voted, the surrenders made in the course of the year, and the saving, if any, from the final modified grant in 1951-52 and 1952-53.</p> <p>(4) At page 14 of the Audit Report, one of the two main reasons given for the slow progress of works is the inadequacy of the loans granted by the Central Government. On what basis are the original grants asked for and whether they are related, apart from the estimated capacity for incurring expenditure, to the amount of funds expected to be received from the Central Government. In other words, the Committee would like to know whether Government before</p>

Item	Page	Paragraph/ sub-head	Observations made by the Committee
31	1 101	AA—Works— <i>contd</i>	<p>asking the Legislature to vote funds in regard to this project, ascertain from the Central Government whether the requisite funds would be available, and if this is not the case why is it not done?</p> <p>(5) While examining the accounts of 1948-49 and 1949-50, the Committee found that the expenditure actually incurred in the different years was not commensurate with the loans received from the Central Government,—<i>vide</i> page 46 of the last Committee's Report. The Committee would like to have clear idea of:—</p> <p>(a) the amounts received every year;</p> <p>(b) the actual expenditure incurred in the year; and</p> <p>(c) if (b) is less than (a) how is the difference utilised?</p>
32	102	CC— Suspense	<p>(1) The Committee note that as against a grant of 43.96 lakhs made up of an original grant of 19.31 lakhs and a reappropriation of 24.65 lakhs, actual expenditure amounted to 142.33 lakhs or an excess of 98.36 lakhs. The explanatory note says "Chiefly unresponded debits placed under Miscellaneous Advances". The Committee would like to have a layman's exposition of the problem, why and how the debits were not responded, what are the divisions which have not responded together with amount's not responded by each division, whether this non-response indicates any slackness or slowness in the compilation of accounts and if so, what steps have been taken to remedy the position?</p> <p>(2) Have these un-responded debits been adjusted and if so how much in 1951-52 and 1952-53.</p> <p>(3) The Committee would like to have a statement in respect of 1951-52 and 1952-53, showing—</p> <p>(a) the original grant;</p> <p>(b) supplementary grant or reappropriation;</p>

Serial No.	Page	Paragraph/ sub-head	Observations made by the Committee
1	2	3	4
32	102	CC— Suspense— <i>contd</i>	<p>(c) total grant and (d) actual expenditure incurred during the year, i.e. excluding the adjustment relating to previous years.</p> <p>In other words, the Committee's object is to ascertain whether similar large 'Un-responded debits' have occurred in subsequent years and what steps have been taken to ensure that the debits are responded to in time, so that the accounts may represent a correct and uptodate picture.</p>
33	III 102	DD	<p>The explanatory note indicates a profit on account of stocks storage and manufacture of 6.14 lakhs. How has this profit accrued? The Committee would ask, for an exposition which could be understood by a layman. Is it a real profit or does it represent a paper transaction and if the latter be the case, why it is allowed to occur, more particularly, have steps been taken to review the position and adjust the rates correctly? What has been the position in regard to 1951-52 and 1952-53.</p>
34	IV 97	Percentage Charges	<p>The <i>pro rata</i> expenditure in 1950-51 was 14.01— as against 10.95 in 1949-50. What was the position in 1951-52 and 1952-53 and how do these percentages compare with the percentages for establishment provided in the project estimates. The Committee would like to have a clear and detailed analysis.</p>
35	V 310	A2(i) (I) (I)	<p>The original grant of 4.27 crore was later on reduced by the surrender of 1.14 crores. The actual expenditure of 2.89 crores fell short of the final (reduced) grant by 24 lakhs. The saving has been explained to be due to :—</p> <p>(a) slow progress of works for want of decision regarding specifications and machinery 12.86</p> <p>(b) non-completion of works due to want of materials .. 8.50</p> <p>(c) non- finalisation .. 2.33 research schemes .. 23.69</p>

Serial No.	Page	Paragraph/ sub-head	Observations made by the Committee																				
1	2	3	4																				
35	V 310	A2(i) (1)— <i>contd</i>	(2) The General questions posed in regard to item No. 1 (paragraph 31) apply to this item also and may be answered in so far as they apply to this grant. In addition, the Committee would like to know whether similar difficulties regarding the progress due to want of materials or decision regarding specification of machinery were met within 1951-52 and 1952-53 and if so to what extent? What steps have been taken to ensure that works are not held up for want to materials and machinery that is to say, are orders placed in time or steps taken well in advance for the procurement of materials and decisions taken in time regarding the type of machinery required. The Committee would like to have a clear note on the subject																				
36	310	A.2(i) (3)	At page 278, it has been explained that a saving of Rs 5,60 lakhs was due to non-availability of 'Tools and Plant'. What was the position in 1951-52, and 1952-53? Were the works held up for want of 'Tools and Plant' and what steps have been taken to procure them in time.																				
37	VII 310	A(2) (i) (4)	The questions relating to unresponded debits raised against item II paragraph 32 apply to this item also and may be answered to the extent they are relevant to this grant, i.e.																				
38	VIII 290-92	Estt. Charges	<p>(1) The percentage of establishment charges relative to works expenditure during 1950-51 was 8.693 as against 7.924 in 1949-50. The following are the statistics:—</p> <table> <tr> <th colspan="2"><i>Works</i></th><th colspan="2"><i>Establishment Charges</i></th></tr> <tr> <th><i>Year</i></th><th><i>Expenditure</i></th><th colspan="2"></th></tr> <tr> <th></th><th>Lakhs</th><th colspan="2">Percentage</th></tr> <tr> <td>1949-50</td><td>.. 230.69</td><td>18.28</td><td>7.924</td></tr> <tr> <td>1950-51</td><td>.. 288.74</td><td>25.10</td><td>8.693</td></tr> </table> <p>The increase in establishment charges has not been commensurate with the increase in works expenditure. Why was this so and what was the position in 1951-52 and 1952-53? How do these percentages compare with the provision in the Project estimates?</p>	<i>Works</i>		<i>Establishment Charges</i>		<i>Year</i>	<i>Expenditure</i>				Lakhs	Percentage		1949-50	.. 230.69	18.28	7.924	1950-51	.. 288.74	25.10	8.693
<i>Works</i>		<i>Establishment Charges</i>																					
<i>Year</i>	<i>Expenditure</i>																						
	Lakhs	Percentage																					
1949-50	.. 230.69	18.28	7.924																				
1950-51	.. 288.74	25.10	8.693																				

Serial No.	Page	Paragraph/ sub-head	Observations made by the Committee
1	2	3	4
38	VIII 292-92	Estt. Charges —concl'd	(2) In para 2 at page 290, it has been stated " The question of devising suitable forms and procedure for working out the percentages in these cases is under consideration of the Punjab Government". The Committee would like to know whether any decision has been reached on the subject, and if not; when is it likely to be reached?

VIII.

39. In paragraph 15 (vi) of the Audit Report (page 15-B) it is said that 42 specialists had already been recruited and more were yet to come. What is the latest position? Having regard to the high rates of remunerations which have to be paid to the specialists (It is estimated that the cost is likely to be of the order of 3 crores), has their employment been limited to the minimum absolutely necessary? The Committee would like to have a statement showing the number of specialists and the branches of work in which they are specialists and whether no qualified Indians are available in all these branches. The statement may also indicate the period for which these specialists have been employed.

40. The Committee note that a Directorate of Construction has been set up to deal with all questions relating to administration payments and accounting relating to the Dam. The Committee would like to have a note setting out, in some detail, the organisation and functions of this Directorate (both expected to be discharged as well actually performed now). It has been stated in the Audit Report (para 15(vi) that the procedure and forms have not been finalised. Have these been now finalised; if not when is it likely to be done?

41. The Committee would like to know whether Compensation has been paid for all lands acquired in connection with the Project if not, how much yet remain to be paid, what are the reasons for the delay in making payment and what steps have been taken to expedite the settlement of the claims? As a result of the delay, have Government to pay interest on the claims and, if so, how much expenditure is likely to be incurred, on the whole, on this account.

IX

42. The Committee noticed that there was recently a fire at the Ganguwal Power House under construction. The Committee would like to know:—

- the loss incurred as a result of the fire (how much loss on wood-work, labour charges etc.)
- what would be the cost making good the loss ;
- whether any investigations were held, and if so what were the findings;
- whether security arrangements were not adequate enough to prevent the fire which is said to have occurred in broad daylight, and
- what steps were taken to control the fire.

43. The Committee have noted that a railway line has been laid to bring bajri to Ganguwal from a place 4 to 5 miles away. The Committee would like to know:—

- (a) the cost of laying the track and other expenditure incurred in connection with the utilisation of this line;
- (b) for what period was it used;
- (c) how much of bajri (in forms of truck loads) was brought over this line;
- (d) whether there was no road from the site of supply to Ganguwal; and
- (e) if there was a road, whether the economies of laying the track and operating a railway or trolleys were considered.

The Committee would like to have a clear self-contained note on the subject.

44. In the course of their inspection, the Committee have noticed that here and there, the Cement lining in the Nangal Hydel Canal had given way. The Committee would like to know:—

- (a) the extent of the damage;
- (b) whether the damage was due to faulty workmanship or defective specifications and what steps have been taken to correct them, and if so, have steps been taken to correct them and also an estimate of the loss incurred as a result of the damage.

45. The Committee understand that in 1952, some masonry work connected with the Nangal headworks was washed away. The Committee would like to have a note on the subject, indicating, among other things, particulars of the damage, the circumstances in which it occurred, the loss caused thereby, and the preventive measures taken to safeguard against a repetition of such or similar loss.

46. The Committee would like to know:—

- (a) what types of quarters are provided for the workers and clerical staff;
- (b) what proportion of these quarters have been and will be provided with quarters;
- (c) what amenities, e.g. electric lighting, water borne sanitation, supply of water etc., are provided for these quarters and on what scale;
- (d) how much has been and is proposed to be spent on the housing of the workers and lower paid staff?

X

47. As the questions raised relate to four Chief Engineers besides the Finance Department the Committee would like the notes to be sent to all of them, so that they may send replies in regard to the portions relating to them. The Committee would like to point out that last year, although replies were required to be sent by the 25th November 1952, they were not actually received till the 27th January, 1953. The Committee hope that this time full and informative replies will be returned by the due dates.

GRANT No. 11—GENERAL ADMINISTRATION.

Serial No	Page	sub-head Paragraph/	Observations made by the Committee.
1	119	H-1 Ministers	The Committee would like to know the details of the undrawn claims and also the nature of vacancies which remained unfilled on account of which a surrender of Rs 30,114 was made and why this could not be anticipated.
2	121 126 127	K.1.(3) P.1 (c) P.1.(d) P 4 (i)	The Committee would like to know in some detail, the reasons for the large savings under these sub-heads and more especially under P1(c) and(d).
3	125	P.1. (1)	The Committee would like to know the reasons why incorrect estimation was made resulting in an excess of expenditure over the grant.
4	23	Paragraph 42 regarding shortage of cash in a Treasury	The Committee would like to know whether the Treasury Officers, and the Deputy Commissioners during the period during which embezzlements occurred carried out the checks prescribed by the rules. If so, the number of times the checks were carried out by the successive Deputy Commissioners. If no checks were carried out, the reasons therefor and the action, if any so far taken against the defaulting officers.
5	132-133	Paras 9 and 10 of Notes	The Committee would like to know what disciplinary action has been taken against the official or officials responsible for the irregularities mentioned in these paragraphs.

GRANT NO. 13—JAILS AND CONVICT SETTLEMENTS.

1	144—148	Financial State-ments	The Committee would like to have a note showing the types of work on which the prisoners are employed and whether they are the most remunerative types of work on which they could be employed. If not, whether the Department proposes to make any change; and if so, what? In other words, the Committee want to have a clear idea of the steps taken by the Government to ensure that the prisoners are employed at the most remunerative types of work.
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Serial No.	Page	Paragraph/ sub-head	Observations made by the Committee.
1	144—148	Financial Statements	<p>The Committee would also like to have a statement showing the cost per:—</p> <p>(a) convict-prisoner;</p> <p>(b) under-trial.</p> <p>In regard to the convict prisoner, the value realised from his labour may also be stated so that the net cost can be worked out.</p>

GRANT NO. 14—POLICE.

1	150	B-1 B-4	<p>The Committee would like to know the circumstances in which funds could not be provided for and why steps were not taken to obtain additional funds before the close of the year.</p> <p>The Committee understand that the excess under "Pay of Officers" has been a recurring feature for sometime. They would like to have full particulars why these excesses are recurring.</p>
2	150	B-2	<p>The Committee would like to know the reasons why the amount could not be surrendered in time.</p>

AUDIT REPORT, 1952.

3	22	Para 38	<p>The Committee would like to know the circumstances in which the Government reached the decision that it was not necessary to take any disciplinary action against the officials concerned.</p>
4	22-23	Para 39	<p>The Committee would like to know (a) whether the orders for 80 bales of <i>khaki</i> cloth were placed on the Textile Commissioner by the Police Department; (b) whether the orders indicated clearly the specifications of the cloth;</p> <p>(c) whether the cloth before it was despatched by the mill was not inspected by the Inspectors of the Central Government;</p> <p>(d) under what circumstances was it necessary to make arrangements with a private dealer to take delivery of the cloth;</p>

Serial No.	Page	Paragraph/ sub-head	Observations made by the Committee.
4	22—23	Para 39	(e) why, was not the delivery of the cloth taken direct by Government on payment of the cost through book debit or other means adopted normally for the adjustment of inter-Governmental transactions;
			(f) what exactly were the specific defects in the cloth for which it was not found suitable for use by the Police Department;
			(g) the name of the merchant who took delivery of the goods initially;
			(h) the name of the merchant to whom it was subsequently sold.
5	23	Para 41	The Committee would like to know why— (a) the amount was withdrawn before it was actually required for disbursement;
			(b) why, the amount was advanced to the horse dealer before the horses were actually supplied;
			(c) why there was no agreement to cover this transaction;
			(d) what steps have been taken to avoid such improper actions in future; and
			(e) whether any action has been taken against the officer responsible for this irregularity.

GRANT No. 15—SCIENTIFIC AND MISCELLANEOUS DEPARTMENTS.

1	155	F-3	The Committee would like to know whether the saving of Rs 9,651 made in the provision for this service affected the scope or results of the enquiry in any way that is to say whether the work was completed without detracting from its value in any way?
2	158	Note-4	The Committee would like to know the reasons why the Inspector of Weights and Measures alone was considered responsible for the loss of stores and why no action was taken against the District Magistrate for his failure to make adequate arrangements for the safe custody of Government stores lying in the building in which the Weights and Measure's Office was situated.

GRANT NO. 16—EDUCATION.

Serial No.	Page	Paragraph/ Sub-head	Observations made by the Committee.
1	2	3	4
1	B-2 R-2 (1)	159 163	The Committee would like to know the reasons for the vacancies not being filled.
2	161	G	The Committee would like to know the circumstances in which the saving under this head occurred, and whether the Department, before allowing a part of the grant to lapse had considered all cases of schools deserving of special block grants.
3	161	L	The Committee would like to have a note on the Government special and Model Schools, particularly, their number, where they are situated, the special purposes which they serve the expenditure on such schools, the scales of fee charged and the income from each.
4	162	L—3	The Committee would like to know the circumstances in which scholarships to the tune of Rs 3,370 could not be awarded.
5	163	Q	The Committee would like to know to whom and on what basis the scholarships are given ?
6	164	R—3	The Committee would like to know whether the saving shown under this sub-head was due to any alteration in the scales of pay or merely the fixation of pay at lower rates under the normal operation of rules.
7	165	Note 8 and Harijan Education Fund	<p>The Committee would like to have a note indicating how the Harijan Education Fund is being utilised and the progress of work achieved so far in regard to the promotion of education among the Harijans.</p> <p>The Committee would like to have an idea of the expenditure incurred from this fund during the years 1948-49, 1949-50, and 1951-52 and 1952-53.</p>

GRANT NO. 17—MEDICAL AND PUBLIC HEALTH DEPARTMENTS.

Serial No.	Page	Paragraph/ Sub-head	Observations made by the Committee.
1	2	3	4
1	168	B 3 (1) (1) (a)	The Committee would like to know under which heads the saving of Rs. 31,007 was effected and whether supply of medicines is one of them.
2	169	B-4	The Committee would like to have a note indicating the basis on which grant for the supply of medicines, hospitals equipment and diet have been fixed both for Government and non-Government institutions and whether they are adequate ? The note may also indicate the expenditure on medicines per patient in the Government and non-Government hospitals.
3	173	1	The Committee would like to know the particular works on which the sanitary grant was not earned or for which it was not utilized and the reasons therefor.
4	166—173	Explanatory Notes	The Committee noted that savings under a number—of sub-heads e.g A 2 (2), B 8 (3), E.1, have been—explained away as being due to vacancies. What exactly are the reasons for the existence of these vacancies ? Is the paucity of qualified medical men one of them, and if so, what steps are being taken to get over this difficulty.
5	176	Store on account of Vaccine Lymph.	The Committee would like to know whether the balances have been physically verified. Are steps being taken to ensure that they are verified annually ? AUDIT REPORT, 1952.
6	23	Para. 40.	The Committee would like to know the reasons why no action was taken against the official responsible for the irregularity before he retired from service.

GRANT No. 18—AGRICULTURE

GRANT No. 37—CAPITAL OUTLAY ON PROVINCIAL SCHEMES OF
STATE TRADING

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee:
1	2	3	4
1	178-179	D.1.	<p>1. The expenditure amounted to Rs. 45.02 lakhs against a grant of Rs. 7.06 lakhs, resulting in an excess of 7.96 lakhs. The explanation given is "inadequate provision for the cost of ammonium sulphate".</p> <p>2. The Committee would like to know the circumstances in which it was not possible to make adequate provision for the cost of ammonium sulphate. Were no accounts kept of the orders placed and the receipts of ammonium sulphate so that it was not possible for the Department to make a fairly accurate forecast of what the expenditure during the year was likely to be?</p>
2	180	J. (2)	<p>There is a saving of Rs. 7.03 lakhs under this head, actual expenditure having amounted to only 2.94 lakhs against a grant of 9.97 lakhs. The explanation is "non-payment of subsidy to cultivators". The Committee would like to know on what conditions and scale the subsidy is payable and the circumstances in which it was not paid thus allowing a large lapse of the grant.</p>
3	29, 30 and 194	Paragraph 47d of the Audit Report and notes at page 194	<p><i>Schemes for the sale of improved seed to Cultivators.</i> The Committee would like to know whether any, and if so, what steps have been taken to eliminate losses on seed operations and work the scheme on a "no loss, no profit basis". Have steps been taken to ensure that there is no overstocking and the seeds are not allowed to deteriorate? What are the safe stock limits?</p> <p>It has been stated at page 194 of the Audit Report that the question of fixing responsibility for the loss which occurred in regard to cotton, Jowar, Pyrethrum and Bajra seeds due to fluctuations in their sale rates during the sowing season, and deterioration of stocks due to prolonged storage is under consideration. The Committee would like to know whether a final decision has been reached and what it is?</p>
4	194	Para 3 of Notes	<p>It has been mentioned that incidental charges inclusive of the cost of bags worked out to 38.73</p>

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee
1	2	3	4
4	194	Para 3 of Notes—	on account of the sales in 1950 as against 5.02 on account of in 1949. What are the reasons for this high percentage and what steps have been taken to keep it reasonably low ? What were the corresponding percentages in 1951 and 1952.
5	194	Notes	<p>The experience of the Members of the Committee is that while the supply of Jowar and Bajra seeds is short in some districts like Hoshiarpur, Jullundur and Kangra, the supply seems to be in excess of demand in districts like Gurgaon, Hissar and Rohtak. What is the scheme of storage and distribution of the seeds in the several districts ? In other words, the Committee would like to know whether the storage in each district is adjusted to the demand and requirements of the area. If this is done, there should not be excess stores held in Districts where the demand is low thus leading to the deterioration of the seed and consequent loss to Government.</p> <p>The Committee find that a considerable quantity of seed grains purchased before January, 1950 remained undisposed of even as late as 31st March 1951. Have these seed grains been disposed of and what has been the loss resulting from this delayed disposal ? What steps have been taken by the Department to ensure that stocks are disposed of quickly and in time ? There have been complaints in certain Districts that seed grains are not supplied in the rainy season when they are wanted by the cultivators.</p>
6	194	Notes	<p>What is the distinction between the scheme of seed distribution, for which funds have been provided under Grant No. 18 and the scheme of improved seeds distribution for which funds have been provided under Grant No. 37. In what cases are ordinary seed grains supplied and in what cases improved seed grains ? If there are two sections in the scheme, viz., supply of ordinary seeds and supply of improved seeds, what is the necessity for this distinction. From what sources are the improved seeds as well as ordinary seed grains obtained ? The Committee would like to have an informative note setting out in some detail the main elements of the scheme, e.g., the areas from which the seed grains are procured, the conditions under which they are produced, and the storage and distribution arrangements made.</p>

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee																
1	2	3	4																
7	42-43	Para 62 of Audit Report	<p>The Committee note that a considerable number of Audit Reports and Audit objections is remaining unsettled,—<i>vide</i> paragraph 62 of the Audit Report, pages 42-43. The following are the statistics:—</p> <table> <tr> <th>Year</th><th></th><th>Number of Reports</th><th>Number of Items.</th></tr> <tr> <td>1948-49</td><td>..</td><td>3</td><td>9</td></tr> <tr> <td>1949-50</td><td>..</td><td>5</td><td>38</td></tr> <tr> <td>1950-51</td><td>..</td><td>57</td><td>427</td></tr> </table> <p>The Committee would like to know from the Director of Agriculture what action has been taken to settle these Audit Objections and what the position is in regard to the Audit Report issued in 1951-52 and 1952-53.</p>	Year		Number of Reports	Number of Items.	1948-49	..	3	9	1949-50	..	5	38	1950-51	..	57	427
Year		Number of Reports	Number of Items.																
1948-49	..	3	9																
1949-50	..	5	38																
1950-51	..	57	427																

GRANT NO. 19—VETERINARY

1	196-197	E.1 and F-2	1. The Committee would like to know what action was taken by the Department to call for debits and why action was not taken to surrender the savings, if there was no likelihood of the debits being received during the year.
2	209	Working results of the Government Livestock Farm, Hissar	<p>2. The last Public Accounts Committee made certain recommendations for the improvement of the financial position of the Hissar Livestock Farm,—<i>vide</i> pages 4 and 5 of its Report. This Committee would like to know the action taken on the recommendations. Further, the Committee would like to know—</p> <p>(a) Whether the sale rates of livestock, fixed in 1945 and due for revision in 1950, have been revised and if so, with effect from what date and what are the financial consequences of the revision likely to be.</p> <p>(b) What action has been taken on the Committee's recommendation that the possibility of utilising the milk of T.B. infected cows after pasteurisation be examined and with what result.</p>

GRANT NO. 21—INDUSTRIES.

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee												
1	2	3	4												
1	212.	A.4 (2) (1) and (2)	1. The Committee would like to know what scheme was not allowed to function fully which led to the saving and also why it was not possible for the Departments to anticipate the savings and surrender them.												
2	20	Para 32 of the Audit Report	2. The Committee note that the irregularity would not have occurred if the sanction for the purchase of machinery and equipment worth about Rs. 1,85,000 had been issued not on 30th March, 1950, but much earlier which would have left sufficient time to the Departmental authorities to utilise it in accordance with the prescribed procedure. The Committee would like to know whether action has been taken to ensure that in future sanctions for incurring expenditure are issued well in advance. The Committee would like to have a note on the subject from the Finance Department also, as similar irregularities might occur in other Departments also.												
3	22	Para 37 of the Audit Report	3. The Committee would like to know how it is proposed to regularise an expenditure of Rs. 20,084 which is reported to have been incurred without competent sanction and kept under objection by the Accountant-General ?												
4	42-43	Para 62 of the Audit Report	4. The Committee note that a considerable number of Audit Reports has not been disposed of finally. The statistics are given below :— <table><tr><th>Year</th><th>Number of Reports</th><th>Number of items</th></tr><tr><td>1948-49</td><td>.. 2</td><td>11</td></tr><tr><td>1949-50</td><td>.. 21</td><td>128</td></tr><tr><td>1950-51</td><td>.. 8</td><td>67</td></tr></table> The Committee would like to know the action taken to settle the Audit objections promptly and what the position is in regard to Audit Reports issued in 1951-52 and 1952-53 ?	Year	Number of Reports	Number of items	1948-49	.. 2	11	1949-50	.. 21	128	1950-51	.. 8	67
Year	Number of Reports	Number of items													
1948-49	.. 2	11													
1949-50	.. 21	128													
1950-51	.. 8	67													

GRANT NO. 22—INDUSTRIAL CAPITAL EXPENDITURE.

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee
1	2	3	4
1	31-32	Para 49 of the Report.	<p><i>Work Centres Scheme</i></p> <p>(i) The Committee would like to know whether Trading and Profits and Loss Accounts are prepared to show the financial results of the Work Centres ?</p> <p>(ii) The Committee would like to have a statement showing—</p> <p>(a) Expenditure incurred year by year on the Work Centres since their inception to end of 1952-53 (interest charges on the loan should be exhibited separately).</p> <p>(b) Receipts realised year by year.</p> <p>(c) Total loss incurred year by year.</p> <p>(d) Number of persons who have been found working at these Centres, analysed by men, women and non-adults.</p> <p>(e) Loss incurred every year on each Centre.</p> <p>In other words, the Committee would like to have a complete picture of the financial results of the working of Work Centres since their inception to end of 1952-53.</p> <p>(iii) It has been mentioned in paragraph 49 of the Audit Report that out of 43 Centres originally opened 20 have been closed and 8 Centres have been converted into training-cum-production centres, thus leaving only 15 active Centres. What are the financial results of the working of these 15 centres ? Are they individually and in the aggregate self-supporting ? If not, what is the loss that Government have to incur on these Centres, and what steps, if any, have been, or are proposed to be taken to put the centres on a self-supporting basis ?</p>

Serial No.	Page.	Sub-head/ Paragraph	Observations made by the Committee
1	2	3	4
1	31-23	Para 49 of the Report—	<p>(iv) It is also mentioned in the Audit Report that a substantial part of the stock lying at the close of some of the Centres is awaiting disposal. The Committee would like to know what difficulties, if any, are experienced by the organisation in disposing of the stock and do they relate to prices or quality of the products or both.</p> <p>(v) The Committee would like to know what action has been taken to dispose of or otherwise utilise the machinery reported to have been lying idle for a number of years ?</p> <p>The Committee would like to know :—</p> <p>(a) whether any loans or subsidies were granted in 1950-51 to persons or firms who received a similar benefit or concession in any of the previous years ;</p> <p>(b) whether people who have been assisted in 1950-51 or in previous years, were given further assistance in 1951-52 or in 1952-53 ;</p> <p>(c) on what basis and subject to what conditions are subsidies given ?</p>

GRANT NO. 23—CIVIL WORKS

(Public Works Department—Buildings and Roads Branch and Capital Organisation)

1	226 to 227, 228 and 231	K.T (i), T(iv), U.I. and W.2 (i)	<p>1. (i) The Committee note that except in regard to a few sub-heads, expenditure under most has fallen short of the final grants. Instances where the short fall is very substantial, are K,T (i), T (iv), U.I and W.2 (i). The statement of major works at pages 238 to 241 may also be seen. Large variations are shown against items 4, 6, 13, 16 and 20. The reasons given are—</p> <p>(a) non-execution or abandonment of certain works for which provision was made in the Budget,</p> <p>(b) non-availability of materials,</p> <p>(c) non-receipt of sanction for estimates or late starting of works,</p> <p>(d) delay in getting possession of sites.</p>
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Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee
1	2	3	4
1—	226 to 227, 228 and 231—	K. T. (1) T(iv). U.I., and W.2 (i)—	<p>The Committee would like to know whether these factors which occur from year to year are not taken into account in framing the estimates for grants. What procedure, if any, is adopted by the Public Works and Finance Departments, to ensure that the amount submitted to the Legislature for vote is the minimum amount required by the Department for executing the works, which it is in a position to do, taking into account factors which delay or retard the progress of works.</p> <p>The Committee would also like to know—</p> <ol style="list-style-type: none"> what were the materials which could not be obtained in time, and what were the reasons for their non-availability. what works for which provision was made in the grant were given up or not started and why, whether provision for expenditure is made even before estimates are sanctioned and the possession of land obtained; if due to urgency, provision is made in the grant even before the necessary preliminaries, like preparation of detailed estimates and sanction thereto, possession of land, etc. are not secured, what steps are initiated by the Department, soon after the grant is voted, to get these preliminaries fixed up, so that the work can be started after a few months? <p>In other words the Committee wants to have a clear idea of—</p> <ol style="list-style-type: none"> the means and methods adopted to secure as close an approximation as possible, between the grant asked for from the Legislature and the expenditure actually incurred, and what control machinery is in operation to enable the Controlling authorities to watch the progress of expenditures and surrender the savings in time? <p>The Committee would like to have an informative note on the subject.</p>

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee
1	2	3	4
2	227	S.	The Committee would like to know the circumstances which led to the omission to provide for credit on account of transfer of materials from the work to stock. Was not the adjustment in accounts made immediately after the materials were taken to stock? Or alternately was there delay in transferring the surplus material to stock? Were proper accounts kept of the surplus material? If the transfer to stock was made in time, why was it not taken into account and appropriate credit given to the Work? Or alternately if the transfer was not made in time, what were the reasons therefor?
3	230	W.1 (9) (ii)	There is a large excess of Rs. 2.80 lakhs. The Committee would like to know the circumstances in which adequate provision for the payment of rent for requisitioned buildings could not be made.
4	234	Para 9— relating to "Tools and Plant"	There is a saving of Rs. 1.86 lakhs. Could not the savings which are stated to be due to non-receipt of certain items of tools and plants or debits, therefor and the non-purchase and non-availability of others, be foreseen in time and a surrender of grant made?
5	236-237	Para 11. Stores Account	The main accounts defects noticed are— (a) Half yearly registers of stocks were not sent to the Audit Office in respect of Jullundur Provincial, Amritsar Provincial and Ambala Public Health and Development Divisions, (b) The stock verification reports were not sent to the Audit office in respect of Divisions other than the seven Divisions referred to in the note. What is the present position? Has verification been made and results communicated in respect of 1950-51 as well as 1952-53. If the Stock verification is in arrears, what steps have been taken to expedite the work?
6	17	Para 24 of the Audit Report	In paragraph 24 of the Audit Report (page 17) it has been stated "the State Government have asked all Executive Engineers to report instances where low-paid Government servants are in occupation of Accommodation, the assessed rent of which is appreciably in excess of that recoverable from them under the rules, and <i>vice versa</i> , with a view to reducing the recurring loss to Government." The Committee would like to know whether all the Executive Engineers have reported such cases?

**GRANT NO. 24—CHARGES ON PUBLIC WORKS DEPARTMENT
BUILDINGS AND ROADS ESTABLISHMENT.**

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee
1	2	3	4
1	247, 249 and 251	A.6 (ii), A.15, C.3 (i), C.4	The Committee would like to know whether steps have been taken to see that provision is correctly made in the Budget for 1953-54, so that similar mistakes may not now occur.

GRANT NO. 25—ELECTRICITY SCHEMES—WORKING EXPENSES

1	277-278	Note 6	<p>As against a final grant of Rs. 9.70 lakhs, actual expenditure amounted to only 2.09 lakhs, resulting in a saving of Rs. 7.61 lakhs. Of this amount, a saving of as much as 5.60 lakhs has been explained as due to non-receipt or non-availability of articles. The Committee would like to know whether it was not possible for the Department to foresee the savings and surrender the amount ?</p> <p>The Committee would also like to have a clear elucidation as to why 1.94 lakhs was debited to "Miscellaneous Public Works Advances ?"</p>
2	18	Page 26 of the Audit Report	<p>It has been mentioned that a contractor was paid an additional rate of Rs. 8 per thousand cubic feet for excavation made under water for purposes of laying foundation, although the contract expressly stipulated that in respect of excavation under water, the dewatering arrangements in foundations, wherever necessary, would have to be made by the contractor himself at his own cost. The Committee would like to know whether this payment has been regularised by Government or whether recovery has been ordered and what the total amount under question works up to ?</p>

GRANT NO. 27—CIVIL WORKS—CAPITAL

Serial No.	Page	Sub-head Paragraph	Observations made by the Committee																																
1	2	3	4																																
1	294-295	S(ii), U.V.Y (2) Y(3) and Y(4)	<p>The final grant, expenditure and savings under the heads referred to in column 3 are summarised below:—</p> <table> <tr> <th></th><th>Final Grant</th><th>Actual Expenditure</th><th>Savings</th></tr> <tr> <td>S(ii)</td><td>99.74</td><td>49.28</td><td>50.46</td></tr> <tr> <td>U</td><td>81.39</td><td>58.56</td><td>22.83</td></tr> <tr> <td>V</td><td>14.32</td><td>8.03</td><td>6.29</td></tr> <tr> <td>Y.2</td><td>0.30</td><td>—8.11</td><td>8.41</td></tr> <tr> <td>Y.3</td><td>—10.00</td><td>—17.07</td><td>7.07</td></tr> <tr> <td>Y.4</td><td>30.00</td><td>14.15</td><td>15.85</td></tr> <tr> <td>Total</td><td>215.75</td><td>104.84</td><td>110.91</td></tr> </table> <p>The savings are very large and <i>prima facie</i> indicate an inadequate measure of financial control. The general question raised by the Committee against item (i) apply to a much greater extent to the administration of this grant. Actually out of a net grant of 287.12 lakhs voted by the Legislature, 61.65 lakhs were surrendered, leaving a net provision of 225.47 lakhs. Actual expenditure amounted to only 110.29 lakhs resulting in a saving of 115.18 lakhs, more than half the net provision. The Committee would like to have a clear note on the measures taken to restrict the grant initially asked for to the expenditure expected to be incurred on a realistic basis, taking into account various factors likely to delay or retard expenditure and the measures adopted to watch the flow of expenditure and take timely action to surrender unwanted funds. The Committee would also like to have an account of the provision made for the new Capital in 1951-52 and 1952-53 and the progress of expenditure against these</p>		Final Grant	Actual Expenditure	Savings	S(ii)	99.74	49.28	50.46	U	81.39	58.56	22.83	V	14.32	8.03	6.29	Y.2	0.30	—8.11	8.41	Y.3	—10.00	—17.07	7.07	Y.4	30.00	14.15	15.85	Total	215.75	104.84	110.91
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Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee.
1	2	3	4
1	294-295	S(ii), U.V.Y.(2) Y(3) and Y(4)	<p>years. Have the difficulties in the way of speedy execution of works, e.g. non availability of material and machinery, the delays in sanction, etc., been got over? In regard to machinery, do the contracts indicate the delivering dates and penalties to be imposed in case of non-delivery on scheduled dates and whether there is a risk purchase clause?</p> <p>The explanation given against Y.3 and Y.4 is "Due mainly to non-clearance of unresponded debits". Why were not the debits responded to in time? What steps have been taken by the department to ensure that the debits are raised in time and responded to quickly?</p>
2	298-303	Statement of Major Works	<p>12. The explanation given against items 43 and 56 is that "the Executive Engineer failed to obtain necessary funds". Why was this? Did not the Executive Engineer keep a watch over the progress of expenditure through prescribed records and apply for additional funds in time?</p> <p>13. The Committee would like to have a note on the contract procedure followed in the Department particularly—</p> <ol style="list-style-type: none"> What materials are supplied to the contractors and how the rates of issue compared with the prevailing market rates? What materials is the contractor required normally to supply in addition to labour? Whether the Department undertakes the supply of Bricks, Bajri, to contractors and if so, the reasons therefor. <p>The Committee would like to know to what extent contractors are required to quote through rates and whether the supply of materials are limited to</p> <ol style="list-style-type: none"> those items which Government are in a position to obtain at rates cheaper than the contractors can arrange for, and materials in scarce supply <p>What are the present orders in force both in regard to the Chandigarh Project as well as other works regarding calling of tenders. Whether in any prescribed classes of cases, the call for tenders are limited to contractors working in any particular area?</p>

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee												
1	2	3	4												
2	298—303	Statement of Major Works	What are the financial limits within which contracts are let out without calling for tenders etc. The Committee would like to have an informative and detailed note on the points raised in this paragraph.												
3	41 of the Audit Report	61(b)	In paragraph 61(b)(ii) at page 41, it has been mentioned that in as many as 535 cases, "material at site" accounts have not been maintained or have not been kept properly. How many of these cases relate to the Buildings and Roads Branch and what steps have been taken to get these accounts compiled properly and in the absence of adequate accounts, how do the Departmental officers ensure that materials are not issued in excess of requirements, and there is no loss of stores due to pilferage, wastage and other reasons.												
4	42-43 of the Audit Report	62	According to paragraph 62 of the Audit Report, the following Inspection reports have not been attended to:— <table><tr><td>Year</td><td>Number of reports</td><td>Number of items</td></tr><tr><td>1948-49</td><td>.. 18</td><td>105</td></tr><tr><td>1949-50</td><td>.. 21</td><td>138</td></tr><tr><td>1950-51</td><td>.. 17</td><td>117</td></tr></table> The Committee would like to know what steps have been taken to clear these outstanding arrears and what action has been taken to impress upon the Executive Engineers the need for prompt disposal of Audit Objections? The Committee would further like to have an idea of the position relating to the Inspection Reports issued in 1951-52 and 1952-53.	Year	Number of reports	Number of items	1948-49	.. 18	105	1949-50	.. 21	138	1950-51	.. 17	117
Year	Number of reports	Number of items													
1948-49	.. 18	105													
1949-50	.. 21	138													
1950-51	.. 17	117													
5	44 of the Audit Report	63	According to paragraph 63 of the Audit Report, the following are the omissions which remained												

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee																																													
1	2	3	4																																													
5	44 of the Audit Report	63	<p>uncleared up to 31st October 1951:—</p> <p>1. Amount held under objection for want of sanction or estimates.</p> <table><thead><tr><th><i>Year</i></th><th><i>Number of items</i></th><th><i>Value in lakhs</i></th></tr></thead><tbody><tr><td>1947-48</td><td>.. 355</td><td>33.56</td></tr><tr><td>1948-49</td><td>.. 654</td><td>26.78</td></tr><tr><td>1949-50</td><td>.. 897</td><td>77.97</td></tr><tr><td>1950-51</td><td>.. 1,427</td><td>145.87</td></tr></tbody></table> <p>2. Amount held under objection for want of sanction to excess over estimates.</p> <table><thead><tr><th><i>Year</i></th><th><i>Number of items</i></th><th><i>Value in lakhs</i></th></tr></thead><tbody><tr><td>1947-48</td><td>.. 6</td><td>0.90</td></tr><tr><td>1948-49</td><td>.. 75</td><td>1.86</td></tr><tr><td>1949-50</td><td>.. 170</td><td>6.78</td></tr><tr><td>1950-51</td><td>.. 230</td><td>9.62</td></tr></tbody></table> <p>3. Amount held under objection for want of vouchers (including stamped receipts)</p> <table><thead><tr><th><i>Year</i></th><th><i>Number of Items</i></th><th><i>Value in lakhs.</i></th></tr></thead><tbody><tr><td>1947-48</td><td>.. 190</td><td>0.89</td></tr><tr><td>1948-49</td><td>.. 930</td><td>10.48</td></tr><tr><td>1949-50</td><td>.. 1,474</td><td>22.87</td></tr><tr><td>1950-51</td><td>.. 1,585</td><td>61.51</td></tr></tbody></table>	<i>Year</i>	<i>Number of items</i>	<i>Value in lakhs</i>	1947-48	.. 355	33.56	1948-49	.. 654	26.78	1949-50	.. 897	77.97	1950-51	.. 1,427	145.87	<i>Year</i>	<i>Number of items</i>	<i>Value in lakhs</i>	1947-48	.. 6	0.90	1948-49	.. 75	1.86	1949-50	.. 170	6.78	1950-51	.. 230	9.62	<i>Year</i>	<i>Number of Items</i>	<i>Value in lakhs.</i>	1947-48	.. 190	0.89	1948-49	.. 930	10.48	1949-50	.. 1,474	22.87	1950-51	.. 1,585	61.51
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Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee															
1	2	3	4															
5	44 of the Audit Report	63	<p>4. Amount held under objection for other reasons</p> <table border="1"> <thead> <tr> <th>Year</th><th>Number of items</th><th>Value in lakhs</th></tr> </thead> <tbody> <tr> <td>1947-48</td><td>89</td><td>2.74</td></tr> <tr> <td>1948-49</td><td>177</td><td>8.30</td></tr> <tr> <td>1949-50</td><td>675</td><td>55.33</td></tr> <tr> <td>1950-51</td><td>658</td><td>55.95</td></tr> </tbody> </table> <p>The position indicated by the foregoing statistics is extremely disquieting.</p> <p>The Committee would like to know:—</p> <ol style="list-style-type: none"> to ensure that where works have to be taken up without the preparation of detailed estimates, or getting sanctions thereto, because of their urgency, what steps are taken to get the estimates prepared and sanctioned without delay; what is the normal time lag between the starting of the work and the preparation of and sanction to the detailed estimate in respect of works which have to be started without sanctioned estimates. what steps have been taken to regularise the excesses over sanctioned estimates, to produce vouchers or settle the points for which amounts have been kept under objection? <p>The Committee would like to have a clear and detailed note from the Chief Engineer, detailing the steps taken to settle Audit objection and to bring the accounts up to-date.</p> <p>In paragraph 61 of the Audit Report, it has been mentioned that Capital and Revenue Accounts of residential buildings have not been compiled. Will the Chief Engineer, Buildings and Roads, please say, for the information of the Committee why this important account has not been compiled and when it is likely to be compiled?</p>	Year	Number of items	Value in lakhs	1947-48	89	2.74	1948-49	177	8.30	1949-50	675	55.33	1950-51	658	55.95
Year	Number of items	Value in lakhs																
1947-48	89	2.74																
1948-49	177	8.30																
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Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee
1	2	3	4
6	41 of the Audit Report	61	<p>In the absence of Capital and Revenue Accounts of residential buildings, how does the department—</p> <p>(a) ascertain whether the rent collections are equivalent to the standard rents of buildings, or</p> <p>(b) if the rent realisations fall short, what the shortfall is, so that action might be taken to minimise the loss, if not to wipe it out.</p> <p>The Committee would like to have an informative note on this subject.</p>
7	16	Para 18 of the Audit Report	<p>A reference has been made to the withdrawal in March, 1950, of a little over 80,000 rupees, of which 4,758 was disbursed in April, 1950, and the balance of Rs 76,180 remained undisbursed. The Committee would like to know what action has been taken against the officer responsible for this irregularity.</p>
8	19	para 28 of the Audit report	<p>It has been mentioned that although the lowest rate tendered for the supply of doors and windows to the township was Rs 2-1-0 per square foot, the contractor quoting the lowest rate was assigned only 2/5th of the work and the remaining 3/5th of the work was allotted to another contractor at the negotiated rate of Rs 2-12-0 per square foot. On what basis was the higher rate fixed? The Committee would like to know the procedure adopted in this and other cases for fixing the rates to be given at negotiated contracts. If it was felt that the contractor who quoted Rs 2-1-0 per square foot was not capable of doing the full work, why were not fresh tenders called for the execution of the balance of the work?</p> <p>The Committee would also like to have an informative note explaining under what circumstances negotiated contracts are made and what safeguards have been taken to ensure that the rates are not higher than the lowest possible tender and that the system does not in any way vitiate the effectiveness of the system of calling for tenders.</p>

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee
1	2	3	4
			CHANDIGARH PROJECT
9	15 D, E and F of the Audit Report	Paragraph 16 of the Audit Report	<p>The Committee would like to know—</p> <ul style="list-style-type: none"> (a) whether a phased programme of works has been drawn up, so that actual work could be compared with the estimated programme, and (b) if a phased programme of works to be executed is not to be drawn up, what procedure will be devised to ensure that performance does not lag behind. <p>The Committee would like to have a statement showing:—</p> <ul style="list-style-type: none"> (a) the estimated expenditure, with sufficient details, on development works, and the cost it would work out to per acre, (b) how much of the area to be developed will be utilised for (i) State Government office buildings (ii) State Government residential accommodation (iii) other public buildings financed by the State Government e.g. schools, hospitals, etc. (iv) area to be sold to the Central Government (v) area to be sold to the public. (c) what are the expectations in regard to the area to be sold to other Governments and the public, what area is expected to be sold every year and how do the sales effected so far compare with the expectations. <p>It has been mentioned in the Audit Report that works estimated at 11.50 lakhs have been taken up without detailed estimates being sanctioned therefor. Has there been an improvement in regard to this or have more works been undertaken in 1951-52, 1952-53 and 1953-54 without proper sanctioned estimates? Have any instructions been issued laying down the maximum time lag between the commencement of the works and the preparation of detailed estimates and sanction thereto? What steps have been taken to ensure—</p> <ul style="list-style-type: none"> (i) that, as far as possible, no work is taken without a properly sanctioned estimate, and

Serial	Page	Sub-head/ Paragraph	Observations made by the Committee
1	2	3	4
9	15, D, E and F of the Audit Report	Paragraph 16 of the Audit Report	<p>(ii) if, due to extraordinary reasons, work has to be taken up before the estimates therefor are sanctioned, immediate action is taken to get a proper estimate prepared and sanctioned,—<i>vide</i> also paragraph 17.</p> <p>It has been stated in the Audit Report that 'Works abstracts' and 'Works registers' have not been properly posted. In the absence of these records, how are the controlling authorities satisfying themselves that the cost is not exceeding the estimated provision? The Committee would like to have a clear exposition on this point.</p> <p>In this connection, please see the paragraph relating to 'Incompleteness of cost records' at page 54 of the last Public Accounts Committee's report. Has the Chief Accounts Officer examined the matter and submitted his report? If he has, the Committee would like to have copies thereof.</p> <p>Again, it has been mentioned in the Audit Report that a large number of materials-at site accounts and stock returns have either not been compiled or are incomplete. Has any improvement been effected in regard to this or has the position worsened? In the absence of these accounts, how are the departmental authorities satisfying themselves that proper stock accounts are kept and materials are issued in accordance with the prescribed scale?</p> <p>Have detailed accounts in respect of the disbursement of 62 lakhs drawn by the Additional Deputy Commissioner between March 1951 and March 1952 for the payment of compensation been rendered to the Accountant-General and if not, when will it be done?</p> <p>The Committee would like to have a statement showing, in some detail, how the cost of site and construction of Government residentia accommodation proposed in the project compares with similar expenditure which the Central Government will be incurring? In other words, which scale, taking into account both site and construction costs, will be more economical, the State Governments or the Central Government's. The statement should give the figures both for individual types as well as the total cost per type.</p>

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee
1	2	3	4

GRANT NO. 28—ELECTRICITY SCHEMES—CAPITAL EXPENDITURE

1.	309, 310, 312 and 314	A.I (iii) (I) A.2(i) (I) B.3 (i), B.6 (I)	The Committee would like to know, in some detail the reasons for these savings, more especially about the slow progress of certain works for want of decision regarding specification and machinery, non-completion of others due to non-availability of materials and non-finalisation of schemes for extensive research work in regard to A.2 (i) (I), the non-availability of materials and non-guarantee of minimum revenue or non-deposit of securities by the consumers in regard to A.I (iii) (I), slow progress due to non-availability of materials in regard to B.3 (i) and the non-settlement of disputed claim in regard to B.6 (i) What was the material in short supply and whether the difficulties of obtaining the materials could not be anticipated? When did the Department get an idea of the savings that have accrued and was it not possible for it to surrender the savings in time? In other words, what is the control machinery in operation to watch the progress of expenditure and surrender savings whenever expenditure is expected to fall short of the grant? Again, in framing the amounts of grants required for the year, are the factors like difficulties and delays in obtaining materials and other factors which retard work, taken into account? The Committee find that in the course of the year, the Department had to surrender as much as Rs.159.05 lakhs out of a total grant of Rs. 812.09 lakhs. This indicates that, <i>prima facie</i> , the initial demand for grants was budgetted too high without due regard for factors regarding expenditure which, in one form or another, come into play in every year.
2	321	Para 8	What action has been taken against the officer responsible for the irregularity reported in this paragraph, namely that orders were placed for the local purchase of tools and plant and office furniture without obtaining sanction of the competent authority, calling for quotations, issuing a cheque on the 31st March and accounting it as issued on that date and making payment after three weeks?

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee												
1	2	3	4												
3	322	Stores Account	<p>At page 322 it has been mentioned that—</p> <p>(a) information regarding depreciation, shortages, etc. in the Ludhiana-Panipat Transmission Line and Ambala Transmission Line Divisions had not been received in the Audit Office.</p> <p>(b) that information regarding the results of verification in respect of stores held by the Resident Engineer, Jogindernagar-Panipat Transmission Line and Ambala Transmission Line Divisions had not been received.</p> <p>(c) information regarding the results of revaluation of stores due to half yearly revision of the rates of stock articles had not been received from all divisions.</p> <p>Have steps been taken to rectify these defects ?</p>												
4	323	State-ment of major works	<p>It has been noted against items 1 and 2 of the list of major works that savings were due to non-acquisition of land and also to non-receipt or late receipt of equipment. Are not acquisition proceedings initiated in time to enable the works being started as scheduled ?</p> <p style="text-align: center;"><i>Contract Procedure.</i></p>												
5			<p>The Committee would like to have a clear note explaining to what extent works are done by Departmental agency and what works are let out on contract. What procedure is in force to enable the departmental authorities to satisfy themselves that works executed through departmental agency are as economically done as by letting them out on contract ?</p>												
6	42-43 of the Audit Report.	Paragraph 62	<p>The following statistics relating to Inspection Reports and items not disposed of have been set out at pages 42-43 of the Audit Report.</p> <table><tr><th>Year</th><th>No. of reports</th><th>No. of items</th></tr><tr><td>1948-49</td><td>3</td><td>24</td></tr><tr><td>1949-50</td><td>5</td><td>30</td></tr><tr><td>1950-51</td><td>10</td><td>75</td></tr></table>	Year	No. of reports	No. of items	1948-49	3	24	1949-50	5	30	1950-51	10	75
Year	No. of reports	No. of items													
1948-49	3	24													
1949-50	5	30													
1950-51	10	75													

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee
1	2	3	4
6	42-43 of the Audit Report	Paragraph 62	What steps have been taken to get these reports and items settled? What is the position regarding the settlement of points raised in the Inspection Reports issued in 1951-52 and 1952-53? In other words, the Committee desire to know whether an adequate procedure has been evolved to get the Audit objections settled in time without allowing them to drag on indefinitely.
7	44 of the Audit Report	Paragraph 63	At page 44, the following statistics relating to Audit objections in respect of expenditure incurred by the Electricity Branch have been given :—

1947-48		1948-49		1949-50		1950-51	
No. of items	Value	No. of items	Value	No. of items	Value	No. of items	Value

(In lakhs of rupees)							
1. Amount held under objection for want of sanction or estimates ..	5	0.11	9	0.28	49	2.32	148 59.30
2. Amount held under objection for want of sanction to excess over estimates ..	2	0.02	23	0.25	49	0.64	112 1.96
3. Amount held under objection for want of vouchers (including stamped receipts) ..	9	328	52	0.05	172	3.57	308 8.40
4. Amount held under objection for other reasons ..	9	0.32	27	4.83	117	24.21	134 14.46

7 (a)			<p>The Committee would like to know the progress achieved in clearing these Audit Objections; in particular, the Committee would like to know the time lag that is allowed between the starting of a work and the preparation of detailed estimates and obtaining sanction therefor. In other words, what procedure has been laid down to ensure that detailed estimates are prepared and sanction obtained therefor as soon as the works are started, even in cases where due to extraordinary urgency, works have to be started without proper estimates.</p> <p>The last Public Accounts Committee desired that the Chief Engineer should submit a note on the working of the Thermal Electric Scheme, co-ordinated, in particular, with the load that is intended to be developed by gradual stages from Bhakra</p>
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Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee
1	2	3	4
7(a)— concl'd			<p>Nangal and the extent to which it is expected to be utilised in the State and other connected matters. The Committee would like to have the note, if it has been prepared. If not, it would like to have the note prepared and submitted to it. The Committee would also like to have an appreciation of the expenditure proposed to be incurred on the Electricity side of the Bhakra Nangal Project, load development expected year by year, anticipated receipts and expenditure (both maintenance charges as well as interest on the Capital investment) for the next 15 to 20 years, that is to say, the Committee would like to have a financial picture of the scheme as it is likely to emerge during the next 15 to 20 years.</p> <p>The last Committee also noted that there were certain differences in procedure followed in the Nangal Stores of the Irrigation Branch and those of the Electricity Branch. The Committee desired that the procedure in this connection should be examined by the Chief Accounts Officer, Bhakra Nangal Project, in some detail, and that he should submit a note to the Government and also send it to the Committee for its information. The Committee would like to have copies of the note if it has been prepared, and if it has not been prepared, when is it likely to be done?</p> <p>The Committee would like to know why the amount of 20 lakhs which, at the instance of the audit, was debited to the work concerned in March 1951, was later on written back to "Miscellaneous Public Works Advances" in March, 1951, Supplementary Accounts?</p>
8	Page 17	Paragraph 25	

GRANT NO. 29—FAMINE

1	326	A.2	<p>The Committee would like to know why a sum of Rs. 21,167 representing arrears of wages to labourers was not disbursed during the year. The Committee would like to know :—</p> <p>(a) why wages were not disbursed promptly ; and they were allowed to accumulate in arrears ;</p> <p>(b) whether they have been disbursed and if so, when.</p>
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Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee.
1	2	3	4
1	326	A-2	The Committee feel that prompt disbursement of wages, necessary at all times, is even more important in regard to famine relief works. The Committee would, therefore, like to know the circumstances in which wages were allowed to accumulate in arrears and a considerable delay was allowed to occur in the disbursement of the wages.
2	326	A.3 (i)	The explanatory note "Less payment due to late receipt of sanction (Rs. 25,895) and less number of relief cases than anticipated" furnished under this sub-head is not clear. The Committee would like this to be expanded to indicate in some detail the reasons for the same

GRANT NO. 32—STATIONERY AND PRINTING.

1	331	B	1. There is a saving of 6.8 lakhs, a major portion of which has been explained as being due to non-supply of paper and stationery by the mills or firms, non-placement of further orders for paper and stationery. Why were not 'further orders' placed? Was it not possible for the Department to anticipate these factors and surrender the savings? Is any control exercised over expenditure by the Department which would enable it to forecast fairly accurately, what the actual expenditure is likely to be and surrender the funds not likely to be utilised?
2	18	Para 27 of the Audit Report	2. It has been mentioned in the Audit Report that— (a) printing of electoral rolls was entrusted, in 1948, to a few selected private presses at the rate of Rs. 5-14-0 per page, involving a total expenditure of Rs. 9,98,663 rupees; (b) some of the presses with which orders were placed got a part of the work done at other presses at a rate lower than Rs. 5-14-0,

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee
1	18	3	4
2	18	Para 27 of the Audit Report	<p>(c) when open tenders were invited for this work, in July, 1950, the lowest rate tendered was Rs. 1-15-0 per page.</p> <p>It has been further stated that the limited tender enquiry in 1948 was resorted to as there were not many presses in the Punjab, capable of undertaking this work. The Committee would like to know the date on which this decision was taken, particularly, why it was not found necessary to call for open tenders, specifying, if necessary, the types of presses (capacity for printing work) who could tender. The Committee would also like to know on what basis, the Presses who were allowed to tender, were selected and how is it that later on some of the Presses were found to lack capacity.</p> <p>The Committee would like to know :—</p> <p>(a) how much of the work was done by the Presses on whom orders were placed, and</p> <p>(b) how much of the work allotted as a result of the limited tender, was done by other presses at lower rates.</p> <p>The Committee wish to examine the question, in some detail, because between 1948 and 1950, there could not have been such a phenomenal growth of presses as would bring down the rates from Rs 5-14-0 to Rs. 1-15-0 per page. The Committee would like to know whether, when placing the contract, any stipulation was made regarding the time limit within which the work was to be done, whether the contracting presses adhered to the time schedule, and if there was a default, whether any penalty was enforceable under the contract and was actually enforced? Was there also a clause in the contract that no part of the work should be sub-let without the permission of Government? The clause that no work should be sub-let without the permission of Government is, the Committee understand, a normal one to be found in the contracts placed by the former Indian Stores Department (now the Directorate General Industries and Supply), and should have been known to officers entrusted with the placement of the contract.</p>

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee
1	2	3	4
3		Pages 82 and 86 of the Report of the Public Accounts Committee on the appropriation Accounts for 1948-49 and 1949-50 and Audit Reports thereon.	The Committee would like to know whether payment of bills for supplies made or printing work done is now being made promptly and the delays noticed by the Committee last year have been eliminated.
4		334 of the Appropriation accounts for 1950-51. The Committee would like to know:—	<p>(a) when the machinery for the press arrived (if in lots, dates and details of the arrivals may be given) ;</p> <p>(b) whether the Press has been organised fully and if so, since when ;</p> <p>(c) the time-lag between the arrival of the machinery and the organisation of the Press ;</p> <p>(d) if the Press is not fully set up, the reasons therefor and when is it likely to be set up.</p> <p>The Committee would like to be satisfied that there has been no undue delay in setting up the Press and getting the work done through the agency of the Government Press, when the Government have already purchased the necessary machinery. If the question of building cropped up, was it not possible for the Press to have been set up at some convenient place earlier ?</p>
5	332		The Committee would like to have a list of private printing Presses at which the work has been done during the years 1950-51 and 1952-53 and the rates at which such work has been done. The rate

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee
1	2	3	4
5	322		quoted by each Press and the total amount paid to each Press every year should be given. Was the distribution of work to these Private presses based upon : (a) tenders submitted by them ; (b) assessment of their capacity to do the work
6	21	35	The Committee would like to know : ° (a) the names of the Presses which were entrusted with the work ; (b) the amount paid to each ; (c) were the orders placed after calling tenders and if not, why the system of calling for tenders was dispensed with ; (d) why the Controller of Printing and Stationery was not consulted before the orders were placed with the private Presses especially in regard to the reasonableness of the rates quoted by the Presses and their ability to execute the work.

GRANT NO. 33—MISCELLANEOUS AND UNFORESEEN CHARGES

1	339-340	K.10(2) (iii) K.10(4), K.16.	1. The Committee would like to know the reasons for the omission to provide adequate funds under these heads ?
2	341 and 347	L.1 (b) I. (iii) L.2(g)	<i>Relief and Rehabilitation charges</i> 1. The Committee would like to know why steps were not taken by the Department to surrender the large savings under these heads ? Could they not have been anticipated ?
3	345—348	L.1(h) L.2(i) L.2(k)	2. The Committee would like to have explanations of the large variations between the grant and actual expenditure and why these occurred.
4	357—359	Government Cotton Spinning and Weaving Centres	The Committee would like to have an account showing the annual receipts, expenditure and Profit or loss on these schemes and Centres since their inception right up to end of 1952-53 and the number of persons who have received training or been benefited by the operation of these Centres or schemes. In other words, the Committee

Serial No.	page	Sub-head/ Paragraph	Observations made by the Committee:
1	2	3	4
4	357—359	Jullundur, Scheme for training of displaced women and students in various crafts for the year 1950-51 and Government Wool Spinning and Weaving Centres, Panipat.	would like to have a note on the activities of this scheme and Centres from both financial and human angles.
5	35-36 of the Audit Report	Paragraph 52	<p>In para 52(a) at page 35 of the Audit Report, it has been mentioned that up to end of 1950-51, an expenditure of Rs. 1098.71 lakhs was incurred, of which Rs. 919.68 lakhs was reimbursed by the Central Government. This leaves a balance of Rs. 179.03 lakhs. Is the whole or any part of this amount recoverable from the Central Government? If so recoverable, has it been adjusted? What remains yet to be recovered? The Committee would also like to know the position regarding the expenditure incurred, amount recoverable from the Central Government, and the amount actually recovered up to the end of 1952-53. What part of the amount due to be received from the Central Government has not been recovered because of—</p> <p>(a) the account not having been audited, and</p> <p>(b) the non-settlement of Audit Objections?</p> <p>In regard to (b) what are the principal defects and how much amount due to be recovered is being held up because of the non-settlement of each category of these principal audit objections? What steps have been and are being taken to settle the audit objections and recover from the Central Government the amounts reimbursable by it? The Committee would like to have a detailed note on the subject</p>

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee
1	2	3	4
5	35-36 of the Audit Report	Paragraph 52	<p>2. It has also been mentioned in paragraph 52 (b) of the Audit Report that up to the end of 1950-51, an expenditure of Rs. 573.68 lakhs has been incurred on—</p> <p>(a) the maintenance of technical training schemes, and</p> <p>(b) grants for Rehabilitation purposes and prosecution of studies.</p> <p>Of this amount, Rs. 243.55 lakhs have been reimbursed by the Central Government. Does this represent the entire reimbursable amount or if it does not, how much more is due to be recovered from the Central Government and why is it not being recovered? The Committee also would, as in the case of Relief expenditure, like to have a statement of the expenditure incurred up to 1952-53, the amount recoverable from the Central Government, the amount actually recovered, the reasons for the non-recovery of the balance and the steps taken to rectify the defects or omissions or other factors responsible for the non-reimbursement of the balance so that the amount due from the Central Government may be recovered in full.</p> <p>3. The Committee would also like to have a statement showing loans issued for Rehabilitation purposes to different categories of persons e.g., loans for house building purposes, urban loans and rural loans, to end of 1952-53 (figures may be given separately for each year), the recoveries due to be made from the persons concerned in every year, recoveries actually effected and if actual recoveries fall short of recoveries due, the reasons for shortfall and the steps taken to effect the recoveries? How much was due to be repaid to the Central Government by way of interest and principal, up to end of 1952-53 and what portion of such dues should have been and was actually matched by recoveries effected from persons to</p>

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee									
1	2	3	4									
5	35-36 of the Audit Report	Paragraph 52	<p>whom loans were granted ? Were the amounts due to the Central Government up to end of 1952-53, paid in full or only in part and if so how much has been paid and what remains to be refunded ? Briefly, the Committee would like to have a clear picture of the loans received from the Central Government up to end of 1952-53, the amounts due to be refunded to them, the amounts actually paid, the balance remaining to be refunded, the loans issued to displaced persons, the recoveries, due to be made from them, the recoveries actually effected, and the steps taken to recover the balances. What difficulties are being met within the way of recovery and how they are being got over ?</p> <p>4. The Committee would like to know whether proper accounts are being maintained and whether the outstandings are properly reviewed and suitable action taken to ensure recoveries, wherever they ought to be made ?</p> <p>5. In this connection reference is invited to the paragraph in the Audit Report that <i>taccavi</i> loans advanced in a number of cases were not entered in the <i>Khatunies and Kistbandies</i> to watch their repayment. Has this defect been rectified ? It has also been mentioned that loans have been granted, in some cases, in excess of the prescribed scale, or to persons not entitled to receive them, and that verification regarding utilisation of the loans was not conducted in some cases. Have these excess or wrong issues been recovered and have steps been taken to see that the loans were utilised for the purposes for which they were granted ?</p>									
6	42	Para 62 of the Au- dit Re- port	<p>The Accountant-General has brought to the notice of the Committee that the following number of Inspection Reports and items remain unattended to :—</p> <table><thead><tr><th>Year</th><th>Number of Inspection Reports</th><th>Number of Items</th></tr></thead><tbody><tr><td>1947-48—</td><td></td><td></td></tr><tr><td>(a) Relief Branch</td><td>40</td><td>223</td></tr></tbody></table>	Year	Number of Inspection Reports	Number of Items	1947-48—			(a) Relief Branch	40	223
Year	Number of Inspection Reports	Number of Items										
1947-48—												
(a) Relief Branch	40	223										

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee		
1	2	3	4		
6	42	Para 62 of the Audit Report	<p><i>Year</i> 1948-49—</p> <p>(a) Relief Branch .. 123 464</p> <p>(b) Rehabilitation Branch .. 50 416</p> <p>1949-50—</p> <p>(a) Relief Branch .. 128 339</p> <p>(b) Rehabilitation Branch .. 69 485</p> <p>1950-51—</p> <p>(a) Relief Branch .. 62 284</p> <p>(b) Rehabilitation Branch .. 105 972</p>	<i>Number of Inspection Reports</i>	<i>Number of Items</i>
			<p>The foregoing statistics are extremely disquieting.</p> <p>The Committee would like to know—</p> <p>(a) the steps taken to settle these Audit objections,</p> <p>(b) what the position regarding Audit Reports issued in 1951-52 and 1952-53 is and whether they have been satisfactorily settled.</p>		
7	339	E-10(2)(i)	<p>The Committee would like to have some details showing for what purposes this expenditure is incurred, the organisation and the set-up for that purpose.</p>		

GRANT NO. 33—TRANSPORT DEPARTMENT

Expenditure on Bus Services

1	349, and 352	0.I, 0.9 (i) and 0.II (i)	<p>1. The Committee would like to know what action, if any was taken by the Department to call for the debits and get them adjusted during the year, and, if the debits were not likely to be received, why the savings were not surrendered?</p>
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Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee
1	2	3	4
2	399 to 416	Appendix I to the Audit Report	<p>2. There are 3 units, namely, the Amritsar Omnibus Service, the Jullundur Omnibus Service and the Ambala Roadways. Why are they kept as three separate units instead of being merged as one ?</p> <p>3. The Committee would like to have a statement, showing the receipts and expenditure of all the three units year by year, since their inception to end of 1952-53, and also receipts and expenditure, per mile since inception.</p> <p>4. The cost on replacement of vehicles has increased considerably since the vehicles were acquired for these transport services. Has any provision been made in the accounts for meeting the additional cost of replacing these vehicles when the time comes ; if not, is it not necessary to do so ?</p> <p>5. The capital investment, according to the accounts, relates only to the expenditure incurred on the acquisition of vehicles, land, buildings, furniture, fittings, tools and plants etc. Would it not be necessary for presenting true commercial accounts to, make an allowance for working capital necessary, e.g., stocks and stores, and the cash balance necessary for the day to day operations.</p> <p>In making up the Trading and Profit and Loss Accounts, have the taxes and other charges which were levied on private buses or bus-owners been taken into account ? In other words, for purposes of presenting Commercial Accounts, is the Transport Department placed on the same basis as a private operator in regard to the levy of taxes, charges etc ?</p> <p>If provision is made for working capital, the appropriation necessary to cover increased cost of replacement and the taxes and charges payable by private owners, what would be the financial picture ?</p> <p>6. Has an Insurance Fund been created by appropriations from the Trading and Profit and Loss Account ? Has a Depreciation Reserve fund also been set up or is the depreciation only shown <i>pro forma</i> in the accounts ?</p>

GRANT NO. 35—CAPITAL OUTLAY ON SCHEMES OF AGRICULTURAL IMPROVEMENT AND RESEARCH.

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee.
1	2	3	4
1	363	A. (i) A (ii) (2)	1. What were the circumstances in which it was not found possible to make provision for the old liabilities ?
2	365-366 and page 31 of the Audit Report	Para 48 of the Audit Report	<p>2. It has been mentioned in the Audit Report that the scheme resulted in a loss of Rs. 23.93 lakhs in 1950-51, as compared with a loss of Rs. 1.03 lakhs in 1949-50. The Committee would like to know the reasons, in some detail, for the very large loss incurred in 1950-51 ? It has been mentioned in the Audit Report that the loss is due to—</p> <ul style="list-style-type: none"> (a) high cost of establishment and maintenance of tractors, (b) too many break downs in the tractors in the field, and (c) uneconomical use of tractors in actual working. <p>Was not the high cost of establishment and maintenance foreseen earlier or were any new factors introduced during the year which accounted for the high cost of establishment and maintenance and which could not have been foreseen ? What exactly were the reasons for the unusually large break down in the tractors ? Why was the use of the tractors found uneconomical ? The Committee would like to have the financial results of the scheme in subsequent years, namely, 1951-52 and 1952-53.</p> <p>3. The Committee would also like to have a statement showing—</p> <ul style="list-style-type: none"> (a) the area reclaimed and/or cultivated, year by year, since the inception of the scheme, (b) total cost of reclamation and/or cultivation, (c) cost of reclamation and/or cultivation per acre.

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee
1	2	3	4
2	365-366 and 31	Para 48 of the Audit Report	4. The Committee would like to have an idea of the future of the scheme and its scope for profitable work. Has any investigation been made to ascertain whether and to what extent the scheme can be put on a no-profit-no-loss basis? If the scheme cannot work on this basis, what are the compelling reasons to continue it on a loss?

GRANT NO. 37—CAPITAL OUTLAY ON PROVINCIAL SCHEMES OF STATE TRADING.

1	382—384 and 28	Notes at pages 381 to 384 and paragraph 47 (a) of the Audit Report.	<p>The Committee would like to know what steps have been taken by the Department to verify the balances actually in stock and reconcile them with the accounts and if arrangements for physical verification have been made, at what intervals are such verifications made? Unless arrangements are made to effect a re-conciliation between the ground and book balances, there would be no means of detecting shortages and losses then and there and taking appropriate measures to either write them off or have them investigated.</p> <p>It has been mentioned in para 2 of the Audit Notes at page 382 that the Department ordered an arbitrary reduction in the value of the closing balance as on 31st March, 1951 by a lump sum figure of 10 lakhs. On what basis was this fixed? Have the shortages, against which the lump sum reduction of 10 lakhs was made, been ascertained and investigated?</p> <p>What adjustments, if any, have been made in the accounts of 1951-52 and 1952-53 for possible shortages?</p> <p>Have the limits of normal shortages been approved by the competent authority and if so, how do the actual shortages noticed in 1950-51 and subsequent years compare with the limits fixed by Government?</p> <p>It has been mentioned in paragraph 4 at page 383 that receipts and despatches of foodgrains valued at Rs. 227.80 lakhs have not been properly accounted for. Have these been now accounted</p>
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Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee.
1	2	3	4
1	382-388— and 28 of the Audit Report	Notes at pages 381 to 384 and paragraph 47 (a) of the Audit Report	<p>for properly and what discrepancies or shortages have been noticed in the course of such accounting.</p> <p>It is mentioned in the Audit Report at page 28 that the profit of a little over 27 lakhs made in 1950-51 was due to the disposal of previous years' stocks which had been taken over at cost price, in 1950-51 at higher prices. Does this mean that taking the purchases of foodgrains during the year and their sale there would have been a loss of about 2 lakhs. The Committee would like to have a clear exposition of the position.</p> <p>It is said that the pay of certain officers and establishment employed on the scheme and charged to the major head "25—General Administration" has not been debited to the account and if it had been done, there would have been a loss of about 17 lakhs. What are the reasons for not taking into account this expenditure in fixing prices on a "no-profit-no-loss basis".</p> <p>Is the scheme also charged with interest on the Capital invested in it and if the charge is made, at what rate is interest charged. If no charge has been made what would the interest charges amount to in 1950-51 and the subsequent years.</p> <p>There have been fluctuations in prices since 1950-51. How have these fluctuations affected the results of the scheme in 1951-52 and 1952-53? The Committee would like to have a clear note, showing the expenditure incurred on the operation of the scheme (including the cost of establishment and all other charges properly debitable to the scheme as well as interest charges on the capital locked in the scheme); the receipts realised, the profit and loss accruing from the scheme during 1950-51, 1951-52 and 1952-53.</p>

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee.
1	2	3	4

GRANT NO. 37—TRANSPORT DEPARTMENT.

29 of the Audit Report	47.C	<i>Motor Vehicles Scheme.</i>
		<p>It has been mentioned that 426 motor vehicles were purchased after the Partition for sale to the Public and for implementing the scheme of nationalisation of transport services. These vehicles were stated to have been received in lots from April, 1948 to January, 1950. How many of them have been retained for the nationalised transport service and how many have been sold to the public ?</p> <p>Prices were fluctuating from time to time and there was a steady increase in the rates from 1948 onwards. At what rates were the vehicles sold to the public, that is to say, were they sold at the actual cost to Government or the prevailing price at the time of the sale ? If it was the latter, there should have been a profit. The Committee would like to have a statement showing the number of units sold from month to month, the rates at which they were actually sold and the prevailing prices in force at the time of the sale.</p> <p>There was an acute scarcity of vehicles during the earlier years when the demand was great. On what bases were the vehicles allotted ?</p> <p>Usually Government are allowed certain discount by the manufacturers' agents in India. Were these discounts received and were the vehicles sold at the full public rates, that is, retaining the discount for the benefit of Government ? The Committee would like to have a full note on the subject.</p>

GRANT NO. 39—LOANS AND ADVANCES BEARING INTEREST

1	393	F.1 (iv) F.1 (xviii)	1. The Committee would like to know the circumstances in which the necessary reappropriation of funds under these heads was omitted to be made.
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ANNEXURE III

Statement showing the information required by the Public Accounts Committee in respect of Grow-More-Food Scheme (Para 50 of the Audit Report)

Sl. No.	Details of the point selected	Information required by the Committee i. e. reply to the point selected	REMARKS
1	2	3	4
1	(a) The total amount of food procurement and export bonus earned by the State Government during the period for which the bonus was in operation (b) The expenditure incurred out of the bonus on the-Grow-More Food schemes	Rs 1,92,60,710 up to the 31st March 1951 Seventy five per cent of the Food Bonus earned (Rs 1,92,60,710) was earmarked for Grow-More-Food schemes i. e. Rs 1,44,45,533. The following expenditure has been incurred or is proposed to be incurred from this amount— <i>Year Expenditure incurred or proposed to be incurred</i> Rs. 1949-50 33,17,076 1950-51 33,19,015	.. <

Serial No.	Detail of the point selected	Information required by the Committee i. e. reply to the point selected	REMARKS
1	2	3	4
con- cld	(b) — <i>concl'd</i>	<p>1951-52 10,93,307</p> <p>1952-53 9,55,280</p> <p>1953-54 14,11,460</p>	<p>For the period 1st April 1951 to 30th June 1952 The total expenditure given in the attached statement is Rs 39,79,784 out of which Rs 28,86,477 has not been debited to Food Bonus</p> <p>Final estimates as figures of actual expenditure not available as yet. Expenditure of Rs 20,21,667 has been shown in the enclosed statement out of which Rs 10,65,889 has not been debited to Food Bonus</p> <p>Total estimated expenditure of Rs 44,11,460 has been shown in the enclosed statement out of which Rs 30,00,000 will not be debited to Food Bonus.</p>
2	<p>(c) The expenditure incurred out of the bonus on the construction of storage bins for the Storage of foodgrains.</p> <p>During 1949-50 and 1950-51 a sum of Rs 2,36,32,925 has been spent on Grow-More-Food Schemes financed by loans from the Central Government. The Committee would like to have a statement showing the schemes (particulars of the schemes and the expenditure incurred on each) financed by loans from the Central Government as well as from the balance of food Procurement Bonus Account to the end of 1952-53 as well as the estimated expenditure in 1953-54.</p>	<p>The Director-General, Food and Civil Supplies has reported that estimated expenditure of Rs 36,69,416 has been incurred but he has called for figures of the actual expenditure from the Chief Engineer, Buildings and Roads who constructed the Bins.</p> <p>A statement showing the schemes executed during the year 1949-50, 1950-51, 1951-52 and 1952-53 and that being executed during 1953-54 and the expenditure already incurred or proposed to be incurred is enclosed. As indicated in the statement whole or part of expenditure on some of the schemes has been met from the State Revenues as the Agriculture Ministry did not allow debiting of it to Food Bonus or advanced loan to meet it. The details of the expenditure allowed to be debited to Food Bonus has been given above along with Food Bonus earmarked for such schemes. In working out details of such expenditure the expenditure debited to State Revenues has been excluded.</p>	

Serial No.	Details of the point selected	Information required by the Committee i. e. reply to the point selected	REMARKS														
1	2	3	4														
2—conclt	(c)—concl'd	<p>As regards loans schemes the Government of India have sanctioned the following loans as detailed below—</p> <table border="1"> <thead> <tr> <th>Year</th><th>Loan sanctioned</th></tr> <tr> <th></th><th>Rs</th></tr> </thead> <tbody> <tr> <td>1949-50</td><td>1,25,34,000</td></tr> <tr> <td>1950-51</td><td>2,07,97,000</td></tr> <tr> <td>1951-52</td><td>95,36,000</td></tr> <tr> <td>1952-53</td><td>86,26,248</td></tr> <tr> <td>1953-54</td><td>1,09,77,530</td></tr> </tbody> </table> <p>The expenditure under these schemes only has been met from these loans which have been sanctioned by the Ministry. Where the expenditure has not been met from the Food bonus or loan sanctioned, the figures have been put in brackets and indication has also been given in remarks columns. The figures of expenditure quoted are those supplied by the Heads of Departments and Deputy Commissioners who have now been asked to re-verify these figures in consultation with the Accountant-General. Their replies are awaited. On receipt of these replies it would be possible to say if these are final and tally with those booked by the Accountant-General, Punjab</p>	Year	Loan sanctioned		Rs	1949-50	1,25,34,000	1950-51	2,07,97,000	1951-52	95,36,000	1952-53	86,26,248	1953-54	1,09,77,530	(some schemes are still to be sanctioned by the Agriculture Ministry).
Year	Loan sanctioned																
	Rs																
1949-50	1,25,34,000																
1950-51	2,07,97,000																
1951-52	95,36,000																
1952-53	86,26,248																
1953-54	1,09,77,530																
3	<p>In view of the large expenditure on these schemes, a large bulk of which is financed by loans, has any machinery been set up to apprise the results of the schemes and also keep an account of the additional revenue accruing from these schemes.</p> <p>In other words, what machinery has been organised to test how far expectations regarding results have been fulfilled?</p>	<p>No specific machinery has been set up to apprise results of the schemes etc. The progress of execution of the schemes is however sent by the Heads of Departments and Deputy Commissioners every month and this is brought to the notice of Increased Food Production Committee of the Cabinet and also forwarded to the Agriculture Ministry, Government of India. Annual report on the progress of the Grow-More-Food is also compiled and printed and the results about additional food production are detailed therein. Information about additional revenue is not reported separately by the Head of Departments for Grow-More-Food schemes</p>															

Statement showing Grow-More-Food Schemes executed during the years 1949-50 to 1952-53

Serial No.	Scheme	*Expenditure during 1949-50	*Expenditure during 1950-51	*Expenditure during 1951-52	Expenditure during 1952-53	Estimates for 1953-54 (Final estimates as figures of expenditure not available)	REMARKS
1	2	3	4	5	6	7	8

Grants-in-aid Schemes

	Rs	Rs	Rs	Rs	Rs	Rs	
1	Raising Banks of channels ..	12,13,167	13,97,300	(a)(21,91,000)	(a)(8,00,000)	..	(a) Not debited to Food Bonus
2	Development of Irrigation in Gurgaon District	75,000	*(2,11,300)	*** (2,13,845)	** (1,95,200)	..	*Only Rs 77,000 debited to Food Bonus **Rs 1,50,000 debited to Food Bonus ***Not debited to Food Bonus
3	Repairs to Kulis in Kangra and Kulu Villages	94,865	2,06,822	3,63,930	(2,16,200)	..	Do
4	Kasim Khera Minor	..	(24,000)	(8,521)	(4,487)	..	
5	Extension of Irrigation from Talu Minor	54,200	..	..	..	..
6	Extension of Bhiwari Districtary	3,00,230	..	..	..	..
7	Dam Dam Storage	1,27,343	..	..	..	..

8	Staff for Intensive Cultivation Scheme	1,54,776	2,24,943	1,29,121	1,24,000	1,41,160
9	Staff for manufacture of Compost	1,29,009	44,314	28,355	27,700	29,720
10	Green Manuring ..	8,483	..	..	..	..
11	Additional District & F.C. Office, Office Staff for Grow-More-Food Campaign	2,20,875	4,17,359	2,87,104	1,62,810	71,740
12	Stocking of Fish ..	37,082	57,402	6,440	..	..
13	Domestication of Wild Cows ..	40,668	24,178	..	..	..
14	Anti-Erosion and Soil-Conservation	4,31,236	3,90,789	1,08,914	..	..
15	Anti-Erosion and Cho-Reclamation	54,136	38,558	12,480	..	..
16	Destruction of Jackals ..	69,323	49,526	49,000	75,000	69,010
17	Killing of Monkeys and other Wild Animals	1,11,771	82,852	20,660	50,000	45,000
18	Grow-More-Food Publicity ..	96,524	{ 14,123	7,698	10,000	10,000
19	Bunds in Ambala and Karnal Districts	52,000	{ 35,000	20,000	..	..
20	Repairs to Badshahi Nahr in Gurdaspur District	300	..	..	..	..
21	Anti-Erosion in Jullundur and Hoshiarpur Districts	20,000	..	..	..	..
22	Repairs to Sathwan Canal ..	16,088	..	..	..	..

Note:—Figures in brackets indicate that either the scheme has not been approved by the Agriculture Ministry or the entire expenditure is not covered by their sanction

*The savings on the budget allotments on the 31st March in a year were used up to 30th June of the next year in accordance with Agriculture Ministry's decision.

Serial No.	Scheme	*Expenditure during 1949-50	*Expenditure during 1950-51	*Expenditure during 1951-52	Expenditure during 1952-53	Estimates for 1953-54 (Final estimate as figures of expenditure not available)	REMARKS
1	2	3	4	5	6	7	8
Grant-in-aid Schemes—contd							
23	Reclamation in Karnal District	Rs 10,000	Rs ..	Rs ..	Rs ..	Rs ..	
24	Subsidy to cultivators.	..	6,65,759	*(3,04,281)	..	..	*Not yet debited to Food Bonus
25	Palm Gur Development	..	11,307	16,305	..	..
26	Advances to Deputy Commissioners for Local Bunds	..	1,81,783	** (1,68,830)	31,000	..	**Not debited to Food Bonus
27	Crop Cutting Experiments	..	..	23,468	92,100	..	
28	Key Farm Centre	..	..	4,228	..	..
29	Extension Service and Crop Competition	..	..	2,628	12,750	44,830	
30	Locust Control Scheme	..	..	12,981	1,35,070	..	
				{ .. }	84,850		
31	Construction of Drains to check Water logging	..	..	..	..	40,00,000	Only Rs. 10 lakhs to be debited to Food Bonus. Rs. 7½ lakhs would be met from State Revenues and a sum of Rs 22½ lakhs is to be recovered from Zamindars. Scheme still to be sanctioned by the Ministry
	Total Grant-in-Aid	33,17,076	40,77,315	39,79,784	20,21,167	44,11,460	

		Grant-in-aid Schemes— <i>contd</i>				Rs
		Rs	Rs	Rs	Rs	
1	Land Reclamation and Mechanical Cultivation Scheme	33,13,996	31,60,521	27,38,039	22(15,90,520)	19,31,590
2	Purchase of Tractors	3,00,000	..	..	..	..
3	Construction of Tube-wells (Agriculture Department)	18,31,477	18,06,491	11(12,37,588)	11(7,78,380)	18,77,340
4	Loans to Municipal Committees for Compost Making	3,23,305	78,076	..	..	..
5	Purchase of Jeeps	1,41,755	11,655	..	..	..
6	Survey staff for reclamation of land	25,211	..	..	..	..
7	Supply of iron for implements	75,000	..	..	..	..
8	Loans for Percolation Wells	22,21,927	18,98,385	10,68,437	13,34,380	15,00,000
9	Loan to Churian Pursharthi Co-operative Society, Karnal	20,000	..	..	..	..
10	Talu and Bhiwani— (a) Khera Minors extension and (b) Lining of Bhiwani Distributary	..	45,833	2,51,693	13,631	..
11	Excavation of new Distributary of Kasur Branch	2,80,405	3,45,120	4,50,260	5,66,160	4,50,000

*No Loan obtained
**Rs 9,50,000 met from Government's of India loan

†To be met from State Revenues
‡Loan of Rs 5,61,000 obtained from Government of India
***No loan obtained.

*The savings on the budget allotment on the 31st March in a year were used up to 30th June of the next year in accordance with Agriculture Ministry's decision

Note—Figures in brackets indicate that either the Scheme has not been approved by the Agriculture Ministry or the entire expenditure is not covered by their sanction.

(a) Notdebited to Food Bonus

Serial No.	Scheme	*Expenditure during 1949-50	*Expenditure during 1950-51	*Expenditure during 1951-52	Expenditure during 1952-53	Estimates for 1953-54 (Final estimates as figures of expenditure not available)	REMARKS
1	2	3	4	5	6	7	8
Grant-in-aid Schemes— <i>contd.</i>							
12	Reclamation in Karnal District (Irrigation Branch)	Rs 1,06,807	Rs 1,20,350	Rs *(1,69,593)	Rs **2,28,320	Rs †(1,59,770)	*No loan sanctioned **Loan of Rs 1,60,000 sanctioned †Still to be sanctioned
13	Remodelling of Shaha Nahr	2,00,110	8,60,880	†(10,14,844)	†(62,410) 2,00,000	..	†No Loan sanctioned †Loan of Rs 7,00,000 sanctioned
14	Jagadhri Tube-wells Project ..	12,45,997	23,28,570	*(28,02,735)	§(39,09,100)	§(38,00,000)	*Loan of Rs 18,74,000 sanctioned—balance met from unused portion of loan sanctioned for 1950-51 §Matter under correspondence with Government of India
15	Damdam Storage ..	15,000	..	..	..	..	(a) Adjusted against balance of loans obtained in previous years (b) Adjusted against loan sanctioned for 1950-51
16	Tube-wells Electrification ..	21,74,827	2,17,300	(a) 7,84,070	..	..
17	Anti-Erosion Soil Conservation	58,163	..	..	..	..
18	Loans for Tractors ..	..	29,30,000	(b) 10,70,000	..	..
19	Loans for recovery of Tractor Cultivation Charges	..	4,15,000	..	..	..

	Rs	Rs	Rs	Rs	Rs	
20	Kiran Nala ..	..	3,000	*9,23,229	** (1,65,640)	..
21	Extension of irrigation to Barani areas in Amritsar District	..	12,350	..	..	..
22	Direction and Pensionary charges on I. B. Schemes	..	** (29,550)	..	..	..
23	Extension of Irrigation in Amritsar and Gurdaspur Districts	..	1,82,000	..	{ 8,22,710 } 76,230	10,00,000
24	Tube-wells at Munak and Radaur	..	1,40,000	**10,32,242	..	..
25	Extension of Jalabad Branch for rice production	..	34,385	..	..	..
26	Extension of Irrigation in new areas on Eastern Canal	..	33,559	**52,293	35,380	..
27	Pumping sets	..	..	*69,034	9,31,000	10,00,000 sanctioned.
28	Extension of Jasrama Minor ..	..	..	*(1,54,856)	** (1,33,000)	..
29	Irrigation to Village Dhubal Dham Majra	..	..	*(8,822)	† (38,000)	..

*Loan of Rs 17,66,000 sanctioned.
**No loan sanctioned

**No loan sanctioned

*Loan of Rs 5,00,000 sanctioned but not utilised

**Adjusted against loan sanctioned during 1950-51

**Loan of Rs. 2,06,000 sanctioned

*Loan of Rs 10,00,000 sanctioned.

** Loan of Rs 1,13,000 only sanctioned.

* Loan of Rs 120,000 sanctioned.

*Loan of Rs 3,64,000 sanctioned.

† No loan obtained.

*The savings on the budget allotments on the 31st March in a year were used up to 30th June of the next year in accordance with Agriculture Ministry's decision.

Note:—Figures in brackets indicate that either the scheme has not been approved by the Agriculture Ministry or the entire expenditure is not covered by their sanction.

Serial No.	Scheme	Expenditure during 1949-50	Expenditure during 1950-51	Expenditure during 1951-52	Expenditure during 1952-53	Estimates for 1953-54 (Final estimates as figures of expenditure not available)	REMARKS
1	2	3	4	5	6	7	8
Grant-in-aid Schemes—contd							
30	Extension of Irrigation to Hatita village	Rs ..	Rs ..	Rs *88,655	Rs **2,51,880	Rs ..	**Loan ⁽¹⁾ of Rs 105,200 only sanctioned.
31	Increasing capacity of channels	..	..	†27,989	..	..	*Loan of Rs 1,75,000 sanctioned
32	Irrigation in Bhaini village ..	..	..	*99,990	..	..	†Loan of Rs 2,70,000 sanctioned
33	Extension of irrigation to Dhamana village of Sunder Branch	..	..	**1,751	†(2,10,000)	..	*Loan of Rs 1,00,000 sanctioned.
34	Construction of Chhehrta Minor of Raja Sansi Minor of Lahore Branch	..	..	..	82,230 5,00,000	..	†No loan sanctioned.
35	Extension of irrigation to village Prem Nagar from Talu and Bhiwani Kheta Minors	..	..	..	13,400	..	†Loan of Rs 75,000 sanctioned
36	Extension of irrigation on Baroda Minor	..	..	..	70,600	..	
37	Seman Branch	..	..	..	1,31,000	..	
38	New Farmana Minor	..	..	..	1,43,200	..	
39	Jahangir Minor	..	..	..	3,63,058	..	
40	Matenhale Minor	..	..	..	3,20,000	..	
41	Construction of Naura Majra Sub-Minor of Bahadargarh Minor	..	..	..	53,600	..	

		Rs	Rs	Rs	Rs	Rs	
42	Daore Minor	..	..	..	..	..	No loan sanctioned
43	Extension of irrigation to Bhilwani village	..	..	..	(16,000)	..	
44	Construction of Guskani Minor	..	..	..	1,12,800	..	
45	Extension of Baklana Minor	..	..	..	42,500	..	
46	Construction of Surkhpur Minor	..	..	..	1,24,800	..	
47	Irrigation in Ajnala Tahsil	..	..	..	5,00,000	..	
48	Samalka Minor	..	..	..	Nil	5,23,000	
49	Harsa Distributary	..	..	..	1,84,238	..	No loan sanctioned.
50	Nehra Distributary	..	..	..	78,000	..	No loan sanctioned.
51	New Kurlan Minor	..	..	..	(40,000)	..	No. loan sanctioned
52	Tummanwal Minor	..	..	..	(3,08,669)	..	Ditto
53	Sathiali Minor	..	..	..	(2,72,000)	..	Ditto
54	Badesra Minor	..	..	..	(49,000)	..	Ditto
55	Construction of New Khundar Minor	..	..	..	..	42,000	

*The savings on the budget allotments on the 31st March in a year were used up to 30th June of the next year in accordance with Agriculture Ministry's decision.

Note:—Figures in brackets indicate that either the scheme has not been approved by the Agriculture Ministry or the entire expenditure is not covered by their sanction.

Serial No.	Scheme	Expenditure during 1949-50	Expenditure during 1950-51	*Expenditure during 1951-52	*Expenditure during 1952-53	Estimates for 1953-54 (Final estimates as figures of expenditure not available)	REMARKS
1	2	3	4	5	6	7	8

Grant-in-aid Scheme—*contd*

	Rs	Rs	Rs	Rs	Rs	Rs
56 Construction of Bhiwani Distributary from R.D. 224,500 to 248,000	40,000
57 Tail Extension of Alanshah Minor of Fazilka Distributary	30,000
58 Construction of new Muttar Minor	31,000
59 Tail Extension of Pendi Minor	30,000
60 Extension of Dhasa Minor	1,43,800
61 Construction of Badla Minor	90,500
62 Extension of Channel of Bhiwani Distributary to Irrigate Dadri Tract	3,20,000
63 Construction of new Minor from R.D. 142,000 to Bhiwani Distributary	4,32,000

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	Rs	Rs	Rs	Rs	Rs	Rs	Exc.
64	Construction of left channel of Talu Sub-Minor	6,16,500	
65	Extension of existing Gujrani Minor	..	..	..	..	6,79,000	
66	Construction of new Minor from R.D. 186,000 R-Bhiwani Distributary	..	..	..	..	2,64,000	
67	Supply of Ammonium Sulphate and superphosphate	..	..	..	..	(80,71,000)	Loan of Rs 17,53,730 so far sanctioned by the Ministry. Sanction for balance amount awaited.
68	Raising Banks of channels	..	..	..	(8,00,000)	..	No loan sanctioned
69	Chogwana Wagha minor	..	..	..	45,292	..	
70	355 Tube-wells under T. C. A.	..	..	..	..	74,93,780	Loan of Rs 20,47,000 so far sanctioned by the Ministry. Sanction for balance amount awaited
	Grand Total	1,23,79,818	1,50,91,885	1,58,08,058	1,55,83,497	2,85,15,280	

*The savings on the budget allotments on the 31st March in a year were used up to 30th June of the next year in accordance with Agriculture Ministry's decision.

Note—Figures in brackets indicate that either the scheme has not been approved by the Agriculture Ministry or the entire expenditure is not covered by their sanction.

ANNEXURE IV

Note on the Scheme of Consolidation of Holdings

APPROPRIATION ACCOUNTS, 1950-51

Grant No. 1—Land Revenue.

Item No. 2, page 50-D-2(c)(1)—Consolidation of Holdings. The saving in question was due to the reason given below :—

With a view to accelerating the speed of consolidation work in the State and to meet the ever-increasing demand for it, a good number of additional posts to carry out the consolidation work in the State on an extensive basis was sanctioned by the Government with effect from 1st April 1950 and funds were also provided for the purpose. The consolidation work being of a strictly technical nature not only the qualified but adequately experienced and trained staff could do the job. Since the requisite number of such a personnel could not be procured in spite of Financial Commissioner, Revenue's Order to all Deputy Commissioners without great detriment to the ordinary revenue work recruitments to all the posts sanctioned for the purpose could not be made immediately and all at once. Rehabilitation work was also prolonged and this source of recruitment was also blocked. A large number of posts consequently remained vacant for a major portion of the year and it ultimately resulted in the saving and the surrender under reference.

(a) Details of the expenditure incurred year by year since the compulsory consolidation work was taken up are given below :—

	Rs
(i) 1949-50 ..	5,90,490
(ii) 1950-51 ..	10,41,187
(iii) 1951-52 ..	27,67,872
(iv) 1952-53 ..	42,48,328

(b) Details of the acreage consolidated year by year are given below :—

The annual report of this Department deals with the period from 1st October of a year to the 30th September of the year following and not the financial year. The acreage repartitioned and consolidated is given below for the same period except for the first year which deals with the period from 1st April 1949 (the date of start of Department) to 30th September 1950.

Period or year	No. of villages/area (in acres) repartitioned	No. of villages/area finally attested
1st April 1949 to 30th September 1950	167/127,580	167/127,580
1st October 1950 to 30th September 1951	273/152,487	129/77,258
1st October 1951 to 30th September 1952	1159/944,203	323/178,355
1st October 1952 to 31st August 1953 (not complete year)	975/772,900	1023/789,653

(c) Details of the total expenditure per acre as well as the net expenditure per acre, allowing for the recovery of Rs. 4 per acre are given below :—

Expenditure per acre repartitioned was worked out only in respect of the period 1st October 1951 to 30th September 1952 (2nd Annual Report) and it came to Rs. 4-9-1 per acre, total expenditure being Rs. 43,09,470 and number of acres repartitioned during the same period being 9,44,203. Allowing for the recovery of Rs. 4 per acre as consolidation fee, the expenditure comes to R. 0-9-1 only per repartitioned acre

(d) Details of the amount year by year recoverable and recovered from the cultivators are as under :—

Year	Amount recoverable	Amount recovered	REMARKS
	Rs	Rs	
1949-50 ..	..	16,391	No budget estimates for this year were prepared.
1950-51 ..	11,00,000	8,82,780	
1951-52 ..	25,00,000	32,12,547	
1952-53 ..	38,00,000	30,95,303	

(e) The basis on which the recovery of Rs. 4 per acre now made was fixed, may kindly be perused in the communications noted below :—

- (1) Memorandum No. 1682-D.C/H., dated the 15th March 1950 (copy enclosed).
- (2) Memorandum No. nil, dated the 24th April 1950 (copy enclosed).
- (3) Government Memorandum, dated the 19th April 1950, (copy enclosed).

For the present, there appears to be no justification to revise the rate at which the consolidation fee is being charged. The charge is already so heavy especially in Barani areas that there is no question of raising it at any stage.

(f) Some of the Advisory Committees, acting on the earlier precedents and on their own initiative, collected certain amounts to meet certain incidental charges in 1950 and 1951, but there were no departmental instructions for this purpose. These collections have since been officially stopped. There are no figures available of the amounts collected nor the manner in which they were utilized.

(7) The collections being without the knowledge or approval of the Department could not be taken into Government account.

No scheme was adopted and though there had been a review of the various schemes from time to time with a view to finding ways and means to expedite the work. A brief history of the working of the department is as under :—

The work of consolidation of holdings was started in the Punjab by the Co-operative Department in 1920 under the Punjab Co-operative Act, 1912. Under the Act the consent of the land-owners being necessary, the progress was naturally slow and out of a total area of about 193,00,000 acres only 7.07 lakh acres could be consolidated in about 30 years. The Department, however, did pioneer work in making the people consolidation-minded. To speed up the work, the East Punjab Holdings (Consolidation and Prevention of Fragmentation) Act, 1948, was passed early in 1948 and a new Department of Consolidation of Holdings created from 1st April 1949, to give effect to this. The work on that date was going on under the Co-operative Act in 150 villages comprising an area of 137,729 acres and 35 new Societies were started later on. These Societies and the entire staff incharge consisting of 2 Extra Assistant Settlement Officers, 3 Tahsildars, 7 Naib-Tahsildars, 35 Inspectors and 234 Sub-Inspectors were transferred to the charge of the Director, Consolidation of Holdings, from the Co-operative Department on 1st April 1949. But the resettlement and the rehabilitation of the displaced persons being the most crying need of the day about 2/3rd of his staff which was already transferred to the Rehabilitation Department suspending the consolidation work continued to work there. It was not only politically necessary to give the Rehabilitation work a priority over the Consolidation of Holdings work, but it was also an essential pre-requisite to the consolidation work to proceed in evacuee villages which were about 2/3rd of the total number of villages in the State. This staff was released from the Rehabilitation Department in February-March 1950 and work under the new Act virtually started from then onwards. Up to this stage the work was, however, confined to the villages which paid up at least one-half of the consolidation fee (i.e. Rs. 2 per cultivated acre) in advance, but in spite of that the number of villages increased to 420 with an area of 337,163 acres up to the end of December 1950 and out of these 378 were taken up. It may be added that the skeleton staff left behind after providing for resettlement work carried on the work in the Co-operative-Act-villages and completed 142 of them up to 30th September 1950 besides 25 garden colonies. The demand for bringing yet more villages under the consolidation of holdings operations was so large that the whole position have had to be reviewed in January, 1951, when it was decided to merge the Consolidation into the Revenue Department.

THE NEW SCHEME OF 1951.

Under this scheme, one tehsil was to be taken up for intensive work in each district (with the exception of the hilly districts of Simla and Kangra) and was to be completed in 2 years with a suitable increase in the field staff. The whole State was to be finished in 8 years. The Deputy Commissioner was to be in charge of the work in the district. Progress, however, was not up to the mark till the end of December, 1951, and the work was, therefore, reorganized by the Director, Consolidation of Holdings, in January, 1952. It may also be mentioned that in May, 1951, another big decision was taken and it was to introduce a uniform *Karam* of 66 inches in the whole State.

THE REVISED SCHEME OF 1952.

Considerable progress was made as a result of reorganization of the work mentioned above but it was felt that ways and means should be found to further expedite the work. The position was, therefore, reviewed once again in a meeting of the Increased Food Production Committee on the 11th June 1952.

The Province was split up into A and B Group Tehsils. Tehsils having no rectangles laid in them were put in the former category while those having rectangles were placed in the latter group and the programme was to complete the work of Consolidation of A Group Tehsils in 2 years and of B Group Tehsils in a year. The work of consolidation consists of the following main classes:—

- (1) Preparation of preliminary records consisting of Khatauni Ishtemal, list of field numbers, list of names of right-holders and Naqsha Haqdarwar.
- (2) Measurement, i.e., laying of rectangles and Killas, etc.
- (3) Valuation and classification and completion of preliminary records.
- (4) Publication of draft schemes of repartition.
- (5) Repartition.
- (6) Completion of records and final attestation by Consolidation Officer.
- (7) Preparation of records of right.

Work under item No. 1 corresponds more or less with the jamabandi and the preparation of various statements connected with ordinary repartitions in a revenue work while that under items Nos. 7 and 8 is routine revenue work. Measurement is a specialised type of work and can best be done by a Survey Party. Work under items Nos. 3 to 6 require expert knowledge and experience and can be done only by a trained and experienced staff. The proposal, therefore, was that in addition to the 12 Tehsils under action, work should be taken up in one more Tehsil in each district in which rectangles existed with the aid of the ordinary Revenue agency increased by 50 per cent Patwaris, 6 Kanungos and 2 Naib-Tehsildars and some clerical and other staff in the additional Tehsils, the better patwaris with replacements, where necessary, would do the work of preparation of preliminary records while the extra Patwaris would attend to the ordinary revenue and miscellaneous work. The mahal staff and the extra staff of Naib-Tehsildars and Kanungos would supervise the work under the charge of a whole-time Settlement Officer who would also be incharge of the work in the already selected Tehsils. He was, of course, to work under the overall charge of the Deputy Commissioner concerned who was to be responsible for the proper conduct of the work. The staff started work from 1st July 1952, and would prepare the second batch of Tehsils in about 9 months after which the trained staff from the selected Tehsils now under action would take up the work in items Nos. 3 to 6. Items Nos. 7 and 8 would again be dealt with by the ordinary revenue staff. The Surveyor of India, having expressed his inability to spare any party for the purpose of measurements or rectangulation, this work also fell to the lot of the Consolidation staff. With this programme of work in A and B Group Tehsils, 40 out of 47 Tehsils to be consolidated are to be completed by August 1957 (leaving Kangra and Simla Districts being hilly area) while the remaining 7 on a year or so later.

Progress of work up to 31st August 1953

Work in villages taken up under the Co-operative Act, work in villages taken before 1st April 1951 and work in villages taken up after 1st April 1951 were the three categories under which work was going on on the 1st April 1951. The fourth category was introduced from the middle of July, 1952, when work was taken up in the first batch of B Group Tehsils. The progress of work under the various categories is as follows :—

Work in villages under the Co-operative Act.

These were in all 185 villages comprising an area of 154,402 acres. Out of these 142 villages were completed up to 30th September 1950 and 33 villages were completed up to 30th September 1951; further 6 villages were completed up to 30th September 1952 and repartition has been carried out in all remaining 4 villages up to 31st August 1953; while 2 villages in Rupar Tehsil being problem villages are still to be finally attested. Both are likely to be completed shortly.

Work in villages taken up before 1st April 1951.

Three hundred and seventy-eight villages comprising an area of 284,263 acres fall under this category. Up to 31st August 1953 repartition has been carried out in 370 villages with an area of 271,258 acres and final attestation has been done in 345 villages with an area of 235,956 acres. In addition to this, work was also completed in 25 garden colonies in 1949-50.

Work done in villages taken up after 1st April 1951.

The work in the first batch of 'A' Group Tehsils, viz., Tarn Taran, Batala, Narpur, Garhshankar, Phillaur, Moga, Samtala, Rupar, Thanesar, Rohtak, Hansi and Gurgaon started on 1st April 1951. In all 2,580 villages with an area of 2,675,667 acres are to be taken up. Out of these so far 2,541 villages with an area of 2,639,246 acres have been taken up and 1,693 villages comprising 1,465,443 acres have been repartitioned and 1,088 villages forming 763,409 acres have been finally attested.

Work done in 'B' Group Tehsils.

The first batch of 'B' Group Tehsils is composed of Nawatishahr, Zira, Jagraon, Jagadhri, Sonapat, Hissar, Ballabgarh, Karnal (Nilokheri area) and Ambala. Work started in these in July, 1952, except in Karnal where it started in November, 1952. In all there are 1,957 villages comprising 2,265,666 acres to be taken up and out of these in 1,519 villages forming 1,467,951 acres work of preparation of preliminary record is being done and is nearly completed in all. Over and above that repartition has been carried on in 201 villages with an area of 84,558 acres.

General.

The main causes of extension of target dates in 'A' Group Tehsils are:—

- (1) The staff was inexperienced and inadequate when the work was started on 1st April 1951.
- (2) Whole-time Settlement Officers were expected to become available in September, 1951, but only 3 of them were posted in March 1952, while others became available in June to September, 1952.
- (3) Jeeps which were another pre-requisite for timely completion of work have become available in April, 1953, though sanctioned in June, 1952.
- (4) The Irrigation Department undertook to finalize the alignment of channels by 31st October 1952, but has done so in Phillaur Tehsil on 31st March 1953, and delayed still further in Garhshankar and Thanesar Tehsils. The work thus was held up for more than 6 months in these Tehsils for want of alignment.

All the above difficulties have, however, been successfully overcome and progress in future, it is hoped, would be still more satisfactory and to schedule.

Copy of memorandum No. 1682-D/CH, dated the 15th March 1951, from the Director, Consolidation of Holdings, Punjab, Jullundur, to the Deputy Secretary (Development), Punjab Government, Simla-E.

Subject :—Fixation of cost of Consolidation proceedings.

According to rule 14 of Consolidation of Holdings, notification No. 105954-D-49/7351, dated 8th December 1949, the above referred cost is to be fixed on acreage rate or on the basis of land revenue assessed. The determination of the cost under this rule is to be made by the Provincial Government from time to time and as steps have now been taken to start consolidation of holdings work under the new Act of East Punjab Holdings (Consolidation and Prevention of Fragmentation) Act, 1948, so it is recommended that uniform rate of Rs 2 per acre be approved in the case of all districts of the entire State excepting Simla and Kangra Districts where the rate will be recommended later on.

The previous rate under the Co-operative system varied from annas 8 to Rs. 2 per acre according to local circumstances of each district. In districts where holdings are comparatively bigger and lesser value is attached to land, the cost used to be lower as compared with other districts like Jullundur and Hoshiarpur. Now Rs. 2 per acre as a uniform rate of cost of Consolidation proceedings is being recommended so as to increase to a reasonable extent the revenues of the Province on one hand and to reap the advantage of the keenness evinced by the people for consolidation on the other. Consolidation fee will be collected through the Panchayat or the Village Committee constituted for the purpose of Consolidation of Holdings before or during the Consolidation operations and shall be deposited into Government Treasury under the Receipt Head of the Department.

Copy of letter No. Nil, dated the 24th April 1950, from the Director, Consolidation of Holdings, Punjab, Jullundur, to the Deputy Secretary to Government, Punjab, Development Department

Please refer to my letter No. 1682-DC/H, dated 15th March 1950, in which I proposed that a consolidation fee at the rate of Rs. 2 per acre at a uniform rate be levied throughout the State. In the Budget Session of the Punjab Legislative Assembly, several members spoke enthusiastically about the consolidation programme of the State and were very eager that the whole work should be finished within five or six years. Unfortunately the Government could not give more money than 14 lakhs. This suggestion that consolidation fee be raised to Rs. 5, I understand, is under the consideration of Government. I have had occasion to consult several leading public men. Most of them are of the opinion that consolidation fee can safely be raised to Rs. 4. I think Rs. 5 would be little too much. It may be fixed at Rs. 4.

In some quarters there is a demand that this fee should vary from Rs. 2 to Rs. 5 and should not be uniform. In the Act, there is nothing obligatory to make it uniform, still it should be on uniform basis. A discretion can, however, be given in cases of very big holdings, the standard of which can be fixed. But it should not vary from district to district. An early decision of Government may kindly be conveyed, because we have about 80 villages in hand now under the Act and we have recovered Rs. 2 as consolidation fee in these villages. More villages are expected to be taken up and it would be awkward if this fee is raised after the operations are started in a village on the basis of Rs. 2. Once this principle of reducing the fee in cases of big holdings is accepted, the standard of big holdings can be prescribed.

Memorandum

Minister-in-Charge

.. Hon'ble Minister for Education.

Administrative Secretary

.. Additional Financial Commissioner.

Subject.—Proposal to raise the fee to be charged from the zamindars of villages where the consolidation of holdings work is undertaken.

According to rule 14 of the East Punjab Holdings (Consolidation and Prevention of Fragmentation) Rules, 1949, published with East Punjab Government Notification No. 10594-D-49/7351, dated the 8th December 1949 (copy enclosed for ready reference) the cost of consolidation is to be fixed on acreage rate or on the basis of land revenue assessed. The determination of the cost under this rule is to be made by the Government of the State from time to time and as steps have now been taken to start consolidation of holdings work under the new East Punjab Holdings (Consolidation and Prevention of Fragmentation) Act, 1948, the Director of Consolidation recommends and the Administrative Department agree that a uniform rate per acre be prescribed in the case of all districts in the entire State except Simla and Kangra where the rate can be fixed later on, when the work in these two districts is undertaken.

2. The previous rate under the Co-operative system varied from Re 0-8-0 to Rs 2 per acre according to local circumstances of each district. In districts, where holdings are comparatively bigger and lesser value is attached to land, the cost used to be lower as compared with other districts like Jullundur and Hoshiarpur. Now a uniform rate of cost of consolidation proceedings is considered necessary so as to increase to a reasonable extent the revenues of the State and to reap the advantage of the keenness evinced by the people for consolidation.

3. Keeping in view the present finances of the State, it has not been possible to provide more than Rs. 14 lacs for the consolidation of holdings work for the current financial year (1950-51). With this sanctioned budget, the staff can tackle the consolidation work of about 2 lac acres annually. The approximate area to be handled for consolidation purposes is reported to be about 12,000,000 acres. According to the previous rate of Rs. 2 per acre, the cost to be recovered from the villagers will amount to Rs. 4 lacs annually. The present staff, which can handle the consolidation work of 2 lac acres will take a large number of years to complete the consolidation operations in the total area of about 12,000,000 acres. It is considered that if the fee is raised to Rs. 5 per acre, it will be possible to have 2½ times the staff provided in the budget for 1950-51. The fee will amount to Rs 25 lacs for 5 lac acres, and the expenditure will be Rs 35 lacs. This will have a net expenditure of Rs 10 lacs to be borne by the Provincial Exchequer. This was the view of the Cabinet Sub-Committee on "Increased Food Production" at its last meeting, but as there appears to be a difference of opinion among the hon. Ministers about the rate to be charged from the Zamindars concerned, the matter is referred to the Council of Ministers with the approval of the Hon'ble Chief Minister to decide the rate of fee to be charged from the Zamindars for consolidation of holdings under the Act.

4. The administrative Department consider that the proposed rate of Rs. 5 per acre is fair and reasonable. By fixing this rate, it may be possible for the Department to complete the consolidation work during the next 10 or 15 years. It will also not burden the State with more than a net expenditure of Rs. 10 lacs annually which the finances of the State can bear.

ANNEXURE V

Note on the Stores Account and working of the Forests Department

GRANT NO. 4

Serial No. 1

Page 60.—*Stores Accounts.* (a) The chief factors are the following :—

- (i) When acceptable prices are not obtained by sale of standing trees, departmental working is considered.
- (ii) Concentration of felling areas to enable an economic ghalls to be made out of sawn material. If the forests are too scattered departmental working is not economically possible.
- (iii) If permanent adequate staff, etc., is not available trees have to be sold standing.
- (iv) Unless adequate outturn is anticipated departmental working is out of the question. Departmental working assumes steadiness of the market, availability of trained and honest staff and labour.

2. Comparatively departmental exploitation works are more profitable when compared with the sale of standing trees provided the market is reasonably steady as explained in the following example :—

Departmental exploitation works

1951-52

		Rs.	A.	P.
(a) Average price per c.ft. realized on account of the sale of sawn timber at Dhillwan	..	₹	3	7 0
(b) Cost of extraction per c.ft. of sawn timber	..		2	4 0
Net profit per c.ft.	..		1	3 0

Sale of standing trees

		Rs.	A.	P.
Rate per c.ft. realized during 1951-52 from the sale of standing trees	..		0	5 0

3. It will be seen that there is an increase of Rs 0-14-0 per c.ft. in working the forests departmentally when compared with the sale of standing trees.

- (c) Proper accounts of departmental operations are maintained in various prescribed forms. Actual stock in various depots is invariably checked with book balances.

4. The outturn from departmental operations is inadequate to meet the requirements of other Government Departments. These departments have to buy their requirements from timber dealers particularly as their demands are spasmodic.

5. A system has been in vogue in the Forest Department under which indents were placed by the various Departments and such indents were passed on to various dealers to supply the timber at rates fixed by the Chief Conservator of Forests. Some indents were however met from the departmentally extracted timber. The system of buying timber from dealers led to several abuses and I had to suggest to Government in my letter No. C-62/9027, dated 17/11th December 1952 (copy enclosed), for the stoppage of the system and the adoption of another. Copy of Finance Secretary's D.O. letter No. 5794-FPW-53/5902, dated the 9th July 1953 (copy enclosed) will show the objection of the Public Works Department to the system.

6. There is no objection to other Departments taking their supplies from the Forest Department from their own timber but there are the following difficulties :—

- (i) The indents are spasmodic and the timber cannot be kept indefinitely for any demand which may or may not arise. Adequate quantity of timber is not usually available in the Departmental depot at Dhillwan throughout the year.
- (ii) Forest Department sale depot is only at Dhillwan and it may be cheaper for some indents to be met from dealers stocks in Pathankot, Doraha or Jamna Nagar.
- (iii) Wagon difficulties for transporting timber.

7. The system which I would suggest is that the consuming Departments should first ascertain from Divisional Forest Officer, Beas (in whose control is the depot at Dhillwan) if a specific demand can be met by the Forest Department at prices fixed by the Department. The prices would normally be based on the price realised for different sizes in the latest auction of the season by the Forest Department. The delivery would be ex-depot and the indenting Department will have made its own arrangement for carriage. If the Forest Department cannot meet the indent the department concerned should call for tenders.

Serial No. 3

9. Page 59—Note 3. (a) The reasons for the drop in the receipts in 1949-50 and 1950-51 are explained as under :—

The figures of revenue for the years 1947-48 (15th August 1947 to 31st March 1948) to 1950-51 are given below :—

Year	Revenue Rs
1947-48 (15th August 1947 to 31st March 1948)	27.56 lakhs
1948-49	.. 62.10 lakhs
1949-50	.. 41.63 lakhs
1950-51	.. 50.22 lakhs

The figures during 1947-48 pertain to the period 15th August 1947 to 31st March 1948, i.e., for 7½ months only, these may, therefore, be ignored.

The increase in revenue during 1948-49 when compared with 1949-50 and 1950-51 is chiefly due to:—

- (i) late receipt of Kulu and Seraj ghalls in Dhillwan Depot during 1947-48, with the result that timber worth Rs 9.33 lakhs could not be sold during that year. This amount was therefore realised during

1948-49: If the above amount of Rs 9.33 lakhs is deducted from the total revenue realized during 1948-49 the net amount of revenue works out to Rs 52.77 lakhs.

(ii) the return of Bashahr leased forests to Himachal Pradesh from 1st April 1949 causing a drop in revenue in 1949-50.

Similarly the increase during 1950-51 when compared with 1949-50 is due to non-receipt of the second Kulu and Seraj ghalls in Dhillwan Depot during 1949-50 and part of the revenue for that year was therefore credited during 1950-51.

(b) The following table shows the total revenue and Expenditure for 1948-49, 1949-50 and 1950-51 :—

Year	Revenue Rs.	Expenditure Rs.
1948-49	62.10 lakhs	49.61 lakhs
1949-50	41.63 lakhs	43.12 lakhs
1950-51	50.22 lakhs	45.69 lakhs

10. The expenditure figures for 1948-49 and 1949-50 require an explanation. Rs. 3.69 lakhs during 1948-49 and Rs 4.05 lakhs during 1949-50 were deducted and charged to Head 63-B (Expenditure on Post-War reconstruction and development schemes). This procedure ceased from 1950-51 when no such deduct entries were made but credit was afforded on the revenue side equal to such expenditure in 1951-52. After 1951-52 there ceased to be any assistance from Grow-More-Food Scheme. The figures in the above table, therefore, are not comparable. For purposes of comparison the figures on this kind of expenditure have to be deducted from all the three years, viz., Rs. 3.69 lakhs in 1948-49, Rs 4.05 lakhs in 1949-50 and Rs 4.17 lakhs in 1950-51. The figures of expenditure thus would be :—

	Rs
1948-49	45.92 lakhs
1949-50	39.07 lakhs
1950-51	41.52 lakhs

11. The expenditure has varied from year to year. The causes of variations of Revenue have been explained above.

12. The higher figure of expenditure during 1948-49 as compared with 1949-50 and 1950-51 is chiefly due to Bashahr leased forests having remained with the Punjab Forest Department. These forests were transferred to Himachal Pradesh on 1st April 1949.

13. The increase in expenditure in 1950-51 when compared with 1949-50 is chiefly due to the fact that rafting charges of part of 1949-50 ghall were paid and adjusted in accounts during 1950-51.

14. There have been two major events of policy, viz.—

(1) Change in the charging of expenditure on Grow-More-Food Schemes,

- (2) *Transfer of Bashahr Forests to Himachal.* The former is based on directions from the Finance Department and the latter on the earlier termination of lease of Bashahr forests under Government orders.

15. The Revenue and Expenditure figures for 1951-52, 1952-53 and the Budget Estimates for 1953-54 are given below :—

Year	Revenue	Expenditure
	Rs.	Rs.
1951-52 (Actuals)	.. 58.67 lakhs	.. 44.57 lakhs
1952-53 (Actuals)	.. 49.18 lakhs	.. 47.11 lakhs
1953-54 (Estimated)	.. 53.15 lakhs	.. 46.28 lakhs

16. The following are the causes of variations in revenue:—

- 1951-52. (i) Rs 5.58 lakhs adjusted with Government of India in connection with Grow-More-Food Scheme as explained in para 10 above
(ii) Exceptionally high prices of resin consequent upon Korean War and U.S.A. decision to hoard their resin products and Bilaspur resin going to Himachal Pradesh Government factory at Nahan instead of coming to the Punjab

1952-53. Fall due to slump in timber market specially wagon difficulties.

17. The following are the causes of variations in expenditure:—

1952-53. The increase in expenditure is due to :—

- (i) increase in the rate of dearness allowance to the staff drawing pay up to Rs 100 per mensem.
- (ii) adjustment of leave salary of various officers proceeded on deputation.
- (iii) cost of extraction of larger yield of timber obtained from the Kulu Division, and
- (iv) cost of wire ropes and accessories, indented for during previous years, but received during 1952-53.

1953-54. *Sanctioned Estimate.* Modified Grant will be fixed at the time of Statement of Excesses and Surrenders, but it will be less than sanctioned estimate Steps are being taken to reduce the expenditure. The anticipated reduction will be more than Rs. two lakhs.

18. Expenditure incurred on "Organisation, Improvement and Extension of Forests" (under —Conservancy on account of work and C—Establishment on

account of staff employed on these works) from 1948-49 to 1953-54 and proportion of the total expenditure it represents is given below :—

Year	EXPENDITURE ON ORGANISATION, IM- PROVEMENT AND EXTENSION OF FORESTS			Total Expendi- ture Rs. in lakhs	Proportion (of column No. 2) of the total expendi- ture (Per cent)
	Works	Staff	Total		
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs		
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs		
1	2	3	4	5	6
1948-49 ..	5.67	4.25	9.92 (l)	45.92 (g)	22
1949-50 ..	6.99	5.80	12.79 (l)	39.07 (h)	33
1950-51 ..	5.39	4.15	9.54 (m)	41.52 (h)	23
1951-52 ..	7.08	5.95	13.03 (n)	44.57 (i)	29
1952-53 ..	8.17	6.80	14.97 (n)	47.11 (j)	32
1953-54 ..	8.54	6.90	15.44 (n)	46.28 (k)	33

(g) Includes expenditure on Bashahr leased forests, which were transferred to the control of Himachal Pradesh on 1st April 1949.

(h) The increase in 1950-51 when compared with 1949-50 is due to the fact that rafting charges of part of 1949-50 ghall were paid and adjusted during 1950-51.

(i) The increase during 1951-52 is chiefly due to—

(i) the taking-up of more remote areas under resin tapping operation (and consequently more revenue was realized) ; and more payments were made to the right holders and (ii) payments of shares to the rights holders in Shahpur Kandi Forests for the quinquennium ending 1949-50.

(j) The increase is due to :—

(i) increase in the rate of dearness allowance to the staff drawing pay up to Rs 100 per mensem,

(ii) adjustment of leave salary of various officers proceeded on deputation,

(iii) the cost of extraction of larger yield of timber obtained from the Kulu Division, and

(iv) the cost of wire ropes and accessories, indented for during previous years but received during 1952-53.

(k) Represents amount of sanctioned estimate. Modified grant will be fixed at the time of Statement of Excesses and Surrenders but it will be less than the sanctioned estimate. Steps are being taken to reduce the expenditure. The anticipated reduction will be more than Rs 2 lakhs.

- (1) The increase in expenditure on "Organisation, Improvement and Extension of Forests" during 1949-50, when compared with 1948-49 is due to the fact that soil conservation works were carried out on extensive scale during 1949-50. These works were sanctioned by the Government in accordance with the Post-War Development Programme which was sanctioned by Government from 1949-50.

(m) During 1950-51, most of the expenditure on the Soil Conservation Works was debited to a separate head (Grow-More-Food Schemes) and this expenditure was subsequently debited to the Government of India. Rs 4.17 lakhs were spent on these works in addition to Rs 9.54 lakhs shown in the statement (*vide* paragraph 10).

(n) The gradual increase from 1951-52 onwards is due to the carrying out of more regeneration works on P. W. D., roads, canals and railway strips which were transferred to the control of the Forest Department in 1950-51. Sowing and planting works in Mattewara plantation (on evacuees land) were also started in 1950-51.

ccvi

No. C-62/9027

FROM

SHRI N. P. MOHAN, I.F.S.,
Chief Conservator of Forests,
Punjab.

TO

The Under-Secretary to Government, Punjab, Development Department,
Simla-2.

Dated Simla-3, the 17/18th December 1952.

Subject:—Supply of timber.

MEMORANDUM

Reference:—Correspondence resting with your memorandum No. 6077-D-51/6043, dated 29th October/2nd November, 1951.

2. I have received two communications one from the Executive Engineer, Panipat T/L Division, Punjab Public Works Department, Electricity Branch, Kunj-pura Road, Karnal, and the other from the Procurement and Focal Officer, Punjab, Irrigation Secretariat, regarding supplies of timber.

3. I have, therefore, taken pains to ascertain as to how the Punjab Forest Department undertook to arrange timber supplies to the various Government Departments in the Punjab as well as to the Government of India. The position is considerably confused and the only relevant correspondence which I have been able to get hold of is given below, copies of which are enclosed for ready reference*

(i) Under-Secretary to Government, East Punjab, Revenue and Development Department's endorsement No. 620, dated 28th October, 1947, to the Chief Conservator of Forests, Punjab, forwarding extract from a note, dated the 27th August, 1947, recorded by Dewan Somer Nath, Additional Director of Supplies (General).

(ii) C. C. F. Punjab's letter No. 1422, dated the 15th November, 1947, to the Deputy Secretary to Government, East Punjab, Development Department.

(iii) Deputy Secretary to Government, East Punjab, Revenue and Development Department's U. O. No. 648-D., dated 8th December, 1947.

4. It will be seen that this demand for timber was in an emergency and did not give any authority to the Punjab Forest Department to undertake supplies every year to various Government Departments.

5. Reference is also invited to the following which relate to the supply of timber to the Government of India. Copies are enclosed for ready reference*

(i) Chief Conservator of Forests, Punjab's letter No. 4168, dated 30th August, 1948, to the Deputy Secretary to Government, East Punjab, Revenue and Development Departments.

(ii) Deputy Secretary, Revenue Department's letter No. 9375-D, dated 27th September, 1948, to the Chief Conservator of Forests, Punjab.

*Copies not supplied

6. It will be seen that his supply related to the sales from the depots of the Punjab Forest Department. Shri Sant Ram Varma's D. O. letter No. 76/DS/D., dated 24th September, 1948, to the Chief Conservator of Forests, Punjab, may also be seen.

7. These are the earliest references which I have been able to find on the subject. I have been unable to discover specific orders under which the Punjab Forest Department took upon itself the work of securing orders, fixing the rates and arranging supplies from contractors year in and year out.

8. I also enclose a copy of the Proceedings of a meeting of Timber Importers held in the Chief Conservator of Forests, Punjab's room at Simla on 14th October, 1952. Apart from the increase in rates the Notes under the table relating to prices are very interesting, particularly Notes (ii) to (iv). It would be seen that if the rejection goes beyond a certain percentage figure there is a substantial increase in prices. I fail to see as to why any timber dealer cannot profit by such provisions. He has only to ensure to a certain percentage of rejection which would entitle him to high rates. There are ample devices by which a higher percentage can be got rejected. It is impossible to fix correct rates the way it has been done for the last five years, because the trend of the market cannot be anticipated in advance.

9. I have come across no orders under which the Chief Conservator of Forests, Punjab, was authorised to fix rates in this way. In fact this is contrary to rule 6 of Appendix 5 of Financial Handbook No. 2—Punjab Financial Rules (Volume II), which says that whenever practicable and advantageous, contracts should be placed only after tenders have been openly invited and in cases where the lowest tender is not accepted, reasons should be recorded. I do not know as to why this rule was lost sight of throughout. I also have not come across any authority under which the Punjab Forest Department was authorised to work as intermediary for supply of timber to various Government Departments at the rates it chose to fix.

10. The system has led to several abuses. I have heard complaints about the bad quality of timber supplied, of favouritism shown in distributing various orders to different purchasers and the dealings of some unscrupulous officials. To me it appears that the entire system needs to be overhauled, and I suggest that the following measures be adopted:—

- (i) Punjab Forest Department should not in any way try to secure orders or distribute orders about supply of timber. For the departmentally produced timber it naturally can and should endeavour to secure orders, but definitely not for the timber belonging to the contractors.
- (ii) The indenting Departments must call for tenders for the supply of timber which they want and must give the specifications of timber required when inviting tenders. They should naturally accept the lowest tender and arrange to get timber passed strictly according to the specifications laid down in the tender notice.
- (iii) Every passing officer must have a passing hammer which should remain with him throughout his service or as long as he is on the passing job, and as soon as he quits the job, the hammer mark must be destroyed. A list should be ready at all times to show which hammer mark is with whom. Passing Officers must remain responsible for the timber they pass.
- (iv) When the timber is passed, the passing hammer mark must be put on the timber and this mark should be decipherable at all times.

(v) When this passed timber reaches the consuming centres, the officer receiving the timber must certify that the timber he has received bears the hammer mark of the passing officer and has been passed according to the specifications. In the event of any dispute arising about the timber not having been passed according to the specifications, the passing officer and the examining officer must be held responsible unless of course the examining officer has reported the matter immediately on arrival of the timber.

(vi) The Forest Department should have no concern with the securing of orders, distribution of orders and passing of timbers except for their own departmentally produced timber for which the passing and examining provisions mentioned above would apply to them *mutatis mutandis*.

11. To my mind the system that has been adopted before, means depriving the indenting departments of their responsibility, supplying timber to them at rates which are profitable to the contractors and securing for the Punjab Forest Department a position which it should not undertake. The system now in vogue can only be justified if Government were out to purchase the major part of timber with the dealers and to have their own chain of depots. This kind of work can only be considered in an emergency like the war.

12. I am taking no action on the communications mentioned in paragraph 1 above, except that I am informing the officers concerned that the matter has been referred to Government and that no action is being taken on any previous order of supplies which is pending and for which supplies have not yet been made pending Government orders. Conservators are also being informed accordingly.

N. P. MOHAN,

Chief Conservator of Forests,
Punjab, Simla.

ccix

Finance Secretary
to Government, Punjab.

D. O. No. 5794-FPW-53/5902
Punjab Civil Secretariat,
"Ellerslie" Simla-2,

Dated 9th July, 1953.

Subject:—Report of the Buildings and Works Committees.

My dear Mohan,

Please refer to the correspondence resting with letter No. 667/C, dated the 20th June, 1952, from the Conservator of Forests, North Circle, Punjab, to the address of Chief Engineer, Punjab, P. W. D., Buildings and Roads Branch, presumably copy endorsed to you, on this subject.

2. The Chief Engineer, P. W. D., Buildings and Roads Branch, after consulting the Chief Engineers, Capital Project and Irrigation Branch, has reported that it is not desirable to accept the recommendations of the Buildings and Works Committee that supplies of timber for departmental use should be procured through the Forest Department or through the suppliers arranged by them. His main arguments against the proposal are:—

(a) Theoretically the suggestion of the Committee is sound ; but in practice it is full of fraudulent practices of the most nefarious type. The stipulations proposed by the Forest Department make it imperative for the indenting department to select, mark and take over the timber. The Forest Department is ready only 'to give every facility and help in the matter' ; but they are not prepared to take any responsibility for selecting the right type of timber.

(b) The supply of timber direct from the dealers from their 'Ghals' floating down the river can often be arranged at cheaper rates than stipulated by the Forest Department. The suppliers too, as arranged by the Forest Department, do not undertake to meet requirements of the different departments from their own stocks, as they probably do not maintain them. Many a time this method results in delay, which can be avoided, if the timber is procured direct from the dealers.

3. Before arriving at a final decision in the matter, Finance Department would like to have your comments on the arguments advanced by the Buildings and Roads Branch against the proposal. They would also like to know why the Forest Department is not prepared to accept responsibility for selecting the right type of timber, when your officers, unlike those of the P. W. D., possess the requisite knowledge for this purpose.

Yours sincerely,

(Sd.) E. N. MANGAT RAI.

N. P. Mohan, Esquire, I. F. S.,
Chief Conservator of Forests,
Punjab, Simla.

Proceedings of a meeting of Timber Importers held in the Chief Conservator of Forests, Punjab's room at Simla on 14th October, 1952, at 2-30 p. m.

1. In order to fix the rates at which timber should be available to the various Government Departments in the next season, i.e. from 1st November, 1952 to 31st October, 1953, a meeting of timber importers was held in the Chief Conservator of Forests's room at Simla on 14th October, 1952, at 2-30 p. m.

2. Shri Sundar Singh, I. F. S., Conservator of Forests, South Circle, and Shri Partap Singh, I. F. S., Conservator of Forests, North Circle, were also present throughout the meeting.

3. Various factors governing the prices were *thoroughly* discussed and the traders maintained that there was a case for a slight increase in the existing rates as the cost of production had actually gone up and that there was no justification whatever for any reduction. After a good deal of discussion the timber traders, however, finally agreed to reduce the rates for *chil* sawn timber (*samudha*) by four annas per cubic foot for all sizes, rates for other species remaining the same as during the current year. Thus the rates finally settled are as follows:—

FOREST DEPARTMENT, PUNJAB

Schedule of rates for the supply of timber and ballies to Government Departments both Provincial and Central during the timber season, i. e., 1st November, 1952 to 31st October, 1953.

Rates of payments for Samudha timber (Supplier's ex-depot).

Sizes	Deodar per cubic ft.	Kail per cubic ft.	Chil per cubic ft. free from twist	Fir per cubic ft.
	Rs As. P.	Rs As. P.	Rs As. P.	Rs As. P.
(i) SAWN TIMBER				
Scants—				
8' and up in length to 12' x 8" x 4" and up in cross section	5 0 0	4 0 0	3 8 0	3 5 0
4' to under 8' in length x 8"x 4" and up in cross section (except M. Gs. of Railway Specifica- tion, i. e., 6'x 8"x 4 1/2")	4 0 0	3 0 0	2 8 0	2 12 0
Karries (axe cut and sawn)—6' and up in length x 4"x 4" and up in cross section	3 12 0	2 12 0	2 6 0	2 8 0

	Deodar per cubic ft	Kail per cubic ft	Chil per cubic ft. free from twist	Fir per cubic ft.
Planks river borne— 6' and up in length x 8"x2" and up in cross section	Rs A. P. 3 12 0	Rs A. P. 2 12 0	Rs A. P. 2 6 0	Rs A. P. 2 8 0
M. G. Slippers of Railway Spec- ification, i. e., 6'x8"x41/2"	4 8 0	3 8 0	3 0 0	3 0 0

Note:—(i) *Samudha* timber means timber of all sizes received in a *ghall* from which only broken rotten and badly split timber has been taken out. No specials will be taken out of the timber classed *Samudha*.

(ii) When timber of any particular size is purchased without sorting or if sorting is done and rejections on passing do not exceed 20 per cent of the timber of that particular size inspected, 25 per cent extra will be paid.

(iii) If rejections on passing exceed 20 per cent but do not exceed 40 per cent, the additional rate to be paid will be increased from 25 per cent to 33 1/3 per cent.

(iv) If rejections on passing exceed 40 per cent, the additional rate to be paid will be increased from 25 per cent to 40 per cent.

(v) All charges in connection with passing of timber will be borne by the supplier.

(vi) The above rates are exclusive of Sales Tax.

Supplier's ex-depot
Rates for round ballies per ballie

Description	Deodar	Kail	Chil	Fir
(ii) <i>Round Timber</i>	Rs A. P.	Rs A. P.	Rs A. P.	Rs A. P.
Length 12' and above and girth 20" and above	12 15 0	9 9 0	9 5 0	8 12 0
Length 12' and above and girth below 20"	5 13 0	4 5 0	3 9 0	4 11 0
Length below 12' and girth 20" and above	7 9 0	4 13 0	3 13 0	3 9 0
Length below 12' and girth below 20"	3 0 0	1 9 0	1 7 0	1 8 0

*Note:—*The above rates are ex-suppliers Depot. In case any loading in trucks or railway wagons or any carriage to the Railway Station is required of the Supplier then there will be an extra charge of one anna per cubic foot in the case of sawn timber and three annas per ballie in the case of ballies.

(Sd.) J. SINGH,
Chief Conservator of Forests, Punjab.

Note explaining further points raised by the Public Accounts Committee from Appropriation Accounts for 1950-51 and the Audit Report 1952
Grant No. 4—Forest.

Serial No. 1 (Page 60).

(i) *The methods adopted for the sale of trees.* Sales are made by auction or by inviting tenders. For doing so publicity is given in accordance with Deputy Secretary to Government, Punjab, Revenue and Development's letter No. 4567-D, dated 8th May 1948 (copy enclosed).

(ii) Wide publicity is given to auction notices and auctions are held at the proper time. Reserved rates are worked out by the officer, making the sale, based on the average of last few years and the prevalent market conditions for purposes of comparison. After the auction or opening of tenders the case is referred to the authority competent to sanction the sale. If the sale is not sanctioned another auction is held or tenders are called. If reasonable prices are still not realised by this procedure, efforts are made to secure offers by negotiations or the trees are held over till the market improves when again wide publicity is given.

(iii) *It is possible.* The matter has already been referred to Government for consideration,—*vide* paragraphs 1 to 4 of this office letter No. C-214/7921, dated 2nd November 1953 (copy without enclosures enclosed).

(iv) *Felling of trees.* The following steps are being taken to control illicit fellings:—

- (a) Marking of trees for sale only by responsible forest officials.
- (b) Enumerations are sometimes carried out to check the number of trees left with the enumeration done at the time of working plan enumerations.
- (c) Frequent inspections. The agreements provide penalties for illicit fellings.
- (d) Prohibition on launching timber in the river before the issue of launching permit which allows a check on the timber extracted.
- (e) Prohibition on rafting timber before the issue of a rafting permit which allows another check.
- (f) Checking of timber at the catching depots.
- (g) Registration of timber dealers and checking of their accounts in case of theft.

Illicit fellings can take place only by omission of any of the safeguards mentioned above.

Resin. The contract system under which a contractor agreed to deliver a specified quantity has been abolished as some contractors found it profitable to get their securities confiscated rather than deliver the specified quantity. Enumerations have been carried out to check the number of blazes actually worked with the number sold and imposition of penalties when the number tapped exceeded the number sold. Rules have been drafted and submitted to Government for controlling the transit of resin.

Bye-products. The control of the Forest products extends to raw material and not to bye-products.

(v) The forests are worked according to prescriptions of Working Plans. The outturn cannot be substantially increased, the forest area being too inadequate. Kashmir and Himachal are the principal suppliers of timber.

(vi) The requisite information is given below:—

Year	Timber extracted C.ft. solid in per cent	Firewood extracted C.ft. solid in per cent
<i>(a) Extraction by Government Agency</i>		
1950-51	540	29
1951-52 ..	451	31
<i>(b) Extraction by Contractors</i>		
1950-51 .	3,035	746
1951-52 ..	2,793	669

As regards sub-para under item No. (vi), 15 copies of the proceedings of a meeting of Timber Importers held in Chief Conservator of Forests, Punjab's room at Simla on 14th October 1952 have been sent separately with this office letter No. A-44/50-51/71/11147, dated the 19th January 1954.

FROM

Deputy Secretary, Revenue and Development

TO

The Chief Conservator of Forests East, Punjab.

Simla-E, dated the 8th May 1948.

Subject:—Sale of standing trees in lot No. 1 of the Upper Pabar Range in the Lower Bashahr Forest Division.

Reference:—Your endorsement No. 810, dated the 24/26th April 1948.

Memorandum

Government consider that due publicity was not given to the sale by auction of trees in the Pabar Range in the Lower Bashahr Forest Division. In the circumstances it is regretted that they cannot accept the bid in this case. The auction held on 10th April 1948 is accordingly set aside.

2. You are requested to hold a fresh auction under the instruction given below and to report the result to Government in due course.

Printed notices of auction, for wide publicity should be sent to the following so as to reach them *one month* in advance of the date of auction:—

- (i) (a) All Deputy Commissioners in East Punjab with the instructions that among other methods of publicity these notices should be exhibited at prominent places in the district and tahsil offices and the offices of the District Boards ;
 - (b) District Publicity Officers in East Punjab with the remarks that very wide publicity should be given to the contents.
 - (c) all Presidents of the District Congress Committees in East Punjab.
 - (ii) The notices should be inserted in at least two alternate issues of two English and two Vernacular newspapers.
 - (iii) Director-General, Public Relations, and Director, Information Bureau, should also be asked to give wide publicity to these auctions.
3. The above procedure should be observed in all other similar auctions, in future also.

(Sd.) . .

Deputy Secretary, Revenue and
Development.

No. C-214/7921

FROM

SHRI N. P. MOHAN, I. F. S.,
Chief Conservator of Forests,
Punjab, Simla.

To

The Deputy Secretary to
Government, Punjab,
Revenue Department,
Simla-E.

Dated Simla, the 2nd November 1953.

Subject:—Timber extraction—Departmental Operations Versus private enterprise—
Enhancement of Travelling Allowance admissible to the Foresters
and Deputy Rangers.

Reference:—U. S. D's memorandum No. 3160-D-53/3345, dated 23rd April, 1953.

I enclose herewith copy of Conservator of Forests, North Circle's memorandum No. 255/C, dated 20th August 1953, along with enclosures. Because the investigation was confined to a few forests the local forest officers have been at pains to show that the sale to purchasers was somewhat more profitable. On the other hand I know of certain forests which should have been worked departmentally and not sold to purchasers.

2. My impression is that Government wanted to compare comparative figures of working forests departmentally and selling standing trees to purchasers. For this purpose it would be better to compare the figures over a series of years. I enclose herewith a statement showing the volume of timber converted over the whole of the Punjab for years the information is available in my office. It will be seen therefrom that 12,509,000 c. ft. were extracted by the Department with an expenditure of Rs 78,95,479, while the revenue amounted to Rs 1,94,72,966. This gives a royalty to the Department of Re 0-14-9 per c. ft. As against these figures 52,639,000 c. ft. were sold to the purchasers. The timber that could reasonably be extracted from this standing volume would have been in the neighbourhood of 40 per cent. The 40 per cent figure would represent the sawn outturn. For this sawn outturn the Department realised Rs 68,43,869. From this figure is to be deducted the expenditure which the Department incurred for sales to purchasers and which amounted to Rs 2,10,047. The net revenue, therefore, to the Department was Rs 66,33,822. This gives a royalty on the sawn outturn of As. 5. This royalty is to be compared with the figure of Rs 0-14-9. These figures show that departmental working is advantageous even if one allows a somewhat higher royalty in the case of trees sold standing and a lower margin of profit for departmental works on the above figures.

3. Departmental working assumes steadiness of the market, availability of trained and honest staff and labour. Some individual forests cost more on departmental working than what could be realised as royalty by sale of standing trees. The conclusion would, therefore, be that it would be profitable to sell remote, difficult and poor forests to contractors and to work the rest departmentally. The policy which I would advocate is that before a forest of some magnitude is sold to the purchasers calculations should be made to ascertain whether it would be profitable to work it departmentally or not. If departmental working is not economical, it would be only then that it would be sold to the purchasers. The general policy should be to switch over to departmental conversion as steadily as conditions warrant.

4. Attention is invited to my note on the Public Accounts Committee Report for the year 1950-51 and the Audit Report, 1952. Paragraphs 1 to 3 of this note may kindly be seen in this connection.

(Sd.) N. P. MOHAN,
Chief Conservator of Forests,
Punjab, Simla.

ANNEXURE. VI

Explanatory note on the points relating to Public Works Department, Irrigation Branch

Serial No.	Page	Sub-head
(2)	66	B-(1)
		B-(2)

B—Maintenance and RepairsB-1—Western Jumna Canal, East Circle

	Rs	Rs	Rs	Rs
O	16,40,730	14,47,160	13,82,350	—64,810
S	21,530			
R	—2,15,100			

B-2—Western Jumna Canal, West Circle

O	10,67,830	9,72,700	9,54,992	—17,708
S	6,000			
R	—1,01,130			

*Objection raised by P.A.C.**Reply*

(a) The Committee would like to know—

- (i) Why it was found necessary to surrender in all Rs. 2,36,530/1,07,130 (in respect of Sub-head B-1/B-2) from the Original grant of Rs 16,40,730 (Sub-head B-1) Rs. 10,67,830 (Sub-head B-2).

(i) *Western Jumna Canal (E)*. Surrender in this Circle in all comes to Rs. 1,93,570 as worked out below and not Rs 2,36,530 as pointed out by the P. A. C.

- (1) Original grant Rs 16,40,730.
 (2) Final grant Rs 14,47,160.
 (3) Difference Rs 1,93,570.

The surrender was mainly due to :—

(1) Increase in U.P. Share with corresponding decrease in the grant under "Provincial".

(2) Provision relating to Sirsa Branch surrendered due to its transfer to Hissar Division of Western Jumna Canal, West Circle.

Reply

Objection raised by P.A.C.

(3) In 1950-51 the Finance Department allotted Rs. 14 lacs to Irrigation Branch for raising banks of channels under M. and R. (G.M.F.). This amount was tentatively distributed to the Controlling Officers directing them to study the grant allotted to them and to make a revised demand according to their actual requirements, if necessary, in the 1st list of Excesses and Surrender. Thus S. E., Western Jumna Canal East based his revised demand on the estimated cost of the works to be executed during the year and surrendered the surplus amount.

(4) reduction in the value of M. Share debitable to Patiala State.

Western Jumna Canal, West Circle.—

The surrender in this circle in fact comes to Rs 95,130 and not Rs.1,07,130 as worked out below :—

(1) Original grant Rs 10,67,830.

(2) Final grant Rs 9,72,700.

(3) Difference Rs 95,130.

The surrender was mainly due to :—

(i) The funds allotted for Uklana and Sirsa Sub-Divisions of Hissar Division were surrendered for transfer to Sirsa Division of 2nd Bhakra Main Line Circle due to their transfer to this Circle.

(2) Due to remodelling of Sirsa Branch certain Maintenance works were considered unnecessary and the amount provided for was surrendered.

Serial No.

3

Page

67

Sub-head

B-(4)

B-(5)

(1)
B-(4)—Upper Bari Doab Circle

(2)

(3)

(4)

Rs

Rs

Rs

Rs

O 11,86,000

S 6,78,540

R 2,99,500

21,64,040

21,27,640

—36,392

(1)

(2)

(3)

(4)

B-5—Ferozepore Circle

	Rs	Rs	Rs	Rs
O ..	13,26,820	14,63,880	14,23,214	—40,666
S ..	4,87,810			
R ..	3,50,750			

Objection raised by the P.A.C.

The Committee would like to know why surplus funds were omitted to be surrendered in these cases and what steps have been taken to prevent a recurrence of this omission in future ?

It is said that Rs. 62,275 provided for Maintenance of Grow-More-Food Scheme could not be utilized. What were the circumstances leading to this non-utilization ?

Again, it appears that omission for maintenance expenditure was short by Rs. 25,883 why this inadequate provision ?

Reply

A-4-U B.D.C.

The saving of Rs. 62,275 under M. and R. (G.M.F.) was due to the reason that the Executive Engineers and S.D.O.s were under the impression that G.M.F. grants could be utilized up to 30th June 1951 as per orders of Government of India and hence funds were surrendered. All out efforts were made to utilize the grant in full before the close of the year. The savings were utilized in full during the period from 1st April 1951 to 30th June 1951.

The excess of Rs 25,893 being 1.4 per cent only is within the prescribed limit and is not due to inaccurate budgeting but is due to lack of proper watch over the progress of expenditure by the Executive Engineers ; who have been duly warned for this. The S. E. has also been directed to take steps to ensure that no such excess occurs in future.

B-5—Ferozepore Canals. The services of the officers who were responsible for not surrendering the surplus funds in time have since been terminated.

The reasons for the savings under M. and R. (G.M.F.), are the same as stated under sub-head B-4—U.B D.C. (G.M.F.), above. The savings were duly utilized in full to end of 30th June 1951.

Grant No. 8—Charges on Irrigation Establishment for the year 1950/51

Serial No.	Page of ap- propriation Accounts and sub-head	Objection raised by the P.A.C.	Reply								
10	82/A-7	<p>The Committee would like to know the circumstances in which adequate provision could not be made.</p> <p>The Committee would like to have a note showing the rates or basis on which Lambardari fees have been fixed and are being paid.</p>	<p>Provision of Lambardari fees is invariably made on the advice of the Civil Department who are responsible for collection of revenue. Irrigation Branch has therefore no hand in the matter. This amount is liable to increase or decrease on the basis of actual collections made by the Lambardars.</p> <p>For basis on which lambardari fees are being paid reference is invited to Rule 37 of the Canal Act, which prescribes these fees as payable at the rate of 3 per cent on the amount collected.</p>								
11	85/J-3(i)- 89/M-4	<p>The Committee would like to know why a provision for the payment of construction allowance was made although there was no sanction for it, and why the funds were not offered for surrender at the time of submission of the 2nd list of Excesses and Surrenders to Government.</p>	<p>The Compensatory Construction allowance was sanctioned for the first time for 1948-49 and 1949-50, and its continuance for subsequent years remained under protracted correspondence with the Government, who held out hopes of sanction. As the matter remained under active consideration of the Government and it was expected C. C. A. may be sanctioned at anytime, the controlling officers continued to make provision therefor at every stage. It was finally decided in March 1951, that the matter was dropped and hence the surrender of funds could not be avoided.</p>								
12	86/J-3(i)	<p>The Committee would like to know the details making up the amount of Rs. 2,30,900 shown against 'Non-payment of certain charges for want of sanction or verification and also why steps were not taken to get orders in time for the adjustment of the cost of Police Guard and Public Health Staff.'</p>	<p>The details of the amount of Rs. 2,30,900 are as below —</p> <table><tr><td></td><td style="text-align: right;">Rs</td></tr><tr><td>1. Expenditure not incurred during the current year on account of C.C.A. for want of sanction</td><td style="text-align: right;">2,14,211</td></tr><tr><td>2. Post partition claims of workshops Division, Bhakra Main Line, which could not be settled</td><td style="text-align: right;">2,268</td></tr><tr><td>3. T. A. Bills of certain Establishment in B.M.L. which could not be paid during the year on account of having remained under correspondence</td><td style="text-align: right;">7,777</td></tr></table>		Rs	1. Expenditure not incurred during the current year on account of C.C.A. for want of sanction	2,14,211	2. Post partition claims of workshops Division, Bhakra Main Line, which could not be settled	2,268	3. T. A. Bills of certain Establishment in B.M.L. which could not be paid during the year on account of having remained under correspondence	7,777
	Rs										
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Serial No.	Page of appropriation Accounts and sub-heads	Objection raised by the P.A.C.	Reply
	12—concl'd		<p style="text-align: right;">Rs</p> <p>4. Bills relating to Bhakra Dam Circle, not passed by the A. G., Punjab before 31st March 1951 .. 3,089</p> <p>5. Non-encashment of T. A. Bills of officers for January 1951 and February 1951 in Bist Doab Circle having remained under correspondence .. 1,040</p> <p>6. Rent of buildings provided for Bist Doab Division, which could not be paid for want of sanction. .. 2,508</p> <p style="text-align: right;">Total .. 2,30,893 Say Rs .. 2,30,900</p>

The amount of the cost of Public Health Staff and Provincial Armed Police Guard etc. was provided in the list of Excesses and Surrenders on the express authority of Accountant-General, Punjab (No. W. M. 3-9/1421, dated 9th August 1950 and No. WM-3/1857, dated 24th September/27th October, 1950) No debit was to be received from any quarter as this was adjustment in the office of Accountant-General Punjab and accordingly no orders were required to be obtained from any quarter. Debit for Punjab Armed Police could not be accepted for want of provision.

Note on the Jagadhari Tube-well Scheme

Serial No.	Page of Appropriation Accounts	Question of the P.A.C.	Reply									
13	97/para 8 of notes	<p>The Committee would like to know, in some detail, the reasons on account of which the percentage of establishment charges to works expenditure has considerably increased during the year 1950-51, in respect of Bhakra Dam and Canal Project and the Jagadhri Tube-well Project.</p> <p>It is said that the increase in the percentage in regard to Jagadhri Tube-well works is due to the failure on the part of the contractors to import machinery required in time. This has resulted in Government establishment not being fully utilized. Was there any provision in the contract for the imposition of a penalty for failure to perform the contract, according to the time schedule. If there was provision, was the penalty imposed? If there was no provision in the contract, why was it omitted, the point being that in all these contracts time factor is very important.</p>	<p>JAGADHRI TUBE-WELL SCHEME</p> <p>The Agreement for the installation of 225 Tube-wells of Jagadhri Tube-well Scheme with Messrs. Associated Tubewells, Limited, was entered into on 13th December 1950 and the wells were to be completed in two years according to the following schedule,—<i>vide</i> clause 29 of the Agreement :—</p> <table><tr><td>First 12 months</td><td>..</td><td>50 wells.</td></tr><tr><td>Next 6 months</td><td>..</td><td>75 wells.</td></tr><tr><td>Last 6 months</td><td>..</td><td>100 wells.</td></tr></table> <p>According to this if the contractors made up the deficiency of any period in the following period and all in 2 years no penalty was to be paid by the contractors.</p> <p>Thus no penalty could be levied for any shortfall during any particular month. In view of this the programme for the completion of the tube-wells was revised in August 1952. Extension of 3 months up to March, 1953 and levy of penalty for the short fall in different periods was provided in the supplemental agreement. It may be added that Supplement Agreement was entered on similar lines by States of U. P. and Bihar also.</p> <p>Action regarding charging penalty in terms of the Supplemental Agreement is being taken.</p>	First 12 months	..	50 wells.	Next 6 months	..	75 wells.	Last 6 months	..	100 wells.
First 12 months	..	50 wells.										
Next 6 months	..	75 wells.										
Last 6 months	..	100 wells.										

Appropriation Accounts for 1950-51

Page of Appropriation Accounts or audit report	Para-graph	Copy of paragraph mentioned in column 2	Questionnaire by the P.A.C.	Reply															
1	2	3	4	5															
99	B-5	<p>Name of circle Final grant expenditure Actual Excesses and saving</p> <table> <tr> <td>Ferozepore Canal Circle</td><td>Rs</td><td>Rs</td><td>Rs</td><td>Rs</td></tr> <tr> <td>O</td><td>2,62,790</td><td>1,63,597</td><td>3,34,443</td><td></td></tr> <tr> <td>R</td><td>2,35,250</td><td></td><td></td><td></td></tr> </table> <p>Column 4 Mainly non-surrender of savings in respect of Grow-More-Food schemes.</p>	Ferozepore Canal Circle	Rs	Rs	Rs	Rs	O	2,62,790	1,63,597	3,34,443		R	2,35,250				<p>Serial No. 18</p> <p>The Committee would like to know the reasons why such a large amount had to be surrendered and in particular, on what expectations the provision was made, which of these expectations and to what extent were not realised, and the reasons therefor.</p>	<p>The provision was made for the following works in connection with the Grow-More-Food Schemes :—</p> <p>(i) Extension of irrigation on Jalalabad Branch system for increase in production of rice, and</p> <p>(ii) Extension of Irrigation on Fazilka Distributary for production of more cotton.</p> <p>The controlling officer remained under an impression that the grant under G. M. F. is operative up to 30th June 1951 which resulted ultimately in the lapse of the funds. The responsibility for this lapse rests with the controlling officer who provided funds on the assumption that the G.M.F. funds could be spent up to 30th June instead of 31st March which is contrary to the fundamental principle that the financial year closes on 31st March.</p>
Ferozepore Canal Circle	Rs	Rs	Rs	Rs															
O	2,62,790	1,63,597	3,34,443																
R	2,35,250																		

CCXXIII

ANNEXURE VII

Note on the working of the Government Central Workshops, Amritsar

Serial No.	No. of para and page of the Ap-propriation Accounts	Remarks by Accountant-General	Remarks by P.A.C.	Reply																																										
33	Para 51 Page 33-34	<p>51. Audit comments on the working of the Government Central Workshops, Amritsar, for 1950-51</p> <p>The working results of the shops for the year under review are compared with those for the previous year as below:—</p> <table><thead><tr><th></th><th>1950-51</th><th>1949-50</th></tr><tr><th></th><th>Rs</th><th>Rs</th></tr></thead><tbody><tr><td>(a) Turnover</td><td>62,82,720</td><td>71,74,468</td></tr><tr><td>(b) Gross profit</td><td>5,82,662</td><td>18,17,818</td></tr><tr><td>(c) Recoveries of overheads</td><td>28,01,424</td><td>35,31,264</td></tr><tr><td>(d) Expenditure on overheads</td><td>33,77,654</td><td>35,09,857</td></tr><tr><td>(e) Net profit/Loss</td><td>4,03,823 (Loss)</td><td>6,33,719 (Profit)</td></tr><tr><td>(f) Percentage of gross profit on turnover</td><td>9.27</td><td>25.34</td></tr></tbody></table>		1950-51	1949-50		Rs	Rs	(a) Turnover	62,82,720	71,74,468	(b) Gross profit	5,82,662	18,17,818	(c) Recoveries of overheads	28,01,424	35,31,264	(d) Expenditure on overheads	33,77,654	35,09,857	(e) Net profit/Loss	4,03,823 (Loss)	6,33,719 (Profit)	(f) Percentage of gross profit on turnover	9.27	25.34	<p>The Committee would like to know :—</p> <p>(a) to what extent the capacity of the workshops is now being utilized ;</p>	<p>The information desired by the Public Accounts Committee is given as below :—</p> <p>(a) The percentage capacity utilized at present of the various productive shops is as given below :—</p> <table><thead><tr><th>Name of shops</th><th>percentage of capacity utilized at present</th></tr></thead><tbody><tr><td>Machine shop</td><td>70</td></tr><tr><td>Tool Room</td><td>80</td></tr><tr><td>Millwright shop..</td><td>80</td></tr><tr><td>Electric shop</td><td>100</td></tr><tr><td>Steel shop</td><td>100</td></tr><tr><td>Foundry</td><td>80</td></tr><tr><td>Smithy</td><td>80</td></tr><tr><td>Carpenter shop</td><td>100</td></tr></tbody></table>	Name of shops	percentage of capacity utilized at present	Machine shop	70	Tool Room	80	Millwright shop..	80	Electric shop	100	Steel shop	100	Foundry	80	Smithy	80	Carpenter shop	100
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Foundry	80																																													
Smithy	80																																													
Carpenter shop	100																																													

(g) Capital ..	1,72,69,033	1,72,12,248
(h) Percentage of gross profit on Capital ..	3.37	10.56
(i) Percentage of; net profit/loss on capital	2.33 (Loss)	3.68 (Profit)

The Review of the financial working of the shops, Balance sheet, Trading and Profit and Loss Account, Manufacturing Account and Store and Stock Account are given on pages 417—423.

2. A study of the Manufacturing and Trading Accounts shows that against the productive cost (labour, material and miscellaneous) of Rs 25.77 lakhs, expenditure on overheads is Rs 33.78 lakhs, consisting of Rs 24.32 lakhs as indirect and establishment charges, and Rs 9.46 lakhs as interest and depreciation charges. The entire expenditure on overheads during the year is 131 per cent of the productive cost against 155 per cent, during 1949-50. There has thus been a slight reduction in the overhead charges during the year under review. This percentage is however still comparatively on the high side and efforts are necessary to reduce it further.

Fitter shop ..	100
Painter shop ..	100

Note. The above figures are based on a Single Shift of 8 hours working.

(b) What is the idle capacity, more particularly what articles now required by other Government Departments can be manufactured at the workshop but which are not now being made ;

(b) These workshops are able to manufacture articles, such as Gates and Gearing for erection of Headworks, Centrifugal Pumps, Tube well Equipments, Equipments for Public Health. They can also manufacture Agricultural Tractors for which a move is already under way. Irrigation Department has been requesting the various Government Departments to place orders for their requirements of equipment on these workshops, but the flow of such orders is not even and sufficient to enable these workshops to establish systematic and economical production.

Serial No.	No. of para and page of the Appropriation Accounts	Remarks by Accountant-General	Remarks by P.A.C.	Reply
33	Para 51 Page 33-34	<p>3. In pursuance of the policy of reducing overhead charges in an endeavour to undertake work on a competitive basis and thus to fully utilize the available capacity of the workshops, revised overheads—more or less akin to those levied by commercial concerns doing similar jobs—were fixed by Government during the year in respect of each shop based on the Superintendent's experience of such concerns, with a view to load the factory to the maximum possible capacity. This had not, however, had the desired effect and the actual overall percentage of overhead charge on 'Productive labour' worked up to about 525 against 300 as sanctioned for the year under review.</p> <p>The revised overheads were not related to the capacity of the workshops. The maximum capacity of the workshops has not been determined and in its absence true overheads cannot be ascertained. Actually maximum normal and expected load should now be determined. The recovery of overheads on actual work done should be based on normal overheads</p>	<p>(c) What are the difficulties of the Departments in placing orders with the Workshops, and utilising its capacity, e.g.</p> <p>(i) is the workshop in a position to comply with the orders within the time stipulated by the indenting Departments ;</p>	<p>(c) In the opinion of these workshops there should be no difficulty on the part of the Departments in placing orders with the workshops and utilising its capacity. It, however, appears that the various departments do not foresee their requirements sufficiently in advance and make inquiries for manufacture of articles at a short notice which does not give time to these workshops to execute them economically and quickly. As a result such equipments are purchased by various Departments direct from the market, if available.</p> <p>(i) Yes, these workshops are in a position to comply with orders within reasonable time.</p>

comprising both variable and fixed overheads and any amount of fixed overheads unrecovered due to change in the volume of work should be shown as loss due to idle capacity and the reasons contributing to idle capacity should be fully explained. It has not been possible for the Superintendent to arrive at the loss due to idle capacity or to state reasons for contributing to the same. In order that the controlling authorities are able to give their attention to utilising the idle capacity by all possible means, it is necessary that the loss due to idle capacity is distinctly exhibited in the *pro forma* accounts. It is obvious that the capacity of the workshops has not been exploited to its full extent.

The overheads were previously fixed by Government without consultation with Audit. The Government have recently agreed that these will be fixed in future after such consultation.

4. With a view to reduce the capital at charge, machinery worth Rs 87,703 (page 419) was sold or written off during the year against an addition of Rs 4,34,522, the net result being an increase of Rs 3,46,819. The cost of plant and machinery on 31st March, 1951, after accounting for depreciation stood at

(ii) whether the rates quoted by the workshop are competitive ; and

(iii) if the rates are not competitive what steps should be taken to make the rates competitive. ?

2. Whether steps have been taken to determine the maximum and normal loads for the workshops, so that in the accounts the over-heads unrecovered due to the volume of work being less than the normal load might be exhibited separately ?

3. Whether steps have been taken to separate machinery surplus to requirements and not likely to be used ?

(ii) Considering the superior quality and workmanship of these workshops, the rates can be considered as fully competitive except in the case of very small orders.

(iii) Yes, as stated in (ii) above rates are competitive.

2. As regards the steps to determine the maximum and normal loads in these workshops, so that in the accounts the overheads unrecovered due to the volume of work being less than the normal load might be exhibited separately, these steps have not been taken so far. But this can be done if change in the existing method of calculating overheads is made. At present full indirect expenditure is recovered with reference to the quantum of load as existing from quarter to quarter, irrespective of the maximum normal capacity of load.

3. Yes. Steps have been and are being taken to separate and dispose of machinery surplus to requirements. In

No. of para and page of Serial the Appropriation No. Accounts	Remarks by Accountant-General	Remarks by P.A.C.	Reply
	<p>Rs 69.34 lakhs against Rs 68.14 lakhs as on 31st March, 1950. In order to reduce interest charges, it appears desirable that such machinery as is not expected to be made use of, be disposed of as early as possible.</p>	<p>The Committee would like to have a fairly detailed appreciation of the machinery now considered surplus to requirements or which cannot be used. Whether the segregation of surplus stores has been completed or if not, when it is likely to be completed.</p>	<p>this connection it may be mentioned that during the year 1951-52 machinery worth Rs 3,13,509 was disposed of by transfer to Nangal. Again machinery costing Rs 6,18,553 has been segregated and transferred from Unit No. 1 to Unit No. II (i.e. surplus stores) in 1952-53. More over machinery costing Rs 1,50,000 has been transferred during the year 1953-54. Again there is further machinery costing about Rs 4,50,000 surplus in the machine shop. Action is being taken to sell these surplus machine tools to Indian Ordnance Factory or Indian State Railways.</p>
	<p>5. Stores in stock at the end of the year under review stood at Rs 74.75 lakhs (Pages 423) against Rs 83.27 lakhs as on 31st March 1950. A reduction in the total value of stock was brought about by sales and writes off amounting to Rs 7.62 lakhs and Rs 0.39 lakhs respectively. The balance left still in excess of the normal working requirements which are estimated to be of the order of Rs 55 lakhs.</p>	<p>4. A statement may be furnished; showing the profits or losses sustained by the Workshop during the last five or six years ending March, 1952 or 1953 (if figures for 1952-53 are available). The Committee would like to have an appreciation</p>	<p>4. A statement showing the yearly position of profit and loss from 1st October 1946 (the date of transfer back of the factory under the Punjab Government) to 31st March 1952 is attached herewith. This shows the position of profit</p>
	<p>The decision taken in November, 1949, to transfer stores surplus to the actual requirements of the workshops to a separate unit, viz. Central Stores is being implemented in as much as Stores worth Rs 31.89 lakhs, have been transferred to this unit. This work of segregation of surplus stores is stated to be in progress.</p>		

6. There was a loss of stores worth Rs 39,256 (page 42 during the year under review against Rs 4,646 only during the previous year. The loss of Rs 39,256 represents (i) shortages in or transit consignments booked at owners' risk (ii) deterioration of stores and (iii) dryage of fuelwood. The Department has explained that every possible care is taken to avoid losses arising from the latter two factors ; while those of first category are inevitable in certain cases under the terms and conditions of supply entered into with the suppliers and the rules relating to railway booking.

tion by the Irrigation Branch indicating the extent to which the Workshop capacity can be profitably utilised for meeting Government and other requirements and the steps should be and are being taken to achieve this objective.

It is understood that there are pieces of machinery purchased some years ago and lying unutilised. Can these be brought into Commission and if they cannot be, how best can they be utilized or disposed of ?

In calculating the profit or loss is the interest on the capital investment both fixed and floated taken into account ? If so, could the Irrigation Branch make out a statement of Profit and Loss, separating the interest charges ?

5. What steps can be taken to reduce the capital at charge, that is to say how much of stores and machinery surplus to requirements can be eliminated from the workshops accounts

and loss inclusive of interest as well as exclusive thereof. The accounts for the year 1952-53 have not yet been closed and as such this year has not been included in the statement mentioned above. As will be seen from this statement the interest on capital Investment both fixed and floating is taken into account. It may be mentioned in this connection that under the Ordnance system of accounting the element of interest was not taken into account, but this is being done since 1st October 1946.

5. The position of surplus machinery has been explained above. As regards surplus stores (depicting the position as at end of March 1952) store worth Rs 27,47,342 has already been transferred to Unit No. II (Surplus Store) leaving a balance of Rs 46,44,402 under Unit No. I.

Statement showing profit and loss from 1946 to 31st March 1952

Year	Profit	Loss	Interest charges	Profit and loss after excluding interest charges		REMARKS
				Profit	Loss	
1st October 1946 to 31st March 1947 ..	Rs 18,510	Rs ..	Rs 2,32,195	Rs 2,50,705	Rs ..	6 months (1st October 1946 to 31st October 1947).
1947 to 14th August 1947 ..	2,72,533	..	3,27,764	6,00,297	..	4½ months (1st April 1947 to 14th August 1947).
15th August 1947 to 31st March 1948 ..	..	2,37,007	5,01,294	2,64,287	..	7½ months (15th August 1947 to 31st March 1948).
1948-49 ..	1,01,343	..	8,31,689	9,33,032	..	
1949-50 ..	6,33,719	..	7,68,400	14,02,119	..	
1950-51 ..	..	4,03,823	6,66,565	2,62,742	..	
1951-52 ..	..	2,99,634	6,03,777	4,04,143	..	

CCxxx

The points raised in the extract from the proceedings of a meeting of the Public Accounts Committee relating to the Central Workshops, Amritsar, farming enclosure to letter No. 3162/CB/PAC-M(50-51)/538065, dated 31st December, 1953, from the Secretary, Punjab Legislative Assembly, to the Chief Engineer and Secretary to Government, Punjab, Irrigation Department (Works), Simla, are dealt with below seriatim :—

S. No. 33 Para 51 of the Audit Report. Regarding note "the above figures are based on a single shift of 8 hours working" given below the reply to para (a) of the 1st question of the committee, it may be stated that it is usual to indicate the working hours of the various shops when indicating their capacity, rated or utilized. The note is intended to serve just that end and it has otherwise no special significance

(a) Even under the present system in force, the over-heads including interest charges are intended to be recovered in full as the workshops are working on a no profit and no loss basis. No element of profit is, therefore, allowed for in recovering the overheads. It may be mentioned that 10 per cent profit was recovered during the year 1949-50 under orders of Government as an experimental measure. But this was discontinued after that. If such of the shops as are not now loaded 100 per cent are also so loaded, this would mean further reduction in the rates of over-head charges.

(b) Overhead charges are levied under the following heads :-

(a) Factory charges.

(b) Office charges.

(c) General charges.

(d) Supervision charges.

(e) Storage charges (on value of stock in hand).

(a) to (c) above are levied on Productive Labour and (d) to (f) on material issued to jobs. Annexure "A" is attached herewith giving a broad break up of the expenditure charged under each of the heads mentioned above.

(c) As already intimated previously, if other Departments foresee their requirements well ahead to place their orders on this Factory with sufficient margin to allow us to develop our production and procure raw material then we can deliver the work within a reasonable period. Tilting type Concrete Mixers is one of the instance, we were asked if we could manufacture 30 Nos. of these Mixers and we agreed to do that but no order has yet been placed on us. We have received enquiries from different Divisions and Circles for immediate delivery of this type of Concrete Mixers without giving us any time to manufacture showing that these Divisions and Circles do not foresee their requirements.

Keeping in view the different schemes sanctioned by the Government, we approached various Departments for placing their orders on this Factory, correspondence relating to which form into a big case. A few instances are noted below :-

(i) D.O. Letter No. 023/C/In, dated 17th January, 1950, from the Liaison & Focal Officer, East Punjab Irrigation Secretariat, Ellerslie, Simla-2, to Shri S.A. Vankata Raman, I.C.S., Secretary to the Government of India, Ministry of Industries & Supplies, Jaisalmare House, New Delhi, enclosing a list of the machinery installed in these Workshops and the nature of work that we can undertake.

(ii) Letter No. P-1/5/3-II, dated 14th March, 1950, from the Superintendent, G.C.W. Amritsar, to the Secretary, Railway Board, New Delhi, requesting for placing order for the M.G. Vans on these Workshops. In this connection a letter No P/Misc, dated 16th March, 1953, was also addressed to Shri Daya Chand Jain, Chief Administrative Officer, East Punjab Railway, Delhi, along with a copy of letter No. P-1/5/3-II, dated 14th March, 1950.

As a result of this correspondence, we got an order for 50 "MBVG" type Brake Vans.

(iii) We addressed a Circular letter, dated 16th March, 1950, from the Secretary to Government Punjab, P.W.D. Irrigation Branch, Simla, to the Offices of 14 different Departments giving our capacity in different sections, the description of machinery installed in these workshops and the jobs that can be undertaken here.

(iv) We wrote to the Director of Agriculture, Punjab in May 1952

(v) We advertised in the following papers giving details of the machinery installed in these Workshops and the work that can be executed here in July 1952 :-

1. Journal of the Indian Institute of Architects, Bombay.
2. Calcutta Engineering & Industries, Calcutta.
3. Indian & Eastern Engineer, Calcutta.
4. Indian Engineering, Calcutta.
5. The Journal of the Corps of Indian Electrical & Mechanical Engineers.

(vi) We addressed a letter to Messrs. Harold T. Smith, Washington (U.S.) in February 1953 in reference to advertisement requesting to consider the possibility of manufacturing certain equipments such as centrifugal pumps and sluice valves relating to tube-wells for which order had been placed on them.

(vii) Letter No. P-1/5/3-II, dated 18th July, 1952, to the Tata Locomotive & Engineering Workshop, Jamshedpur, offering capacity for the Steam Road Roller and Locomotive components.

(viii) We wrote to Chitranjan Locomotive Works in May 1953 offering our capacity for manufacturing and machining of Locomotive components.

We exhibited our products and advertised our spare capacity in the various Exhibitions :-

1. Industrial Exhibition held at Delhi in 1951.
2. Indian Railway Centenary Exhibition held at Delhi in 1953.

Also made publications in the following papers :-

1. The "Hindustan Times."
2. The "Statesman."
3. The "Amrit Bazar Patrika."
4. The Railway Exhibition Guide.

Under 5-Year Plan, as a result of our wide publication we received an enquiry for Gates and Gearings for Gangapur Dam and we have since submitted our quotations in December 1953. The Chief Engineer, Elect & Mech Department, Rajasthan, Jaipur has also sent us a communication dated 31st December, 1953, enquiring into the possibility of fabrication of 66 K.V. Towers during this year.

We are already doing enormous work in connection with the Bhakra & Nangal Projects and Harike Barrage covered under 5 Year Plan.

D.O No. 10-WS/1240/52, dated 5th May, 1953, from the Chief Minister, Punjab, to the Prime Minister of India, New Delhi, on the subject G.C. W. Possibility of bigger production. As a consequence of which a circular was issued to various Ministries in the Country.

We have received enquiry from the Secretary, Assam Government P.W.D. for 25 Nos. Gates.

The Superintendent, Government Central Workshops, interviewed Chairman, Railway Board, in the end of November 1953 where it was assured that order for 100 Nos. B.V.G. Wagon will be further placed on us.

We are contacting Northern Railway authorities at intervals for load and our 30 per cent to 40 per cent capacity is already booked on their work for which we are getting regular orders.

We undertake manufacture and supply articles only against orders placed by various Departments and it is not practicable to manufacture and stock such requirements in our stores as the requirements have very wide range of variation. Also it will burden our stock considerably for which the funds may not be available and also it will increase the amount of interest and other charges abnormally.

c(i) The jobs that we have refused were of negligible value and are not worth mentioning as all these jobs were ordinarily procurable in the open market and were not suited to our capacity except for some D.G. S & D. Tenders which were refused on account of small quantity or we have no facility to do the jobs such as steel castings etc.

c(ii) It is known fact that there is always a difference in the workmanship and quality of work in the products of different firms and thereby a variation in the cost and, therefore, it does not need much explanations from our side. Ours being a Government concern; having no interest in profit making, we produce articles strictly to specification and drawings and our inspection is impartial and more rigid in order to avoid any adverse report at a later stage whereas, on the contrary in other private factories, the main interest is the profit by offering the goods to acceptable quality and with a bit of giggling with the indenter. In support of our argument, we reproduce below a para from letter No. 22567, dated 30th September 1953, from Shri D.C. Sharma, S.E. Public Health Circle, Punjab, Simla, to the Controller of Stores, Punjab, Jullundur City, in which he has admitted that our quality of work is far superior to the goods supplied by the market :-

"The locally made castings were, however, found to be very defective and even cast iron materials like surface boxes, etc., got manufactured by us from the Work Centres at Nilokheri and Panipat have not stood up the heavy loads of vehicular traffic on the roads etc. Most of the lids of these surface boxes have either got broken or their hinges have got damaged. I have, therefore, no hesitation in stating that both the quality of the raw materials used by the Central Workshops as also the workmanship of the products turned out at these Workshops is far superior to those in the ordinary Work Centres etc."

Regarding all the structures, a manufacturing job comprises of 3 prime elements, Labour, Material and Overheads. As regards labour and material, these are estimated with reference to drawings etc in the usual way. As regards the third element of Overhead charges, this has been dealt with fully at length in para 51(b). It is not possible for these Workshops to compare the rates quoted with the rates of private manufacturers in all cases but wherever incidentally this has been done, we have found our rates to be not unfavourable with those of private manufacturers.

(2) Regarding reply to question No. 2 it may be stated that at present full indirect expenditure is recovered with reference to the quantum of load as existing from quarter to quarter irrespective of the maximum or normal capacity of load. Maximum and normal capacities of the workshop have not been determined at present nor has the expenditure comprising (both variable and fixed charges) been determined with reference to that maximum and normal capacity. Maximum capacity would represent the peak load that the shops would be able to undertake if working full time with no machines remaining idle for any part of the working time. As this is not possible and all factories function at less than full capacity the overhead charges would be determined with reference only to normal capacity which may represent about 80 per cent of the full capacity. But naturally this normal capacity varies from time to time due to changing position of demands and indents. The rates of over-head charges estimated with reference to the normal capacity would represent normal overheads.

The difference between the total recovery of overhead charges on actual work done at normal overhead charges and the actual indirect expenditure (variable and fixed) would represent the loss due to idle capacity. This would have to be shown as such in the proforma accounts if the present system were to be changed over in favour of the above mentioned system.

(3) The requisite information in respect of machinery and stores is given in the statement enclosed.

(4) During 1950-51 so-called Commercial Overheads were levied at an over-all percentage of 300 against the actual over-all percentage of over head charges on Productive Work of about 525. This had not the desired effect in loading the factory to the maximum capacity and resulted in the big drop of profit excluding interest charges.

As for the year 1951-52 the overhead charges were levied with reference to the indirect expenditure of the year 1950-51 instead of on the basis of such expenditure incurred during the year 1951-52. The over-all percentage thus levied under sanction of Government was 420 against the actual percentage (of 1951-52) of 443. Besides this there was a strike in the workshops for over 1½ months and there was also less production due primarily to the job of Steam Road Roller Components having come to a closing stage during this period and the shops remaining less loaded.

The Annual Proforma Accounts for the year 1952-53 have not yet been compiled as certain audited figures are still awaited from the Office of the Accountant-General, Punjab, Simla, but so far as can be seen from the data available in this office it is expected that there would be no loss during this year and there might actually be profit.

ANNEXURE 'A'

I. BREAK UP OF FACTORY CHARGES, 1952-53.

	Rs
(1) Interest on Buildings including land	1,42,280
(2) Interest on Machinery	2,52,828
(3) Interest on Semi Outlay	30,568
(4) Depreciation on buildings	46,652
(5) Depreciation on Machinery including furniture	3,06,363
(6) Maintenance and Repair to buildings	1,79,484
(7) Maintenance and Repair to Machinery	2,15,842
(8) Establishment including cost of Police Guard consultation fee and Contingencies	6,82,755
(9) Share of Chief Engineer, Establishment and Pensionary charges	60,464
(10) Audit and Accounts Charges	28,191
(11) Deduct Miscellaneous Receipts on account of rent etc	1,09,248
Total	18,36,179

II. BREAK UP OF OFFICE CHARGES, 1952-53.

(1) Interest on Offices buildings including land	3,459
(2) Depreciation on buildings	1,102
(3) Maintenance and Repair to Buildings	3,013
(4) Establishment including Contingencies	3,21,013
(5) Share of Chief Engineer, Establishment and Pensionary charges	28,401
Total	3,56,988

III. BREAK UP OF GENERAL CHARGES, 1952-53.

(1) General shop Labour.	3,45,583
(2) Material	2,12,260

Note—Both the above two comprise expenditure on the following heads:—

(a) Cost of Unproductive Labour	
(b) Small Tools (New supplies)	
(c) Cost of consumable Stores	
(d) Cost of Running Yard Crane and Inter-shop Transport.	
(e) Miscellaneous equipment and moveable Shop fittings.	
(f) Repair and Carriage of Tools and Plant and Furniture.	
(3) Electric, Air, Water and Hyd. Charges	1,22,812
Total	6,80,655

I. BREAK UP OF SUPERVISION CHARGES, 1952-53.

(1) Interest on Store Buildings including land	..	21,745
(2) Interest on Machinery	..	2,000
(3) Depreciation on Machinery	..	3,075
(4) Maintenance and Repair to Machinery	..	1,854
(5) Establishment	..	90,257
(6) Share of Chief Engineer, Establishment and Pensionary charges	..	7,990
Total	..	<u>1,26,921</u>

II. BREAK UP OF STORAGE CHARGES, 1952-53.

(1) Care, Custody and Handling of Stock, Cost of Leave with pay, lighting and Water Charges	..	87,634
(2) Depreciation on Buildings	..	7,606
(3) Maintenance and Repair to Store Buildings	..	3,524
(4) Losses on Stock	..	14,196
Total	..	<u>1,12,960</u>

III. INTEREST ON STOCK 1952-53

Annual interest charges.

Total Value of Stock	..	<u>1,69,487</u>
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ANNEXURE C

Statement showing value of stock in Government Central Workshops, Amritsar

Period	REGULAR STOCK POSITION				SURPLUS STOCK POSITION		
	Additions	Disposals	Separated	Closing Balance	Additions	Disposals	Closing Balance
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Opening Balance on 1st October 1946 (value received from Central Government)	83,15,432	..	..	..	..	..	..
1946-47	7,10,973	8,23,780	..	82,02,625	..	..	..
1947-48	11,86,590	11,99,787	..	81,89,428	..	..	..
1948-49	27,61,502	19,65,691	..	85,85,239	..	..	..
1949-50	18,90,382	25,48,502	20,94,911	62,32,208	20,94,911	..	20,94,911
1950-51	24,59,046	28,76,237	15,29,220	42,85,797	15,29,220	4,34,758	31,89,373
1951-52	27,75,098	24,16,493	..	46,44,402	-73,675	3,68,353	27,47,345
1952-53	19,26,910	20,49,908	..	45,21,404	5,32,949	1,21,871	31,58,423
Value of Stores in Stock on 31st March 1953	..	..	..	45,21,404	Value of Surplus Stock (Machinery and Stores) on 31st March 1953.		31,58,423

ANNEXURE B

Statement showing value of Machinery in Government Central Workshops as on mentioned dates

Period	Value received	Value disposed of	Value separated	Value depreciated	ABSTRACT	Rs
Value on 30th September 1946—						
(i) Punjab Government	3,80,619	..	..	..	Value on 1st October 1946	82,82,421
(ii) Central Government	79,01,802	..	..	..	Additions from 1st October 1946 to 31st March 1953	9,06,933
Total	82,82,421	..	..	..	Total	91,89,354
1946-47	17,092	34,413	..	1,81,854	Value disposed of (1st October 1946 to 31st March 1953)	11,12,663
1947-48	37,478	8,503	..	4,51,278	Value separated (1st October 1946 to 31st March 1953)	6,18,553
1948-49	1,06,007	4,39,881	..	2,75,932	Net value on 31st March 1953	74,58,138
1949-50	1,00,596	93,272	..	2,44,505	Depreciation (1st October 1946 to 31st March 1953)	19,03,831
1950-51	4,34,522	87,703	..	2,27,244	Value after allowing depreciation	55,54,300
1951-52	1,02,966	3,13,509	..	2,17,562		
1952-53	1,08,272	1,35,382	6,18,553	3,05,463		
Total	9,06,933	11,12,663	6,18,553	19,03,838		

Surplus machines with Government Central Workshops, Amritsar

Serial No.	Type and make of machine	Fy. Block Reg. No.	Book value
			Rs
1	No. 2½ B. vertical milling machine (Kearny and Tracker Milwaukee, U. S. A.) ..	HM/49 ..	20,871
2	Vertical turret mill (Rogers Machine Works, U. S. A.) ..	LM/3 ..	7,045
3	Apron Lathe (Grasham and Craven, Calcutta) ..	HM/102 ..	742
4	Ditto ..	HM/103 ..	742
5	Ditto ..	HM/104 ..	740
6	Ditto ..	HM/105 ..	740
7	Ditto ..	HM/106 ..	740
8	Ditto ..	HM/107 ..	740
9	Ditto ..	HM/108 ..	740
10	Crompton Parkinson 10 HP 3 Ph. 50 cycle V. 440, 975 RPM No. 929—6 ..	HM/131 ..	268
11	4 spindle vertical drilling machine (Canadyotto, U.S.A.) ..	LM/67 ..	1,132
12	Capstan Lathe (Warner and Swessey, U.S.A.) ..	HM/129 ..	5,041
13	Pig 745 Slot Hydromil (Jones and Shipman, England) ..	HM/66 ..	5,640
14	No. 2 Turret Lathe (Warner and Swessey, U.S.A.) ..	LM/87 ..	734
15	No. 2 Turret Lathe (Warner and Swessey, U.S.A.) ..	LM/88 ..	732
16	Turret Lathe Model 'A' Libby (International Machine Tool Company, U.S.A.) ..	LM/19 ..	18,676
17	N. D. Turret Lathe (Alfred Herbertt, U. K.) ..	LM/81 ..	3,318
18	Ditto ..	LM/82 ..	3,096
19	Die sinking (Vertical Miller Machine) Pratt and Whitney ..	TR/65 ..	740
20	Plain cylindrical grinder (Cincinnati, U.S.A.) ..	TR/60 ..	6,832
21	Gas Producers (O.F. Amritsar Manufacture) ..	BS/45 ..	20,324
22	Ditto ..	BS/46 ..	20,324
23	Ditto ..	BS/47 ..	20,921
24	Vertical boiler ..	BS/59 ..	8,474
25	Plain cylindrical grinder M. T. and Co., U.S.A. ..	MW/10 ..	3,094
26	Horizontal Milling Machine (Archdal, U.K.) ..	MW/32 ..	8,886
27	Centre Lathe SS/SC (John Lang, U.K.) ..	MW/44 ..	6,352
28	Motor Generating set with Starting Panel (G.E.C, U.K.) ..	ES/14 ..	884
29	Ditto ..	ES/15 ..	
30	Tool Hardening furnace oil fired (All Days and Onions, U.K.) ..	HT/15 ..	7,218

Serial No.	Type and make of machines	Fy. Block Reg. No.	Book Value
31	Annealing and Hardening Furnace Oil fired twin chamber (All Days and Onions, U.K.)	HT/16	Rs 1,958
32	Charles Tayler Manel Spinning Lathe (U.K.)	Misc/31	1,746
33	Ditto	Misc/32	1,748
34	Ditto	Misc/33	1,426
35	Motor generator converter Sec.	Misc/34	192
36	Penotos Accetelene cutting machine Universal type 'WESSER', U. K.)	Misc/38	2,231
37	No. 1 Edgwick Arbor Press Alfred Herbert, U.K.	Misc/50	128
38	Ditto	Misc/51	128
39	Ditto	Misc/52	128
40	Ditto	Misc/53	128
41	Ditto	Misc/65	832
42	Ditto	Misc/56	773
43	No. 3 Edgwick Arbor Press Alfred Herbert, U.K.	Misc/49	586
44	'KODAK' Identification Camera (M/S Kodak Ltd., U.K.)	Misc/162	1,466
45	Electric Magnatic Separator Mfd. in Ordnance Factory, Amritsar	Misc/170	9,085
46	Cross Tube vertical boiler 'Boag wright Boag and Ccm., Johannesburg	Misc/176	4,015
47	Electric Heavy Hair pin furnace (Wild Barfield Electric Furnaces Ltd., U.K.)	Misc/179	1,104
48	S/H G. I. P. Projector.	Misc/180	7,333
49	Wall Work gear generator No. 2 H. Wall Works and Co., U. K.	HM/53	2,403
50	Vibrating Ridole Sand Sieving Machine O.F., Amritsar	FS/2	2,714
51	Ditto	FS/3	2,714
52	Tumbling Barrel OFA (Mfg)	FS/6	4,993
53	Drying Cabinet O.F. (Mfg)	HG/6	5,513
54	Vertical drill, Corona, U. K. (Alfred Herbert)	HG/7	440
55	Sensitive Benet Drill, Alfred Herbert U.K., type 'H'	HG/9	1,132
56	Electric Seam Welding machine	SS/34	22,277
57	Avery type A-880 Hanging, dial scale installed circular spring ballance No. 19823	Misc/142	4,100
58	Electroplating plant with the necessary equipment for Nickle and hard chrome Electroplating suitable for operating 440/440 volts, 3 phase, 50 cycle	Misc/47	20,135

Serial No.	Type and make of machine	Fy. Block Reg. No.	Book Value
			Rs
59	Buffing Machine ..	Misc/41 ..	110
60	Single roll coke crusher (O.F. Arsr. Mfg.) ..	Misc/151 ..	7,029
61	24 Nos., 35" dia exhaust fans with motor. ..	..	24,326
62	2 Angle straightening machines (Joshua-Bigwood): ..	..	73,665
63	Crompton parkinson motor ..	Misc/172 ..	} 3,088
64	Ditto ..	Misc/173 ..	
65	Metal cutting band sawing machine (Walls, U.S.A.) ..	Fs/17 ..	3,914
66	4 Spindle vertical drilling machine (Cānedyotto; U.S.A.) .	LM/66 ..	3,272
67	No. O. G. Automatic screw cutting machine (Brown and Sharpe, U.S.A.) ..	LM/43 ..	16,380
68	Bench drill (Alfred Herbert, U.K.) ..	MW/60 ..	933
69	Buffing machine ..	Misc/140 ..	111
70	High Sand Blast equipment (Tilghems, U.K.) ..	Misc/88 ..	22,804
71	U. G. D. Drilling machine (William Asquith, U.K.) ..	HM/74 ..	6,778
72	Worm thread milling machine (Craven, U.K.) .	HM/59 .	24,246
73	Plain Hydromatic milling machine (Cincinnati, U.S.A.) ..	HM/13 ..	30,179
74	Surface Grinder (Lumsdon, U.S.A.) ..	HM/83 ..	25,390
75	Vertical boring and Turning mill single. Rapid production (Webster and Bennet, U.K.) ..	LM/4 ..	9,267
76	Capstan Lathe (Warner and Swessey, U.S.A.) :	HM/128 ..	4,967
76-A	Ditto ..	HM/130 ..	4,981
77	Slotting machine (Bentley, U.K.) ..	LM/6 ..	2,424
78	S. type Kearns Horizontal, surfacing Boring and Milling machine (H. W. Kearns, U.K.) ..	HM/5 ..	2,396
79	Kearns O.P.G./2 type Horizontal machine (H.W. Kearns, U. K.) ..	LM/60 ..	16,929
80	No. O. G. Automatic Screw cutting machine (Brown and Sharpe, U.S.A.) ..	LM/42 ..	16,380
81	Capstan Lathe (Herbert, U.K.) ..	MW/57 ..	3,598
82	Salt Pot ..	Misc/260 ..	..
	Misc/260/56, 261/57, 262/81, 263/81, 264/73, 265/73 to and Misc/266/73, 267/73, 268/54, 269/52	Misc/269 ..	672
83	Electrical equipment Motor reversing controllers resistances control, panel, brakes) for 3 Nos. 5 tons cranes, 2 Nos. 3 ton cranes ..	..	22,965 (Est.)
		..	14,535 (Est.)
	Total ..	..	6,18,553

ANNEXURE VIII

Note regarding savings in respect of Grow-More-Food Schemes—Grants for Construction of Local Bunds, Drainage Works, Destruction of Wild Animals, etc.

A lump sum provision of Rs. 5 lacs was made in the budget for the year 1950-51 through the Schedule of New Expenditure for the Construction of Local bunds, drainage works etc. in the State. The savings of Rs 40,000 out of the allotments for the year 1949-50 was added to the provision of Rs 5,00,000 which was sanctioned to be utilized up to the 30th June, 1950. The following allotments were made to the various Deputy Commissioners up to the 31st March, 1951 according to the demands received from them during the course of the year:—

	Rs.
1. Construction of Badshahi Nahar in Gurdaspur District ..	20,000
2. Digging of new channels for drainage of water from the villages Mari Megha Udhoke, Basarke, Hamdal etc. in Amritsar District	64,495
3. For the construction of 8 irrigation projects in Ambala District ..	19,000
4. For repairs to Changarwan canal in Hoshiarpur District ..	20,000
5. Construction of Jhallars on Bain in Hoshiarpur District ..	14,800
6. Construction of bund at Nasrula Cho ..	30,200
7. (Wat Bandi) Grants for the construction of drainage etc. in Hoshiarpur District ..	25,000
8. For repairs to Kuhls and constructions of new ones in Kangra District ..	13,125
9. Repairs to Shers Shah Janti Band in Rohtak District ..	6,000
10. Drainage of rain water from Raya area in Jhajjar Tehsil of Rohtak District ..	5,000
Total ..	2,17,620

Against the disbursement of Rs 2,17,620 plus Rs 40,000 out of the allotment of the previous year (total Rs 2,57,620) the local officers reported an expenditure of Rs 1,59,703 only. This resulted in a saving of Rs 97,917. To this amount was added the unallotted balance of Rs 2,82,380 thus resulting in a total saving of Rs 3,80,297 out of the total allotment of Rs 5,40,000. The saving of Rs 3,80,297 may be explained below:—

(i) In September 1950, the Deputy Commissioner, Kangra, asked for a sum of Rs 74,454 for the execution of certain schemes in connection with the construction and repairs of kuhls in his district during 1950-51. The case was referred to Irrigation Branch for their comments and a sum of Rs 74,454 was earmarked for this purpose out of the reserve, with the Development Department. The Chief Engineer, Irrigation Branch, later turned down the Deputy Commissioner's request on the 10th February, 1951 on account of technical flaws in those schemes. As the second list of excesses and surrenders was forwarded to Finance Department on 24th January 1951, the sum of Rs 74,454 reserved for the purpose could not be accounted for therein as a saving.

- (ii) In the 3rd meeting of the Increased Food Production Committee held on the 28th December, 1950, the Chief Engineer, Irrigation Branch, was asked to put up immediately minor irrigation schemes like construction of bunds etc. in every district. Accordingly a sum of Rs 2 lakhs was set apart for these schemes and could not be surrendered in the second list of Excesses and Surrenders in January 1951, in the hope that the money would be utilised in the schemes to be prepared by Chief Engineer. But the schemes were not received from the Chief Engineer in spite of a reminder.
- (iii) By the end of March, 1951 the Deputy Commissioner, Kangra, intimated that he was not in a position to utilise the allotment of Rs 13,125 for the construction of kuhls in his district during the year 1950-51. It was then too late to surrender the amount.
- (iv) In the middle of January, 1951, the Deputy Commissioner, Ambala, was asked to go ahead with the construction and repairs of Projects with the amount of Rs 19,000 already placed at his disposal, if the proposed projects were to be undertaken on contributory basis. On the 27th January, 1951, the Deputy Commissioner intimated that the projects would be undertaken on contributory basis i. e., free labour will be supplied by the villagers. He, therefore, wanted formal sanction to the execution of the scheme, which was conveyed to him, with the concurrence of Finance Department on 20th February, 1951. The Deputy Commissioner, however, did not start the work before the formal sanction reached him. The time left being too short, the Deputy Commissioner did not utilize the amount.
- (v) Out of the sum of Rs 64,495 the Deputy Commissioner, Amritsar, could not utilize the sum of Rs 13,970 as the existing sight of one bridge over Mari Megha drain was not suitable, while the Zamindars did not agree to give their land for the alternative site selected by Irrigation Department.
- (vi) Out of the allotment of Rs 5,000 for the construction of drainage of rain water from Raya area in Jhajjar tehsil, the Deputy Commissioner, Rohtak, reported a saving of Rs 1,808 due to the preparation of incorrect estimate by the Executive Engineer, Public Health Division, Rohtak.
- (vii) The sum of Rs 20,000 could not be utilized by the Deputy Commissioner, Gurdaspur, on the repairs of Badshahi Nahar as the Irrigation Department found the amount of Rs 20,000 too inadequate to execute repairs to 40 miles long canal. The Deputy Commissioner Gurdaspur, therefore, proposed that the management of this canal be taken over by the Irrigation Branch. Irrigation Branch was accordingly consulted immediately. Irrigation Branch's comments were received when the second list had been submitted. The matter being a policy question it could be settled only after consulting the Zamindars of the illaqa, as it affected their rights. The settlement of this question is still under consideration.
- (viii) A sum of Rs 37,940 could not be utilized by the Deputy Commissioner, Hoshiarpur, as the construction of certain Jhallars on Beins and construction of Bunds at Nasrala Cho were extremely delayed by the floods in the river Bias.

A sum of Rs 2,00,000 was provided through the Schedule of New Expenditure in the budget for the year 1950-51 for the destruction of wild animals i. e., monkeys. Out of this amount (Rs 2 lakhs) sum of Rs 1,48,500 was distributed to the various Deputy Commissioners and the balance of Rs 51,500 was kept in reserve to meet emergent demands. As no demand was received the reserve of Rs 51,500 and a sum of Rs 13,000 surplus to the requirements of the Commissioner, Jullundur Division, total of Rs 64,500 was surrendered in the second list of excesses and surrenders with the approval of the Increased Food Production Committee. Out of the balance amount of Rs 1,35,500 the Deputy Commissioners reported a further saving of Rs 68,500. The reasons for this savings are reported by the Deputy Commissioners as under:—

- (i) The Deputy Commissioner, Hissar, refunded a sum of Rs 19,800 to the treasury in the month of February and March, 1951 as he felt that in spite of his best efforts there was no scope for utilization of this amount as the religious-minded people did not cooperate in killing monkeys.
- (ii) The scheme of killing monkeys on reward system had been introduced and the Deputy Commissioner expected that the allotment for this purpose would be exhausted in that year in Ambala District. The reward system, however, failed and the Deputy Commissioner switched on to 'Shooting squad system' in February, 1951. The sum of Rs 13,909 could not therefore be utilized.
- (iii) The saving of Rs 3,299 reported by the Deputy Commissioner, Kangra, was due to the fact that cartridges were not available in the market and therefore the amount could not be utilized. Moreover the people did not take interest in the killing of monkeys (due to heavy rise in the cost of cartridges) at a reward of Rs 2 per monkey.
- (iv) The Deputy Commissioner, Karnal could not spend a sum of Rs 11,171 out of the total allotment of Rs 25,000 by the 31st March, 1951 as the system of granting of reward at the rate of Rs 2 per monkey killed did not work well.
- (v) The saving of Rs 11,308-5-0 was reported by the Deputy Commissioner, Gurgaon, due to the fact that the people did not help fully in killing the monkeys as anticipated, on religious grounds.
- (vi) The saving of Rs 9,012-11-0 was reported by the Deputy Commissioner Rohtak. It was explained that the amount could not be utilized due to correspondence with Government regarding killing of deer. The proposal of the Deputy Commissioner was received by the Development Department in the middle of March. The matter was discussed in a meeting where H. M. D., F. C. D., F. S. A., D. S. D., and Director of Agriculture, were present and after consulting F. D. in the matter orders were communicated to the Deputy Commissioners in April, 1951.

ANNEXURE IX

Note on the Working of Jail Factories in the State

Prisoners confined in the Punjab State Jails are employed on different types of work, a list of which is enclosed. These industries in Jails are designed to provide work and training for prisoners in different handicrafts so that they may learn some type of work during confinement and after release may be able to earn their livelihood by honest means. There is also the idea to employ prisoners as usefully as possible in meeting requirements for Jail maintenance. These industries being carried on by manual labour are less profitable as compared to the factories equipped by machinery. There is a good deal of scope to improve and expand Jail industries and thus employ prisoners more usefully by installing machinery. But this involves additional expenditure and employment of extra technical staff. Government has been approached for appointing a whole time Director of Jail Industries, who when appointed will be able to reorganize Jail industries and introduce such other industries in Jails, which are more remunerative in character and provide greater means for the rehabilitation of prisoners after release.

2. Daily average expenditure for the year 1952 on an ordinary prisoner (convicted and under-trial) in the Jails of the State was Rs 1-3-0 as per detail given below:—

	Rs	A.	P.
(a) Dietary charges	..	0	7 3
(b) Clothing & Bedding	..	0	1 6
(c) Hospital.	..	0	1 3
(d) Sanitation	..	0	0 3
(e) Supervision charges	..	0	6 9
(f) Moving charges	..	0	0 4
(g) Contingencies	..	0	0 6
(h) Travelling Allowance	..	0	0 2
(i) Extraordinary charges for livestock and tools	..	0	0 1
(j) Miscellaneous Services and Supplies	..	0	0 11
Total	..	1	3 0

3. About 90 per cent of the articles manufactured in the Jails of the State are either supplied to the Jails at raw material cost or sold to other Government Departments from whom no labour charges are recovered. In view of this it is not possible to work out the average earning of a prisoner. Nevertheless the Department is saving a substantial amount of money by employing prisoners to meet the requirements of Jails which if obtained from other sources would involve payment of labour and profit.

There is a proposal to introduce wages system in our Jails under which the prisoners would be paid daily wages in consideration of the type of work on which they would be employed and the quantity and quality of the manufactured articles turned out by them or other useful service rendered for the maintenance of the Jail. This will, however, require extension of the present Jail industries and will be taken in hand as soon as a Director of Jail Industries is sanctioned by Government.

List of industries carried on in Puniab (India) Jails.

Textile, Towels, Dusters—Central Jail, Ferozepur and Ambala.
Dasuti Gahra—District Jail, Ludhiana and Delhi.

Newar. Central Jail, Ferozepur and Ambala and District Jail, Ludhiana and District Jail, New Delhi.

Cotton Tape and Nathi Thead. all Central and All District Jails and Camp Jail, Yol.

Durries. Central Jail, Ambala, Ferozepur, District Jail, Ludhiana, Delhi, Rohtak, B.I. and J. Jail, Hissar and Camp Jail, Yol.

Carpentry. Central Jail, Ambala, Ferozepur, District Jail, Ludhiana and Delhi, B.I. & J. Jail, Hissar, Camp Jail, Yol and District Jail, Jullundur.

Smithy. Central Jail, Ambala and B.I. & J. Jail, Hissar.

Soap Making. District Jail, Delhi.

Phenyle. District Jail, Delhi.

Leather Industries. Central Jail, Ambala (temporarily), B.I. & J. Jail, Hissar (temporarily)

Ban and Munj Mat

Munj Industry—All District and Central Jails excluding B. I. & J. Jail, Hissar.

Jail Made papers and Envelopes. District Jail, Gurdaspur/Jullundur, Hissar and Delhi.

Book Binding. All paper making Jails i.e. Gurdaspur, Jullundur, Hissar and Delhi and District Jail, Rohtak.

Chicks making and bamboo Brooms. District Jails at Jullundur, Gurdaspur, Delhi and Rohtak, Central Jail, Ferozepur, Ambala and B.I. and J. Jail, Hissar.

File laces and Tags. Camp Jail, Yol.

Chalk Industry. District Jail, Jullundur.

Canning of Chairs. Central Jail, Ambala, Ferozepur, District Jail, Hissar, Rohtak, Delhi, Amritsar, Ludhiana, Jullundur, Gurdaspur, Camp Jail, Yol. B.I. and J. Jail, Hissar.

Stationery (ink) Blotting paper, Card Board. District Jail, Delhi.

Woollen Carpets. Central Jail, Ambala.

Woollen blankets and other winter woollen clothings for prisoners. Central Jail, Ambala.

Pilchi Baskets. Central Jail, Ferozepur.

Tailoring. Central Jails, Ambala, Ferozepur, District Jails, Ludhiana, Delhi, B.I. & J. Jail, Hissar and Camp Jail, Yol.

Dyeing. Central Jail, Ferozepur and Ambala.

Wool spinning. District Jail, Hissar.

Moskil All Jails.

Haver sacks. Central Jail, Ambala.

Iron Beds for Hospitals. Central Jail, Ambala.

Mosquito Nets. Central Jail, Ferozepur.

Charkhas. Central Jail, Ambala, B.I. & J. Jail, Hissar and District Jail, Delhi.

Woollen Socks and Jerseys for Better Class Prisoner, and Warders.
Women Section of District Jail, Ludhiana.

Shuttle cocks. District Jail, Jullundur.

Nails Amritsari. Central Jail, Ambala.

Straw covers for 2 lb bottles. District Jail, Gurdaspur.

Tents. District Jail, Jullundur.

Sutli. District Jail, Jullundur.

ANNEXURE X

Note regarding loss in the transaction of cloth by the Police Department.

Audit Report, 1952.

Serial No.	Page	Para	Observations made by the Public Accounts Committee
4	22-23	39	The Committee would like to know (a) whether the orders for 80 bales of Khaki cloth were placed on the Textile Commissioner by the Police Department; (b) whether the orders indicated clearly the specifications of the cloth; (c) whether the cloth before it was despatched by the mill was not inspected by the Inspectors of the Central Government; (d) under what circumstances was it necessary to make arrangements with a private dealer to take delivery of the cloth; (e) why was not the delivery of the cloth taken direct by Government on payment of the cost through book debit or other means adopted normally for the adjustment of inter-Governmental transactions; (f) what exactly were the specific defects in the cloth for which it was not found suitable for use by the Police Department, (g) the name of the merchant who took delivery of the goods initially; (h) the name of the merchant to whom it was subsequently sold.

The Police force, after the partition, was left precariously clothed and consequently an emergency indent for the purchase of articles of clothing was sent to Chief Secretary with a request to make arrangements for its immediate execution. In view of the urgency of the matter the Chief Secretary passed on the indent officially to Director-General, Food and Civil Supplies, Punjab and the latter officer made a telegraphic request to the Textile Control Officer, Amritsar at Bombay to make arrangements for special purchases of the cloth for use of the Police and its despatch to Jullundur. On the request of Textile Control Officer, the Textile Commissioner, Bombay, M/s Hardev Dass Tejpal, Bombay consigned 96 bales in lots of 80 and 16 to the address of D.M., Jullundur. The D.M., Jullundur, on 18th December 1947 authorised M/s Vishwa Nath & Bros, Ram Mandi, Jullundur, to take delivery of 80 bales, which they did. The delivery of remaining 16 bales which were not purchased by the Police was taken by another firm. The bill of the firm for the supply of 80 bales amounting to Rs 95,787 was paid by the Police Department from the clothing and equipment fund and the cloth received by S. P., Jullundur. On checking up the consignment, 80 bales were found to contain the following types of cloth :—

1. Drill Khaki	..	5 bales
2. Drill other than Khaki	..	19 bales
3. Latha Coloured	..	44 bales
4. Coating stripped	..	12 bales
Total	..	<u>80 bales</u>

No opportunity was afforded to this Department to check up the contents of the bales prior to payment and the entire arrangement for the supply of the cloth was made by the Textile Control Officer and the Textile Commissioner, Bombay, through D.M., Jullundur. Only 5 bales of Khaki drill were considered to be of Police use, and the remainder useless for all intents and purposes. This Khaki drill was also subsequently discovered to fade on washing. As the supplies had been arranged by the Civil Supplies Department, the Director, Civil Supplies, Punjab, was requested to arrange for the disposal of the cloth and refund of the cost paid by the Police Department. The matter, however, remained under correspondence with the Civil Supplies Department, as they tackled various sources but no body came forward to purchase this cloth. As it was deteriorating and the prices gradually declining, it was sold out at ex-Mill rates, which resulted in a net loss of Rs. 11,406-10-3. The State Government to whom the matter was referred, after consulting the Civil Supplies Department accorded sanction, as a special case to the writing off of this loss of Rs 11,406-10-3,—*vide* their letter No. 11097-H-51/8432, dated 22nd November, 1951.

- (a) The orders for the supply of 80 bales of khaki cloth were placed with the Director-General, Civil Supplies who, in turn arranged the supplies from Textile Commissioner, Bombay, through the Textile Control Officer, Amritsar at Bombay.
- (b) The orders clearly indicated the specifications of the cloth.
- (c) There is nothing on record in this office to show whether the cloth was inspected by the inspectors of the Central Government. Presumably this was not done owing to unsettled conditions prevailing at that time.
- (d) Owing to booking restrictions, the delivery was arranged through a private dealer who was a nominee appointed under the Yarn Control Order.
- (e) The cash payment had been arranged by the Civil Supplies Department.
- (f) No other cloth except Khaki drill is used for making police uniform. Even the Khaki cloth was of inferior quality and found to be unfit for police uniforms.
- (g) M/s Vishwa Nath & Bros, Rama Mandi, Jullundur, took the delivery of goods initially.
- (h) 80 bales cloth were sold to M/s Roshan Lal Kapur, Krishna Cloth Market, Jullundur City.

ANNEXURE XI

Note regarding Seed Depots in the Punjab

Pages 29, 30, 42, 43 194 — '85-A — Capital Outlay on Provincial Schemes of State Trading — Miscellaneous Schemes — Scheme for the sale of improved seeds to cultivators.

3(a). What steps have been taken to eliminate losses on seed operations and work the scheme on no-profit-no-loss basis?

Seed Depots cannot be run on "No Profit No Loss" basis for the reasons given below:

1. Comparatively high price is paid in the form of premium on account of quality of improved seeds at the time of purchase.
2. A considerable expenditure is incurred in the form of road transportation charges as good quality seed has to be transported to agencies lying at far off places.
3. At the time of seed distribution the sale rate is fixed according to the market rates as otherwise the seed will not find a sale.
4. As the seed is distributed to a large number of cultivators in small quantities, there are usually some shortages.
5. This Department is required to sell seeds through the non-official agents who are paid commission and godown charges for storing them, as the Department has no godown or any other agency for sale.
6. Unsold seed has to be disposed of by public auction thus resulting in a loss over the purchase price.

3(b). Have steps been taken to ensure that there is no overstocking and the seeds are not allowed to deteriorate?

Instructions have already been issued by this office to all the Deputy Directors of Agriculture that only so much quantity of seed as is likely to be sold during the sowing season is purchased by them to minimise losses. They have further been instructed to dispose of the seeds left unsold immediately after the sowing is over in the best interest of the Department.

I have collected information in regard to carry-over stock on 31st March, 1953. A copy each of the statement is enclosed. It will reveal that the carry-over stock of Rabi seeds is negligible. The position in regard to Kharif stocks is different. The purchases of Kharif seeds are made towards the end of the financial year for distribution in the next kharif season which falls in the next financial year. So these stocks at the end of the financial year are unavoidable. In fact the profit and loss account of the Kharif seeds do not depict a correct position as the seed is purchased out of the funds of one financial year and sold in the other year. For this very reason Profit and Loss Accounts were started to be prepared by the calendar year in the Joint Punjab. With effect from 1st January, 1950 this Department has again been asked to prepare accounts by the financial year.

3(c). What are the safe stock limits ?

No stock limit can be fixed as these depend on the condition of the crops and variations of the demand in a particular season. The purchases are made at the time of harvest and the demand is based on estimates at the moment. If rains set in normally the demand naturally increases and if rains fail, the sales become low. This Department cannot afford to have the purchases at a later date than the harvesting season, as otherwise the good quality seed will not be available and if at all available we will be required to pay higher rates and thus incur heavy losses.

3(d). Fixing responsibility for the loss which occurred in regard to cotton, Jowar, pyrethrum and bajra seeds due to fluctuations in their sale rate, and deterioration of stocks due to prolonged storage ?

Pyrethrum was cultivated in the Kangra District in 1942-43. This crop badly failed and thus the balance of 94 lbs of seed left over from the previous stock could not be sold. The matter was reported to Government and the cost of seed viz., Rs 752 was written off as the seed lost its viability.

As the losses were unavoidable and beyond any body's control, no official can be held responsible for these losses.

4. The incidental charges referred to in this paragraph pertain to the stocks with the Department purchased out of the budget under head "4C—Agriculture." It has not been possible to assess as to how the incidental charges have been worked out to 38.73 of the sale. My figure pertaining to this period comes to about 25 per cent. It has, however, not been possible to ascertain as to the reasons for this high percentage. I am looking into this matter and shall communicate the results in due course after making enquiries from the Deputy Directors of Agriculture.

Efforts are already being made to minimise the incidental charges as far as possible by sending seeds to the remote corners from the nearest producing centres. I am, however, pressing this point further on the Deputy Directors of Agriculture. No incidental charges were incurred on the seed purchased out of "4C—Agriculture" budget during 1951-52. The percentage of incidental charges over sales during 1951-52 and 1952-53 on stocks purchased from "85-A—Capital Outlay" works out to 8.4 and 17.5 percentage respectively.

5. In accordance with the orders of Government, up to 1953-54 the food-grain seeds were purchased by the Food and Civil Supplies Department and stored in the Provincial Reserve Centres. That department made the seed available from the P.R. Centres in accordance with the district-wise estimated demand made by the Agricultural Department. The balances left unsold are the property of the Food Department and they generally sell it for human consumption ultimately.

There are no stores with the Agricultural Department. Pure seeds are purchased and supplied to the Seed Agents in accordance with the estimated demand of the district concerned for distribution to the cultivators in the State. Unsold seed is disposed of immediately after the sowing season.

Like all other seeds the estimates for Jowar and Bajra seeds were obtained sufficiently in advance of the season from the District Agricultural Officers and seeds distributed according to demands. Many times it happens that at the sowing time seeds become available in large quantity in the market which affects the sale of Government stocks. So the Department is required to base their estimates keeping

such like contingencies in view. I give below statement showing the quantity of seeds supplied to the various districts and the balance left with them during Kharif 1950.

Name of District	Quantity supplied	Balance left
Jowar Seed—	Maunds	Maunds
Hissar ..	4,055	39
Hoshiarpur ..	7,143	63
Kangra ..	200	76
Gurgaon ..	7,761	65
Rohtak ..	2,506	..
Jullundur ..	2,349	45
Bajra Seed—		
Hissar ..	1,303	93
Hoshiarpur ..	338	..
Kangra ..	..	..
Gurgaon ..	1996	..
Rohtak ..	380	4
Jullundur ..	464	..

The above statement will show that there were no excess or short stores in the districts mentioned by the Committee.

The position is that 76,349 maunds of jowar seed was supplied by the Food Department for sowing in Kharif, 1950. A part of this supply viz., 22,132 maunds was procured by the Food Department from Uttar Pradesh. A further quantity of 1,767 maunds was added from our Farms to this stocks. Out of this total stocks viz., 77,345 maunds, only 814 maunds remained unsold. This quantity was disposed of by public auction as the Food Department did not accept it back. The expenditure on this account is debitable to "85-A—Capital Outlay." Before the procedure for obtaining commercial seeds through the Food Department was adopted, this Department used to purchase pure seed and supply it to cultivators. Before January, 1950, 1,733 maunds of jowar seed was available from this stock. As this seed was not fit for sowing, no quantity of seed could be sold up to 31st March, 1951. Out of this quantity 1,608 maunds was still in stock on 31st March, 1952. The same may be said of the other seeds which remained undisposed of. The stocks purchased out of "40—Agriculture" have been amalgamated with the stocks purchased out of '85-A—Capital Outlay' with effect from 1st April, 1952. It is regretted that action for non-disposal of these seeds could not be taken earlier. This matter will now be taken up and suitable action will be taken against the person responsible for this negligence.

6. In the United Punjab, this Department only dealt with the supply of pure seeds of improved varieties to cultivators. The pure seeds used to be secured from (a) Government Seed Farms (b) Big Grantee Farms which in accordance with the terms of their lease were under obligation to produce and supply pure seeds to the Agricultural Department (c) Many big progressive farms which had sprung up in canal colonies like Lyallpur and Montgomery Districts. Even though the seed of improved varieties supplied to cultivators, frequently used to get mixed up on the fields of cultivators (good and bad seed being grown side by side by them), still the Department had no great difficulty in securing fresh pure seed every year from the above sources for supply to cultivators.

With the partition of the Punjab, however, almost all the Government seed Farms, all the grantee farms as also most of the big farms of progressive cultivators were left in Pakistan. And whatever little quantity of seed of improved varieties was available in villages of East Punjab also disappeared considerably, due to abnormal and chaotic conditions prevailing at the time of partition, with the result that the seed supply work received a serious set back. So, immediately after partition, i.e. for Rabi 1947-48 the refugees as also the local cultivators had to be supplied with whatever seed could be made available by the Food and Civil Supplies Department; the main idea being not to allow any area to remain unsown, for want of seed. Such a position was, however, far from satisfactory, in so far as the supply of high yielding improved seed was concerned. It was, therefore, thought fit to collect whatever quantity of improved wheat seed we could, and then multiply the same in some consolidated blocks of land in different districts. It was thus felt necessary to resort to legislative measures which would compel the cultivators to sow the seed of only improved varieties in certain areas to be notified for the purpose from time to time so that not only cultivators may benefit from the same, but seed may remain pure, and sufficient quantity of the same be available, and the whole State may be covered with reasonably pure seed in the shortest possible time. Accordingly the East Punjab Improved Seed and Seedlings Act, 1949 was brought on the Statute Book and in Rabi 1949-50 about 300 villages in ten districts were notified under this Act, for sowing improved varieties of wheat seed only. Thus in 1950 the Food Department could procure 2 lac maunds of high quality wheat seed. Besides this, the Department also raised about 40,000 maunds of pure wheat seed on the Departmental Farms. Thus the total quantity of high quality wheat seed available in 1950-51 was 221,945 maunds as against 54,715 maunds in the previous year. It was, therefore, possible to notify 1,005 villages during 1950-51 as against 300 in the previous year. Similar action was taken in regard to the improved varieties of cotton seed.

In order that the purity of seed may be maintained, it was considered essential that the Agricultural Department should handle this work from production to distribution and it was suggested that the seed distribution work during 1953-54 may be entrusted to this Department. But the Government has considered it fit to keep this work with the Food and Civil Supplies Department during 1953-54 also. It may be mentioned that whereas the Agricultural Department used to supply pure seeds of improved varieties, the seed supplied by the Food and Civil Supplies Department is only high quality seed and purity is not guaranteed.

The supply of pure seeds of improved varieties is the normal function of the Agricultural Department. The provision for the purchase and distribution of such seeds used to be made in the normal budget of the Department under head "40—Agriculture" before 1st April, 1949. From 1949-50 onward the provision has been made under "85-A—Capital-Outlay." Thus the seed which was purchased during 1948-49 out of the budget under "40-Agriculture" formed a separate unit, and profit and loss account of this seed was prepared separately. With effect from 1st April, 1952 all the seed purchased from the budget under "40-Agriculture" has been amalgamated with the seed purchased from "85-A—Capital Outlay" and now only one profit and loss account is prepared for the entire seed.

7. Only those audit objections have not been settled which concern pre-partition claims or record lost due to partition. All the remaining audit notes have been disposed of. As regards audit notes for 1951-52 and 1952-53 prompt action is being taken for their disposal.

Statement showing the various seeds purchased and sold under seed depot in the State for 1st April 1952 to 31st March 1953

Serial No.	District	Quantity purchased by the Deptt from 1-4-52 to 31-3-53 (in Mds)	Quantity sold by the Deptt from 1-4-52 to 31-3-53 (Mds)	Balance on 1-4-53 (Mds)	Reasons for the balance (column 6) in-hand
1	2	3	4	5	6
1	Hissar	11,389 7 12	Rabi season (1)	113 25 4	This balance contained 72,364 Mds seed against Dr. Mohd. Iqbal Ex-Commission Agent, Hansi for which the case is with Government. The rest of the balance consists of various small items which were on account of shortage, etc., and the case of which was pending on 1st April 1953, hence shown as stock in hand.
2	Gurgaon		Wheat seed		
3	Rohtak				
4	Karnal		11,275 22 8		
5	Jullundur	4,467 0 0	4,467 0 0	..	
6	Ludhiana	2,155 0 0	2,155 0 0	..	
7	Ferozepore				
8	Ambala				
9	Gurdaspur	5,451 31 0	5,451 31 0	..	
10	Amritsar	1,220 39 12	1,220 39 12	..	
11	Hoshiarpur				
12	Kangra	13,015 15 3	13,012 26 3	2 29 0	Does not require any explanation.
	Total	37,699 13 11	37,582 39 7	116 14 4	
		(2) Gram seed			
1	Hissar				
2	Gurgaon				
3	Rohtak	891 23 6	891 23 6	..	
4	Karnal				
5	Jullundur	447 20 0	447 20 0	..	
6	Ludhiana	187 20 0	187 20 0	..	
7	Ferozepore	650 0 0	650 0 0	..	
8	Ambala	192 20 0	192 20 0	..	
9	Gurdaspur				
10	Amritsar	867 23 8	867 23 8	..	
11	Hoshiarpur				
12	Kangra				
	Total	3,236 26 14	3,236 26 14	..	

Serial No.	District	Quantity purchased by the Deptt from 1-4-52 to 31-3-53 (in Mds)	Quantity sold by the Deptt. from 1-4-52 to 31-3-53 (Mds)	Balance on 1-4-53 (Mds)	Reasons for the balance (column 6) in hand	
1	2	3	4	5	6	
		(3) Barley seed				
1	Hissar	145 10 0	114 9 8	31 0 8	This stock remained unsold at Punhana in Gurgaon District where over stock could not compete due to high rate.	
2	Gugaron					
3	Rohtak					
4	Karnal					
5	Jullundur		
6	Ludhiana		
7	Ferozepore	100 0 0	100 0 0	..		
8	Ambala		
9	Gurdaspur	24 29 0	24 29 0
10	Amritsar					
11	Hoshiarpur					
12	Kangra					
	Total .	269 39 0	238 38 8	31 0 8		
		(4) Berseem Seed				
1	Hissar	50 15 0	46 18 5	3 36 11	Due to availability of good seed locally at comparatively cheaper rate this much seed remained unsold.	
2	Gurgaon					
3	Rohtak					
4	Karnal					
5	Jullundur	10 13 5½	7 33 5½	2 20 0	Due to fall in market price, seed could not be sold in full.	
6	Ludhiana	30 5 10	27 37 ½	2 8 9½		
7	Ferozepore	16 21 15	16 9 15	0 12 0		
8	Ambala	1 19 7	1 19 7	..		
9	Gurdaspur	42 9 10	20 34 8	21 15 2	Due to fall in prices, seed could not find sale in full. It was, therefore kept for sale during the next year.	
10	Amritsar					
11	Hoshiarpur					
12	Kangra					
	Total ..	151 4 15½	120 32 9	30 12 6½		

Serial No.	District	Quantity purchased by the Deptt from 1-4-52 to 31-3-53 (In Mds)	Quantity sold by the Deptt. from 1-4-52 to 31-3-53 Mds	Balance on 1-4-53 Mds.	Reasons for the balance (column 6) in hand
1	2	3	4	5	6

(5) Raya L. 18 seed

1	Hissar ..	52 0 0	44 0 0	8 0 0	Out of 8 Mds., 5 Mds, are against Dr Mohd. Iqbal for which the case is with Government. 3 Mds remained unsold at Rohtak on account of high sale rate as compared with the market rate
2	Gurgaon ..				
3	Rohtak ..				
4	Karnal ..				
5	Jullundur ..	..	..	..	..
6	Ludhiana ..	..	..	..	..
7	Ferozepur ..	..	..	..	..
8	Ambala ..	..	..	..	..
9	Gurdaspur ..	34 35 0	25 17 14	9 17 2	Quantity left is nominal and does not require any explanation.
10	Amritsar ..				
12	Hoshiarpur ..				
13	Kangra ..	86 35 0	69 17 14	17 17 2	
	Total ..				

(6) Oats seed

1	Hissar ..	48 33 0	37 23 4	11 9 12	This quantity remained unsold at Gurgaon due to high sale rate as compared with the prevailing market rate.
2	Gurgaon ..				
3	Rohtak ..				
4	Karnal ..				
5	Jullundur ..	3 5 0	3 5 0	..	..
6	Ludhiana ..	4 32 0	4 32 0	..	..
7	Ferozepur ..	18 28 12	18 28 12	..	..
8	Ambala ..	..	..	..	..
9	Gurdaspur ..	20 16 0	15 29 0	4 27 0	Quantity left is nominal and does not require any explanation.
10	Amritsar ..				
11	Hoshiarpur ..				
12	Kangra ..	95 34 12	79 38 0	15 36 12	
	Total ..				

Serial No.	District	Quantity purchased by the Deptt from 1-4-52 to 31-3-53 (in Mds.)	Quantity sold by the Deptt from 1-4-52 to 31-3-53 Mds.	Balance on 1-4-53 Mds.	Reasons for the balance (column 6) in hand
1	2	3	4	5	6
(7) Sarson seed					
1	Hissar ..	11 0 0	10 25 4	0 14 12	It remained unsold at Nilokheri due to high sale rate as compared with the prevailing market rate.
2	Gurgaon ..				
3	Rohtak ..				
4	Karnal ..				
5	Jullundur ..	..	..	..	..
6	Ludhiana ..	..	..	..	..
7	Ferozepur ..	..	..	..	..
8	Ambala ..	..	..	..	..
9	Gurdaspur ..	..	..	..	..
10	Amritsar ..	..	..	..	..
11	Hoshiarpur ..	..	..	..	..
12	Kangra ..	..	..	..	..
	Total ..	11 0 0	10 25 4	0 14 12	..
(8) Oil seeds					
1	Hissar ..	..	..	..	..
2	Gurgaon ..	..	..	..	..
3	Rohtak ..	..	..	..	..
4	Karnal ..	..	..	..	..
5	Jullundur ..	14 3 0	14 3 0	..	..
6	Ludhiana ..	30 32 8	30 32 8	..	..
7	Ferozepur ..	99 20 0	93 1 0	6 19 0	} Remained unsold due to fall in market prices.
8	Ambala ..	15 0 8	11 2 0	3 38 8	
9	Gurdaspur ..	..	..	..	..
10	Amritsar ..	..	..	..	..
11	Hoshiarpur ..	..	..	..	..
12	Kangra ..	..	..	..	..
	Total ..	159 16 0	148 38 8	10 17 8	

Serial No.	District	Quantity purchased by the Deptt. from 1-4-52 to 31-3-53, (in Mds)	Quantity sold by the Deptt from 1-4-52 to 31-3-53 (Mds.)	Balance on 1-4-53 (Mds)	Reasons for the balance (column 6) in hand	
1	2	3	4	5	6	
(9) Toria seed						
1	Hissar ..				The seed could not find sale due to fall in prices and was therefore kept for sale during the next year.	
2	Gurgaon ..					
3	Karnal ..					
4	Rohtak ..					
5	Jullundur ..					
6	Ludhiana ..					
7	Ferozepur ..					
8	Ambala ..					
9	Gurdaspur ..	32 0 0	27 32 4	4 7 12		
10	Amritsar ..					
11	Hoshiarpur ..					
12	Kangra ..					
	Total ..	32 0 0	27 32 4	4 7 12		..
Kharif seed. (1) Jowar seed						
1	Hissar ..	31,132 18 14	30,810 29 0	321 29 14	Seed was purchased in February, March, 1952 for sowing of Kharif 1953 which generally start after 31st March, hence heavy opening balances on 1st April 1953	
2	Gurgaon ..					
3	Rohtak ..					
4	Karnal ..					
5	Jullundur ..	5,000 0 0	2,755 32 8	2244 7 8		
6	Ludhiana ..					
7	Ferozepur ..					
8	Ambala ..					
9	Gurdaspur ..	4,000 0 0	3,019 25 0	980 15 0	Due to lifting of control seed could not be sold in full and was kept for sale during next kharif 1953.	
10	Amritsar ..					
11	Hoshiarpur ..					
12	Kangra ..					
	Total ..	83,504 21 6	79,490 28 14	4,013 32 8		Quantity left is nominal and does not require explanation.

Serial No.	District	Quantity purchased by the Deptt from 1-4-52 to 31-3-53 (in Mds.)	Quantity sold by the Deptt from 1-4-52 to 31-3-53 (Mds.)	Balance on 1-4-53 (Mds.)	Reasons for the balance (column 6) in hand
1	2	3	4	5	6
(2) Bajra seed					
1	Hissar ..	20,709 18 15	20,355 12 15	354 6 0	Seed was purchased in February, March 1953 for kharif 1953 for sowing 1953 which generally starts after 31st March hence heavy opening balances on 1st April 1953
2	Gurgaon ..				
3	Rohtak ..				
4	Karnal ..				
5	Jullundur ..	4 26 0	4 26 0	..	These seeds are generally purchased at the close of the financial year as their harvest season is the same as such these remained as balance to be sold in the next sowing season which falls in the next year.
6	Ludhiana ..	652 38 0	575 0 0	77 38 0	
7	Ferozepur ..				
8	Ambala ..				
9	Gurdaspur ..	509 36 8	10 2 8	39 38 10	The seed was purchased at the end of the year 1952-53 for sale during the year 1953-54. Hence the balance.
10	Amritsar ..				
11	Hoshiarpur ..				
12	Kangra ..				
	Total ..	21,927 0 9	21,268 8 10½	658 31 14½	..
(3) Maize seed					
1	Hissar ..	727 8 15	433 8 15	294 0 0	Seeds mostly purchased in February, March 1953, for kharif sowing of 1953 which starts from March generally.
2	Gurgaon ..				
3	Rohtak ..				
4	Karnal ..				
5	Jullundur ..	..	..	..	..
6	Ludhiana ..	..	..	..	..
7	Ferozepur ..	..	..	..	..
8	Ambala ..	..	..	..	..
9	Gurdaspur ..	22 0 0	..	22 0 0	Seed was purchased at the end of the year 1952-53 for sale during the next year 1953-54. Hence the balance.
10	Amritsar ..				
11	Hoshiarpur ..				
12	Kangra ..				
	Total ..	749 8 15	433 8 15	316 0 0	..

Serial No.	District	Quantity purchased by the Deptt from 1-4-52 to 31-3-53 (in mds)	Quantity sold by the Deptt from 1-4-52 to 31 3 54 (in Mds)	Balance on 1-4-53 (Mds)	Reasons for the balance (column 6) in hand
1	2	3	4	5	6
(4) Rice seed					
1	Hissar ..	544 13 0	382 18 0	161 35 0	Seed mostly purchased in February, March 1953, for kharif sowing of 1953 which starts from March generally.
2	Gurgaon ..				
3	Rohtak ..				
4	Karnal ..				
5	Jullundur ..	..	..	..	..
6	Ludhiana ..	..	..	..	..
7	Ferozepur ..	815 30 2	727 33 0	87 37 2	Seed mostly purchased in February, March 1953 or kharif sowing of 1953 which starts from March generally
8	Ambala ..	146 20 0	40 22 0	105 38 0	
9	Gurdaspur ..	1,818 35 15	497 33 15	1,321 2 0	
10	Amritsar ..				
11	Hoshiarpur ..				
12	Kangra ..				
	Total ..	3,325 19 1	1,648 26 15	1,676 32 2	Seed was purchased at the end of the year 1952-53 for sale during the next year 1953-54. Hence the balance.
(5) Cotton seed					
1	Hissar ..	26,520 30 12	11,611 28 0	14,909 2 12	Seed mostly purchased in February, March 1953, for sowing of kharif 1953 which generally starts from March. Hence heavy opening balance on 1st April 1953.
2	Gurgaon ..				
3	Rohtak ..				
4	Karnal ..				
5	Jullundur ..	2,113 8 0	560 28 0	1,552 20 0	..
6	Ludhiana ..	3,482 10 4	1,626 2 12	1,856 7 8	..
7	Ferozepur ..	28,244 38 15	13,573 6 0	14,671 32 15	..
8	Ambala ..	193 0 0	36 0 0	157 0 0	..
9	Gurdaspur ..	7,623 18 12	3,216 0 12	4,407 18 0	Seed was purchased at the end of the year 1952-53 for sale during the year 1953-54. Hence the balance.
10	Amritsar ..				
11	Hoshiarpur ..				
12	Kangra ..	68,177 26 11	30,623 25 8	37,554 1 3	
	Total ..				

Serial No.	District	Quantity purchased by the Deptt from 1-4-52 to 31-3-53 (in Mds)	Quantity sold by the Deptt from 1-4-52 to 31-3-53 (Mds)	Balance on 1-4-53 (Mds)	Reasons for the balance (column 6) in hand
1	2	3	4	5	6

(6) Groundnut seed

1	Hissar ..	1 14 0	1 14 0
2	Gurgaon ..				
3	Rohtak ..				
4	Karnal ..				
5	Jullundur ..	174 10 0	109 0 0	65 10 0	Seeds are generally purchased at the close of financial year, as their harvest time is the same. As such these remained as balance to be sold in the next sowing season which falls in the next year.
6	Ludhiana ..	238 34 4	88 29 4	150 5 0	
7	Ferozepur ..	4 0 0	..	4 0 0	
8	Ambala ..	116 14 4	..	116 14 4	
9	Gurdaspur ..	119 15 14	35 2 14	84 13 0	Seed was purchased at the end of the year 1952-53 for sale during the year 1953-54. Hence the balance.
10	Amritsar ..				
11	Hoshiarpur ..				
12	Kangra ..				
	Total ..	654 8 6	234 6 2	420 2 4	..

(7) Mash seed

1	Hissar ..	10 0 0	..	10 0 0	Seeds are purchased in February, March 1953 for kharif sowing 1953 which generally starts from March. Hence to the balance.
2	Gurgaon ..				
3	Rohtak ..				
4	Karnal ..				
5	Jullundur ..	17 20 0	..	17 20 0	Ditto
6	Ludhiana ..	20 0 0	..	20 0 0	..
7	Ferozepur ..	136 30 0	36 0 0	100 30 0	..
8	Ambala ..	35 0 0	..	35 0 0	..
9	Gurdaspur ..	13 6 0	13 0 0	0 6 0	Does not require any explanation.
10	Amritsar ..				
11	Hoshiarpur ..				
12	Kangra ..				
	Total ..	232 16 0	49 0 0	183 16 0	..

(8) Guara seed

1	Hissar ..	44 36 0	44 36 0	..	..
2	Gurgaon ..				
3	Rohtak ..				
4	Karnal ..				
5	Jullundur ..	..	..	..	..
6	Ludhiana ..	..	..	..	..
7	Ferozepur ..	..	..	..	..
8	Ambala ..	..	..	..	..
9	Gurdaspur ..	1,849 21 0	109 0 0	1,740 21 0	Seed was purchased at the end of the year 1952-53 for sale during the year 1953-54. Hence the balance.
10	Amritsar ..				
11	Hoshiarpur ..				
12	Kangra ..				
	Total ..	1,894 17 0	153 36 0	1,740 21 0	..

Serial No.	District	Quantity purchased by the Deptt from 1-4-52 to 31-3-53 (in Mds)	Quantity sold by the Deptt from 1-4-52 to 31-3-53 (Mds)	Balance on 1-4-53 (Mds)	Reasons for the balance (column 6) in hand
1	2	3	4	5	6

(9) Machehari seed

1	Hissar ..	3 25 4	3 25 4	..	..
2	Gurgaon ..				
3	Rohtak ..				
4	Karnal ..				
5	Jullundur ..	..	..	..	..
6	Ludhiana ..	..	..	..	..
7	Ferozepur ..	..	..	..	..
8	Ambala ..	..	..	..	..
9	Gurdaspur ..	..	..	..	..
10	Amritsar ..	..	..	..	..
11	Hoshiarpur ..	..	..	..	..
12	Kangra ..	..	..	..	..
	Total ..	3 25 4	3 25 4	..	..

(10) San-Hemp seed

1	Hissar ..	..	..	..	..
2	Gurgaon ..	..	..	..	..
3	Rohtak ..	..	..	..	..
4	Karnal ..	..	..	..	..
5	Jullundur ..	55 0 0	..	55 0 0	Seeds are purchased at the close of financial year as their harvest season is the same. As such these remained unsold. These are to be sold in the next sowing season which falls in the next year.
6	Ludhiana ..	5 0 0	..	5 0 0	
7	Ferozepur ..	..	..	..
8	Ambala ..	1,147 38 0	300 22 8	847 15 8	
9	Gurdaspur ..	1,186 20 0	100 0 0	1,086 20 0	Seed was purchased at the end of the year 1952-53 for sale during the year 1953-54. Hence the balance.
10	Amritsar ..				
11	Hoshiarpur ..				
12	Kangra ..				
	Total ..	2,394 18 0	400 22 8	1,993 35 8	..

ANNEXURE XII

Note on the working of Work Centres Schemes

Grant No. 22—Industrial Capital Expenditure.

Serial No.	Page	Sub-head/ paragraph	Replies of the Department to the observations made by the Committee
1	31-32	Para 49 of the Audit Report	<p>(i) No trading and profit and loss accounts are prepared, but balance-sheets of the various Work Centres are prepared every month which clearly show the financial results of the various Work Centres.</p> <p>(ii) Two statements are enclosed one pertaining to Defunct Centres and the other pertaining to Working Centres giving—</p> <p>(a) the expenditure incurred year by year on the Work Centres since their inception to the end of 1952-53,</p> <p>(b) receipts realised year by year;</p> <p>(c) total loss incurred year by year;</p> <p>(d) number of persons who have found work at these Centres, analysed by men, women and non-adults.</p> <p>A perusal of the statements would indicate that the Workcentres have suffered a loss of Rs 4,67,613 on 21 Defunct Work Centres including the Button Making Work Centre which has since been sold, whereas the 14 running Centres have shown a net profit of Rs 32,431 up to the end of March 1953.</p> <p>(iii) Out of the 43 Centres originally started 20 have been closed, 8 Centres have been converted into Training-Cum-Production Centres and one, namely the Button Making Work Centre, has been sold, leaving only 14 active Centres. These 14 Centres show a net over all profit of Rs 32,431. Out of these 14 Centres 5 Centres, viz. Dyeing and Calico Printing Work Centre, Ludhiana, Hosiery Work Centre, Ludhiana, Utensil Making Work Centre, Abdullapur, General Engineering Work Centre, Panipat, and Tent Making Work Centre, Panipat, have shown profits, whereas the other 9 Centres, viz. Shoe and Leather Goods Work Centre, Jullundur, Metallic Fitting Work Centre, Abdullapur Plywood Work Centre, Abdullapur, Cotton</p>

Serial No.	Page	Sub-head/ Paragraph	Replies of the Department to the observations made by the Committee
1— <i>contd</i>	31-32— <i>contd</i>	Para 49 of the Audit Report— <i>contd</i>	<p>Weaving Work Centre, Panipat, Munj Making Work Centre, Panipat, Pottery Work Centre, Sonapat, Agricultural Implements Work Centre, Rohtak, Cotton Weaving Work Centre, Rohtak and Cotton Weaving Work Centre, Hissar, have shown losses. These Centres are in the aggregate self-supporting. Some of the individual Centres that are running in a loss, it is hoped, will become self-supporting by the end of 1953-54. Every effort is being made to push up the production and sale. Some of the Centres have shown losses as the cost of raw materials has come down and our cost of production of the finished goods was more than the present prevalent market rates, as the raw material was purchased at higher rates. Now steps are being taken to reduce the prices of the accumulated stocks and to dispose these of. Now the raw material is being purchased at the prevalent market rate and is not stocked and it is hoped that the Centres will be able to compete in the market and will be able to make up the losses. Moreover, overhead charges have been recently reduced by making retrenchment in the staff, as indicated in the enclosed statement. Government has sanctioned price preference of 10 per cent for the Work Centres. This is going a long way in helping the Work Centres in procuring orders as to a certain extent acute competition with the manufacturing concerns of repute has been avoided. Now we are getting substantial orders from the Government departments. To push up the sales, Sales Agents have been appointed for the various Work Centres, who are booking orders for the various items.</p> <p>(iv) As regards the accumulated stocks of Defunct Centres these are being sold by auction with the sanction of Government and more than 50 per cent goods have been auctioned. The balance quantities are being auctioned gradually. As regards the accumulated stocks of the running Centres Government have sanctioned the disposal of these accumulated stocks at 25 per cent less than the cost of production or the prevalent market rate whichever is higher. Steps are being taken to revise the issue rates of the accumulated stocks of these Centres so that these may be disposed of</p>

Serial No.	Page	Sub-head/ paragraph	Replies of the Department to the observations made by the Committee
1—concl'd	31-32— concl'd	Para 49 of the Audit Report —concl'd	<p>expeditiously. It is hoped that some of the stocks will be cleared by the end of 1953-54. All the goods at the various Centres are now being produced to order and nothing is being made for the stocks. The main difficulty in the disposal of these stocks was that the cost of production of these goods was higher and in some cases the quality was also not good as these goods were prepared in the initial stages of the running of the Centres when the workers had not attained sufficient skill to manufacture goods which could be sold in the market, and as a result of this those stocks have accumulated. With the reduction of prices it is hoped that most of the stocks will be cleared of.</p> <p>(v) After meeting the requirements of the Work Centres, Vocational Training Centres and regular Institutes, 84 German Reparation Machines became surplus. The sale and lease of the German Reparation Machinery was advertised in July 1951 and lists of surplus machinery were circulated to all the Government Departments. The prices of the German Reparation machines had then been doubled. There was no response from the public but 30 machines were transferred to Chandigarh Capital Administration and 2nd Bhakra Division Main Line, Patiala.</p> <p>Government were again approached to reduce the price of the German Reparation machines to bring it down to the prevalent market rates which have since come down. Now the price has been reduced to actual cost <i>plus</i> incidentals and these machines have again been advertised for sale. The balance quantity it is hoped will be disposed of soon with this reduction in price.</p>

Statement of Defunct

Serial No.	Name of Work Centres	1949-50		1950-51	
		Expenditure	Interest	Expenditure	Interest
1	2	3	4	5	6
		Rs	Rs	Rs	Rs
1	Sports Goods Work Centre, Jullundur	59,366	787	56,913	4,077
2	Bone Meal Work Centre, Jullundur ..	14,996	87	18,375	767
3	Enamel Slate Work Centre, Jullundur	..	..	31,762	756
4	Soap Making Work Centre, Ambala..	18,185	159	47,944	2,158
5	Hat Making Work Centre, Ambala..	49,126	430	10,332	1,465
6	Wood Working Work Centre, Ambala	52,449	460	10,273	1,708
7	Wood Working Work Centre, Panipat	27,996	244	1,23,823	2,356
8	Druggets and Carpets Work Centre, Panipat	66,974	391	19,043	2,997
9	Cutlery and Surgical Work Centre, Sonapat ; and	2,19,084	1,917	87,048	10,028
10	Lock Making Work Centre, Sonapat..				
11	Wood Working Work Centre, Sonapat	62,907	307	22,591	2,650
12	Laundry Work Centre, Sonapat ..	57,728	505	35,166	2,475
13	Oil Pressing Work Centre, Rohtak ..	17,978	157	20,147	1,615
14	Oil Pressing Work Centre, Hissar ..	27,702	245	17,050	1,374
15	Sports Goods Work Centre, Hissar ..	..	..	3,460	336
16	Silver and Art Trade Work Centre, Gurgaon	80,526	704	61,334	3,692
17	Hat Making Work Centre, Gurgaon..	57,896	507	34,681	2,461
18	Oil Pressing Work Centre, Gurgaon ; and	1,21,857	1,066	63,079	6,081
19	Soap Making Work Centre, Palwal ..				
20	Glass Bangles Work Centre, Gurgaon.	28,815	252	40,918	1,561
21	Button Making Work Centre, Panipat	95,992	550	1,09,586	5,155

Work Centres

1951-52		1952-53		RECEIPTS		
Expendi- ture	Interest	Expendi- ture	Interest	1950-51	1951-52	1952-53
7	8	9	10	11	12	13
Rs	Rs	Rs	Rs	Rs	Rs	Rs
6,555	4,926	731	4,655	18,112	25,638	27,227
600	1,004	600	826	..	..	..
..	844	..	532	155	7,106	260
61,631	1,085	..	1,085	32,048	47,404	4,357
6,052	1,596	..	1,591	6,751	5,056	3,900
10,413	1,868	..	1,868	8,229	7,657	881
26,011	3,692	1,899	3,499	37,089	20,011	1,941
8,796	2,524	3,489	2,525	8,492	17,179	1,885
22,320	12,896	1,685	13,450	6,130	15,396	..
5,196	3,038	..	2,805	4,880	8,123	..
2,444	1,787	328	1,778	5,876	1,837	15,704
229	1,025	..	676	9,311	13,500	1,087
2,136	1,323	..	1,302	4,868	8,674	..
764	366	..	317	617	..	..
12,960	3,643	2,602	2,744	3,207	46,737	10,140
17,895	2,450	2,632	2,058	405	29,719	6,321
2,190	5,859	5,487	5,614	15,450	11,564	9,617
5,285	1,449	1,081	861	6,641	22,416	1,087
68,242	7,080	46,692	8,085	8,880	37,136	23,464

Statement of Defunc

Serial No.	Name of Work Centres	1950-51		1951-52	
		Profit	Loss	Profit	Loss
1	2	14	15	16	17
		Rs	Rs	Rs	Rs
1	Sports Goods Work Centre, Jullundur..	..	15,268	..	6,035
2	Bone Meal Work Centre, Jullundur	..	3,358	..	6,190
3	Enamel Slate Work Centre, Jullundur	..	4,578	..	5,563
4	Soap Making Work Centre, Ambala..	2,052	..	..	9,594
5	Hat Making Work Centre, Ambala ..	40	..	..	9,478
6	Wood Working Work Centre, Ambala	..	5,960	..	8,694
7	Wood Working Work Centre, Panipat	2,747	..	..	8,973
8	Druggets and Carpets Work Centre, Panipat	..	8,200	..	13,460
9	Cutlery and Surgical Work Centre, Sonepat ; and	}	18,590	..	25,623
10	Lock Making Work Centre, Sonepat..				
11	Wood Working Work Centre, Sonepat	..	7,460	..	4,049
12	Laundry Work Centre, Sonepat ..	..	6,399	..	7,285
13	Oil Pressing Work Centre, Rohtak ..	..	6,970	2,314	..
14	Oil Pressing Work Centre, Hissar ..	..	214	..	3,137
15	Sports Goods Work Centre, Hissar ..	..	1,515	..	1,467
16	Silver and Art Trade Work Centre, Gurgaon	..	2,697	..	15,498
17	Hat Making Work Centre, Gurgaon..	..	9,244	..	6,602
18	Oil Pressing Work Centre, Gurgaon; and	}	26,382	..	22,780
19	Soap Making Work Centre, Palwal ..				
20	Glass Bangles Work Centre, Gurgaon..	..	1,844	..	16,197
21	Button Making Work Centre, Panipat	..	15,395	..	12,888

Work Centres

1952-53		Total loss up to 31-3-53	WORKERS							
Pro- fit	Loss		1949-50				1950-51			
			Men	Women	Non- adults	Total	Men	Women	Non- adults	Total
18	19	20	21	22	23	24	25	26	27	28
Rs	Rs	Rs								
..	13,328	34,631	58	..	..	58	60	..	..	60
.	3,792	13,340	.	..	..	..	8	..	..	8
..	1,957	12,098	.	..	.	.	24	..	..	24
.	3,801	11,343	25	..	.	25	14	..	..	14
..	10,367	19,805	55	.	..	55	3	11	..	14
..	709	15,363	19	..	..	19	9	..	..	9
..	1,909	8,135	37	..	..	37	55	..	..	55
..	5,155	26,815	3	36	7	46	2	34	..	36
..	28,568	72,781	18	..	..	18	45		..	45
..	8,450	19,959	23	..	..	23	20	..	..	20
..	3,142	16,826	32	..	..	32	9	..	..	39
..	1,451	6,107	4	..	..	4	6	..	..	6
..	4,837	8,188	15	..	..	15	14	..	..	14
..	752	3,734	..	..	..	..	48	..	..	48
..	2,515	20,710	97	..	..	97	10	..	..	10
..	7,321	23,167	100	..	..	100	1	16	21	38
..	24,446	73,608	50	..	..	50	28	..	..	28
..	2,946	20,987	15	..	..	15	..	..	25	25
..	31,733	60,016	..	..	..	.	31	..	..	31
Net	Loss ..	4,67,613								

Statement of Operating

Serial No.	Name of Work Centres	1949-50		1950-51	
		Expenditure	Interest	Expenditure	Interest
1	2	3	4	5	6
		Rs	Rs	Rs	Rs
1	Shoe and Leather Goods Work Centre, Jullundur	61,064	533	1,60,389	3,707
2	Hosiery Workcentre, Ludhiana	1,73,756	996	1,65,485	6,650
3	Dyeing and Calico Printing Work Centre, Ludhiana	22,867	134	43,708	1,363
4	Metallic Fitting Work Centre, Abdullapur	95,555	*800	60,439	4,774
5	Plywood and Wood Work centre, Abdullapur	1,13,928	1,137	70,168	5,281
6	Utensil Making Work Centre, Abdullapur	67,769	595	48,406	3,076
7	General Engineering and Foundry Work Centre, Panipat	1,32,082	910	2,56,384	8,307
8	Tent Making Work Centre, Panipat	44,538	131	65,074	1,613
9	Cotton Weaving Work Centre, Panipat	1,96,454	1,148	2,93,292	8,943
10	Munj Matting Work Centre, Panipat	27,874	162	11,110	1,133
11	Pottery Work Centre, Sonapat	1,34,676	786	55,678	5,399
12	Agricultural Implements Work Centre, Rohtak	83,654	244	77,110	4,264
13	Cotton Weaving Work Centre, Rohtak	..	..	21,165	334
14	Cotton Weaving Work Centre, Hissar	..	..	19,222	326

*Not legible in the original.

Work Centres

1951-52		1952-53		RECEIPTS			
Expendi- ture	Interest	Expendi- ture	Interest	1949-50	1950-51	1951-52	1952-53
7	8	9	10	11	12	13	14
Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
2,05,199	7,182	2,23,190	7,812	..	45,128	1,44,613	1,34,855
5,37,993	11,731	3,12,797	10,499	.	1,51,847	5,07,176	2,04,949
2,30,071	2,153	92,637	2,131	..	17,948	1,46,561	52,687
1,94,899	10,933	2,02,822	12,650	..	50,809	1,78,039	1,47,484
81,327	10,650	2,48,072	14,772	5,680	24,427	88,185	2,37,275
1,28,845	1,405	1,89,817	41	..	30,743	1,56,378	1,59,096
1,31,785	8,876	2,28,093	11,462	394	3,866	98,692	1,57,793
56,613	3,349	82,567	3,258	..	20,571	52,453	1,35,892
2,63,296	10,928	1,03,752	9,655	..	2,01,887	2,01,817	1,53,823
17,535	1,150	16,477	1,152	6,153	17,051	9,522	10,325
68,906	7,384	52,964	9,037	..	6,787	26,693	19,501
47,482	5,902	54,471	6,622	..	38,185	25,106	43,338
29,141	390	36,292	966	..	2,247	23,639	24,655
26,860	679	22,508	1,841	..	3,948	23,001	16,686

Statement of Operating

Serial No.	Name of Work Centres	1949-50		1950-51	
		Profit	Loss	Profit	Loss
1	2	15	16	17	18
		Rs	Rs	Rs	Rs
1	Shoe and Leather Goods Work Centre, Jullundur ..	..	..	..	13,312
2	Hosiery Work Centre, Ludhiana ..	..	..	83,382	..
3	Dyeing and Calico Printing Work Centre, Ludhiana ..	..	..	..	833
4	Metallic Fitting Work Centre, Abdullapur ..	..	..	7,250	..
5	Plywood and Wood Work Centre, Abdullapur ..	..	..	..	11,082
6	Utensil Making Work Centre, Abdullapur ..	..	..	..	13,194
7	General Engineering and Foundry Work Centre, Panipat ..	..	..	..	592
8	Tent Making Work Centre, Panipat ..	..	..	17,577	..
9	Cotton Weaving Work Centre, Panipat ..	..	..	10,256	..
10	Munj Matting Work Centre, Panipat ..	..	..	5,315	..
11	Pottery Work Centre, Sonapat ..	..	..	..	21,551
12	Agricultural Implements Work Centre, Rohtak ..	..	..	2,089	..
13	Cotton Weaving Work Centre, Rohtak ..	..	..	..	5,088
14	Cotton Weaving Work Centre, Hissar ..	..	..	5,424	..
	Total ..	..	..	1,31,293	65,652

Work Centres

1951-52		1952-53		TOTAL PROFIT OR LOSS	
Profit	Loss	Profit	Loss	Profit	Loss
19	20	21	22	23	24
Rs	Rs	Rs	Rs	Rs	Rs
23,722	.	..	39,045	..	28,635
34,171	..	.	35,380	82,173	..
19,864	..	3,164	..	22,195	..
.	33,113	12,439	..	.	13,424
.	5,451	..	5,757	..	22,290
30,064	..	5,454	..	22,324	..
23,710	..	..	639	22,479	.
18,136	..	8,568	..	44,281	..
..	6,219	..	22,189	..	18,152
.	6,445	..	567	..	1,697
.	15,904	..	29,949	..	67,404
.	27,363	18,271	..	..	7,003
7,470	.	..	4,386	..	2,004
..	6,566	730	..	.	412
1,47,137	1,01,061	48,626	1,37,912	1,93,452	1,61,021
				Net Profit,	Rs 32,431.

Statement of Operating

Serial No.	Name of Work Centres	1949-50			
		Men	Women	Non-adults	Total
1	2	25	26	27	28
1	Shoe and Leather Goods Work Centre, Jullundur ..	14	..	..	14
2	Hosiery Workcentre, Ludhiana ..	43	31	..	74
3	Dyeing and Calico Printing Work Centre Ludhiana ..	27	..	..	27
4	Metallic Fitting Work Centre, Abdullapur ..	26	..	..	26
5	Plywood and Wood Work Centre, Abdullapur ..	65	..	..	65
6	Utensil Making Work Centre, Abdullapur ..	14	..	..	14
7	General Engineering and Foundry Work Centre, Panipat ..	61	..	..	61
8	Tent Making Work Centre, Panipat ..	10	83	..	93
9	Cotton Weaving Work Centre, Panipat ..	114	..	..	114
10	Munj Matting Work Centre, Panipat ..	..	49	..	49
11	Pottery Work Centre, Sonapat ..	57	..	..	57
12	Agricultural Implements Work Centre, Rohtak ..	7	..	..	7
13	Cotton Weaving Work Centre, Rohtak ..	..	..	..	..
14	Cotton Weaving Work Centre, Hissar ..	..	..	..	..

Work Centre—concl'd

WORKERS											
1950-51				1951-52				1952-53			
Men	Women	Non-adults	Total	Men	Women	Non-adults	Total	Men	Women	Non-adults	Total
29	30	31	32	33	34	35	36	37	38	39	40
59	..	..	59	35	..	..	35	40	..	..	40
45	35	..	80	52	37	..	89	49	43	..	92
12	..	..	12	23	..	..	23	17	..	..	17
84	..	..	84	123	..	..	123	60	..	..	60
56	..	..	56	73	..	..	73	95	..	..	95
29	..	..	29	39	..	..	39	12	..	..	12
91	..	..	91	62	..	..	62	99	..	..	99
6	65	..	71	8	60	..	68	10	57	..	67
64	..	..	64	79	..	..	79	59	..	..	59
..	16	..	16	..	14	..	14	..	11	..	11
72	..	..	72	44	..	..	44	56	..	..	56
54	..	..	54	54	..	..	54	84	..	..	84
26	13	..	39	27	11	..	38	25	10	..	35
25	20	..	45	21	12	..	33	9	10	1	20

**Statement showing the staff in position after effecting economy
(retrenchment) in the Field Staff**

Serial No.	No. and Designation of the posts prior to retrenchment	No. and Designation of the posts brought under reduction	Number of the balance posts now existing.
1	2	3	4
1	10 Technical Managers ..	3 Technical Managers ..	7 Technical Managers.
2	43 Technicians ..	10 Technicians ..	33 Technicians.
3	1 Assistant ..	1 Assistant ..	
4	19 Store Holders ..	5 Store Holders ..	14 Store Holders.
5	13 Senior Clerks ..	5 Senior Clerks ..	8 Senior Clerks.
6	8 Junior Clerks ..	2 Junior Clerks ..	6 Junior Clerks.
7	16 Peons ..	2 Peons ..	14 Peons.

ANNEXURE XIII

Note regarding extra expenditure due to disparity in rates allowed in agreements .. Rs. 67,500

Para 28 of
Audit
Report

In a certain Division of the P. W. D., Buildings and Roads Branch, tenders were invited for the supply of doors and windows for the work of a Township at an estimated cost of Rs 4,50,000. The lowest rate tendered was Rs 2-1-0 per square foot. The S. E. considered the lowest tenderer as capable of executing only a part of the work and therefore, allotted him work worth Rs 1,80,000 only. The remaining work worth Rs 2,70,000 was allotted to another tenderer at a negotiated rate of Rs 2-12-0 per square foot with the approval of the next higher authority.

It is not understood why notice to tender was in the first instance issued to a contractor who was not capable of executing this order nor why a different rate was subsequently negotiated since a negotiated rate cuts at the very root of all tendering. The extra expenditure in not giving the work at the lowest quoted rates amounted to Rs 67,500.

On the opening of the tenders for the construction of 500 houses at Karnal—supply of doors and windows—it was found that the lowest tenderer Shri Harbans Singh was not a first class contractor of this Department. Besides he being a displaced person from Pakistan, had no means to carry out this big work amounting to Rs 4 80,000 which according to the rules of the Department could only be allotted to a first class approved contractor of this Department.

In the normal course the officer empowered to accept this contract would not have at all admitted the tender of this contractor in these circumstances, and would have let out the work to the next lowest tenderer who in this was Shri Gian Chand at Rs 3-2-0 per square foot or to have rejected all the tenders and invited them afresh. Since this work was of top priority and was required to be finished by target date, the officer-in-charge could not afford to re-invite the tenders at a later date as it would have upset the whole programme of the work in question. Therefore, the other alternative left for him in these circumstances was to let out the work to the next lowest tenderer at Rs 3-2-0 per square foot. But he acting in the best interest of the Government did not select the second alternative, on the other hand he negotiated with the next lowest tenderer to accept at as less a rate as he could and brought him down to carry out a part of the work at Rs 2-12-0 per square foot. He accordingly distributed the work between M/s, Harbans Singh and Gian Chand. The former was allotted work to the extent of Rs 1,80,000 at the rate tendered by him. As already stated above he was a displaced person of ordinary means and could not without great risk to Government handle

more work. The Officer rightly judged his capacity because later on it was realised during the execution of work that he would have left out the work undone had he not fortunately secured a partner.

3. From the above it would be observed that by not letting out the whole of this work to Shri Gian Chand at the rate of Rs 3-2-0 to whom the officer-in-charge was empowered to allot according to rules, has saved Government a substantial sum by negotiating with B. Gian Chand to bring down his rate to Rs 2-12-0 per Sq. ft. and letting out a part of the work to Shri Harbans Singh contractor at the rate of Rs 2-1-0 to the extent he was capable to carry out. Para 7.37 (ii) of Punjab, P.W.D., Buildings and Roads Manual of order empowers the officers of this Department to allot a work to a contractor other than the lowest, if in his opinion he is not competent to carry out the work after obtaining the permission of the next higher authority. Therefore, the officer-in-charge in this case too, had authority to allot the work to B. Gian Chand and he accordingly did so after obtaining the requisite sanction of the next higher authority. It is thus clear that there had been absolutely no irregularity in this case of any kind nor there has been any loss as alleged. Rather there had been saving to Government as pointed above. Besides the above, it may also be pointed out that the rate of Rs 2-12-0 on which a part of this work was allotted to Shri Gian Chand contractor was a normal rate prevailing in the market in those days because in the other adjoining stations similar work was allotted in the neighbourhood of this rate of Rs 2-12-0. The rate of Rs 2-1-0 tendered by Shri Harbans Singh was almost workable and was quoted at other stations as would be observed from the following table.

There was great risk in allotting the whole work to him at this rate as stated above because he would have

left it half way this would have put
Government in an awkward position:—

Station	Rate tendered and allotted for door	Rate tendered and allotted for window
Gurgaon	2 5 6	2 5 6
Rewari	2 10 0	2 9 0
Palwal ..	2 12 0	2 12 0
Sonepat	2 10 0	2 8 0
Rohtak	2 10 0	1 10 0
Panipat	2 10 0	1 14 3
	2 12 0	2 12 0

ANNEXURE XIV

Note dealing with the questionnaire of the Public Accounts Committee relating to the Chandigarh Capital Project

Serial No. 9. Paragraph 16 of the Audit Report. (a) and (b) A tentative statement of programme of works for the plan period 1951-52 to 1955-56 has been drawn up. A complete programme will be prepared shortly.

Another yard stick for assessing the progress of works is the expenditure actually incurred *vis-a-vis* the total estimated expenditure on the Project.

(a) *Estimated Expenditure on Development Works.* The total area to be used in connection with the development works is 5,976 acres (Total land to be acquired—8,919 acres) Area left undeveloped—2,943 acres. The total estimated cost of Development works is Rs 860.24 lacs as detailed below. The cost of development works per acre therefore works out to Rs 14,394 per acre.

	(Rupees in lacs)
1. Land acquisition	77.56
2. Survey	5.45
3. Roads and Bridges	132.46
4. Storm water drainage	63.50
5. Sewerage	128.59
6. Additional cost of Electricity	20.00
7. Land Scaping	21.77
8. Civic works	236.63
9. Dams across Sukhna Cho	58.00
10. Railway facilities	35.00
11. Publicity for sale of plots	4.00
12. Establishment (proportionate)	60.00
13. Research (proportionate charges)	4.80
14. Maintenance	12.48
Total	860.24

(b) *Utilization of Development Area—*

	Acres
(i) State Government Office Buildings	278
(ii) State Government Residential Accommodation	200
(iii) Other Public buildings financed by the State Government for example A. G's Office, Schools, Hospitals, etc.	500
(iv) Area to be sold to Central Government	Cannot be specified. This depends upon their demands
(v) Area to be sold to the Public	2121.91 acres

(c) *Expectation of the area to be sold to other Government and the public etc.* No precise figures can be forecast as to the amount of land likely to be sold to other Governments and the public every year. The total area to be sold has, however, been indicated above. It can be affirmed with confidence that the demand for plots at Chandigarh continues to be very keen. Declaration of Chandigarh as the seat of the State Government has stimulated the demand still further and in the next allotment the response of the public is expected to be much more encouraging. The sales effected so far appeared favourably with the expectations of the total area to be sold.

Expenditure without sanctioned estimates. To end of December, 1952, the amount of expenditure incurred without sanctioned estimates had risen to Rs. 41,30,807. Every effort is being made to reduce this class of expenditure to the minimum. The correct position, however, is that in the case of large works, estimates are prepared by units which are under execution, but these separate estimates by units cannot be technically sanctioned as the whole of the estimate is not ready and one cannot operate on more than one estimate against a single contract under the rules. Under the circumstances it is not possible to lay down a time lag even between the commencement of works and sanction of estimates. Attention of the Engineering Organisation has been repeatedly drawn to this irregularity and to curb it the Secretary, Buildings and Roads, is required to submit to the Capital Administration a fortnightly return showing arrears of technical sanctions.

Postings of Expenditure by sub-heads in work abstracts and registers of works. As regards the posting of expenditure by sub-heads in the work abstracts and registers of works, it is pointed out that in the case of some old and unimportant works it has been ordered by the Superintending Engineer (Construction) to dispense with the posting of expenditure by sub-heads. This is within the powers of the Superintending Engineer. As regards other works the subordinate offices are taking action to post the expenditure by sub-heads and fill in progress of works and rates of cost. In this connection it may be mentioned that in the absence of the expenditure being posted by sub-heads, the total expenditure is watched by the Executive Engineers with reference to the total estimated amount for the works concerned.

A copy of the Report submitted by the Chief Accounts Officer may be seen at Annexure 'A'.

Arrears in stock accounts, etc. All the stock returns up to the period ending September 1952 have since been compiled and submitted to the Chief Accounts Officer for check. Those for the half year ending March 1953 relating to Public Health Division No. 1 and Capital Project Division I are under compilation and will be submitted shortly. The materials at site accounts have since been compiled. It is pointed out that the works are mostly done at through rates and the materials are issued to contractors in accordance with their agreements according to the requirements of each work.

Check of land compensation Payments. The latest position regarding check of payments of land compensation is that accounts to the extent of Rs. 43 lacs out of a total of Rs 62 lacs have been submitted to the Chief Accounts Officer with detailed vouchers and award statements after check. Vouchers amounting to Rs 29,800 are, however, yet awaited from the Accountant-General, Punjab and award statements to the extent of Rs 19 lacs are to be prepared by the Estate Officer and accepted by the Custodian, Evacuee Property, Jullundur. In this connection it is pointed out that a lump sum of Rs 35 lacs was advanced to the Custodian, Evacuee Property, as compensation for the evacuee lands likely to be acquired in connection with the Capital Project and vouchers and award statements are being prepared and submitted to audit as more and more evacuee lands are being acquired in accordance with the demands of oustees. In certain cases the delay is due to late receipt of acceptance of the compensation offered to the Custodian. The vouchers for Rs 29,800 and award statements to the extent of Rs 19 lacs will be checked and submitted to the Chief Accounts Officer as soon as received from the Accountant-General, Punjab, and Estate Officer, respectively.

Comparative cost of Government Residential Buildings on this Project with those of the Central Government

The information regarding the cost of residential buildings of various types constructed by Central Government is not available in this office. The required statement, cannot, therefore, be prepared.

Further information required by the Public Accounts Committee in this para is given below—

(i) *Progress of the project.* The progress of works during 1950-51 and 1951-52 was not very appreciable owing to manifold difficulties encountered in the initial stages of a Project viz., scarcity of material machinery, and technical personnel and emphasis on preliminary surveys, planning and designing. Most of these bottlenecks have by now been overcome and the construction activity has now got into its stride. Declaration of Chandigarh as the formal Capital of the State and moved down of a number of Government Offices are an eloquent testimony to the satisfactory progress of works at Chandigarh. A copy of the statement of the physical targets showing progress of works done in connection with Project is at page cclxxxiv

(ii) *Tenders.* Tender Notices are invariably advertised in leading Newspapers and copies thereof are also hung on boards outside the offices of the Executive Engineers for wide publicity.

(iii) There are adequate safeguards against pilferage in stores. The stores lying in the Stores Depots are checked from time to time. In the case of Stores issued to Contractors a statement of materials issued and used in construction is prepared before final payment is made and excessive issues, if any, are either recovered in kind or in cash.

Contract procedure. (a) The following classes of materials are supplied to Contractors. The rates are generally the same as market rates :

Cement, iron, bricks, coal, paints.

(b) The contractors make their own arrangement for the supply of wood and *bajri*.

(c) The bricks are supplied to Contractors. Since a large number thereof is required on the works, and they are not available through private agency to the extent required, the department runs its own kilns where bricks are burnt departmentally.

Bajri is not usually supplied to Contractors.

The works on this Project are entirely carried out at through rates except in the case of roads where road metal is collected by the Department and labour only is supplied by the Contractor. The supply of materials to Contractors is limited to materials which are not readily available near about the Capital site or which cannot readily be procured by Contractors on account of controls etc.

As regards tenders it is pointed out that tenders are invited from all contractors in the Punjab, P.W.D., B. & R. Branch and Capital Project. The contracts are given by negotiations also in certain cases. In the case of contracts as distinct from work orders tenders are invited in all cases and no contract is let out without calling for tenders. In the case of Work Orders quotations are invited for works amounting from Rs 1,000 to 10,000. Works below Rs 1,000 are given without calling for quotations.

Chandigarh Capital Project

Serial No. 5. The irregularities pointed out by Audit have generally been attended to and removed, subject to the following observations :—

Cost Accounts. These accounts concern the maintenance of register of works and work abstracts. The position about these accounts is that the record of expenditure by sub-heads has been dispensed with in the case of certain unimportant works completed long ago under rule 7.63 (c) of Departmental Financial Rules. In other cases the Executive Engineers are taking action to post expenditure by sub-heads together with the rate of cost and progress of work done. It is hoped that the arrears will be cleared shortly. In this connection attention is invited to the note recorded by the Chief Accounts Officer, —*vide Annexure 'B'*.

Stores Accounts. Physical verifications of stores has been done in the case of the stores of Capital Project Division No. I except for the item of steel, verification of which is in hand. The stores of Public Health are in the course of verification. The Stock Returns of Capital Project Division I, upto the half year ending September 1952, have since been submitted to the C. A. O., and those of the half year ending March 1953 are in hand. There are accounts arrears in Capital Project Division No. I and arrear staff has been put on the clearance of all arrears. The stock returns of P. H. Project Division No. I up to the half year ending September 1952 and Capital Project Division No. III for the half year ending March 1953 have also been submitted to the Chief Accounts Officer. The compilation of the stock return of Public Health Division No. I for the half year ending March 1953 is in hand.

This matter is being earnestly pursued by the Chief Accounts Officer with the Chief Engineer Capital and Divisional Officers and will be straightened shortly. Chief Accounts Officers' report on this point may also be seen at Annexure 'B'. Recently the C. A. O. has evolved a new procedure for physical verification of stores by an agency independent of the Engineering Organisation, directly under his own control. With the approval of the Finance Department it has been decided to adopt the new procedure which, when enforced, will ensure sound control and inspection of all stores and their accounts.

Serial No. 7. In this Project there are arrears in Capital Project Division No. I. The arrears accumulated due to the heaviness of work in that Division. An additional accounts clerk has since been put on the clearance of arrears. The list of arrears is given below:—

(i) Compilation of stock return for the half year ending 31st March 1953.

(ii) Clearance of old items from P. W. Miscellaneous Advances.

(iii) Disposal of S. E.'s Inspection report for 1952.

(iv) Preparation of rental statements of all residential buildings tentage accommodation and Rest-house.

(v) Inspection of Sub-Divisional Offices.

(vi) Compilation of T. & P. Returns for the period ending 30th September 1951 and 30th September 1952.

Serial No. 17. In this project there is no delay in any Division in the disposal of audit objections except in the case of Capital Project Division No. I. The causes of delay in that Division is the accumulation of arrears as explained in serial No. 7. steps are being taken to ensure that such delays are avoided in future.

STATEMENT SHOWING

Serial No.	Name of Sub-Head	PHYSICAL TARGETS ATTAINED:	
		1951-52	1952-53
A.—Development costs			
1	Land Acquisition and Survey	6,331 acres acquired Rs. 27.92 lacs	80 acres. Rs. 4.49 lakhs.
2	Roads and Bridges	Roads 3 miles Bridges 38 Numbers	Roads 18.71 miles Bridges 45 Numbers.
3	Storm Water drainage	Nil	2 miles
4	Sewerage	Nil	7 miles
5	Electricity	Two engines of 200 K.W. each 11 K.V. Line—4 miles 400 Volt. Line—2.6 miles	100 K.W. engine. 44 miles. 2.2 miles. Sub-mains—2 miles. Sub-stations—2 Numbers.
6	Landscaping	Hedges and lawns laid for one office and residential buildings (131 Nos. One Nursery started at Capital Site.)	Hedges and lawns completed in office and all residen- tial houses of construction staff with over plants ready.
7	Civic Works		Nursery Schools .. 2 Junior Secondary School 1 High School .. 1 Health Centre .. 1 (2 per cent)
8	Sukhna Channel		Preliminary Surveys done by Irrigation Branch.
9	Railway siding		Preliminary investigations made (45 per cent)
10	Publicity	No Plots sold	About 5,000 Plots sold .25 per cent
11	Maintenance		13 per cent
B.—Non-Development costs			
1	Water supply	4 miles laid	33.1 miles laid 22 tube wells sunk.
2	Non-Productive Works	One Office buildings and 131 residential buildings for const. staff completed (2 per cent).	400 permanent residential buildings for Government servants completed and 2,500 buildings in hand. (18 per cent).
3	Productive Government build- ings		One laboratory Assistant employed for carrying out tests of stand, earth ground etc.
4	Research		One C. E.'s Office, 2 S.E.'s Offices with about 10 Xens with S. D. Os. worked on the Project.
5	Establishment	One C. E.'s Office one S.E.'s Office with 4 Xens and with S. D. Os. worked on the Project	
C.—Recouple expenditure			
1	Tools and Plants		22 Government shops completed and another 22 in hand (shops and Shop- cum-flats) (12 plus 10).
2	Revolving Fund		

A

PHYSICAL TARGETS

PHYSICAL TARGETS EXPECTED TO BE ATTAINED

1953-54	1954-55	1955-56
Acquisition work since completed but Rs 10.15 lacs will be paid during this year as payment could not be made last year.	Acquisition work since completed. A sum of Rs 1 lac will however be paid during this year.	Rs 1 lac.
Roads—38.42 Miles	Roads—39.14 Miles	Roads—32.96 miles.
Bridges—50 Numbers	Bridges—150 Numbers	Bridges—117 Numbers.
47 miles	48 miles	36 miles.
14 miles	50 miles	36 miles.
2 Numbers 240 K.W. sets	2 Nos. 500 K.W. sets	2 miles.
3.75 miles	2 miles	2 miles.
2 miles	2 miles	2 miles.
8 miles	2 miles	2 miles.
Sub-stations—8 Numbers	2 Numbers	
9 per cent	33 per cent	25 per cent
Junior Secondary Schools .. 2		
Maternity Hospital .. 1		
College for men and women .. 1		
Girls School .. 1		
Swimming Pool .. 1		
Health Centre .. 1	31 per cent	25 per cent
Public Urinals and W. C. Sector 22 and 23.		
Police Station and Kotwali .. 1		
Town Hall .. 1		
(18 per cent)	17 per cent	17 per cent
(17 per cent)		
Detailed Survey and Works 3 per cent		
20 per cent	25 per cent	25 per cent
10 per cent	15 per cent	15 per cent
55.0 miles of pipe line, and under-ground reservoir and 12 tube-wells	65 miles of water lines to be completed 26 tube-wells to be sunk underground reservoir to be completed.	26 tube-wells to be sunk 82 miles of water lines to be laid one under-ground reservoir to be built.
All types of residential accommodation 90 per cent High Court About Rs 15 lacs on Secretariat Government Printing Press (29 per cent)	15.5 per cent	14.5 per cent
3 per cent	10 per cent	10 per cent

ANNEXURE 'B'

Chief Accounts Officer's note on the observations and recommendations of the Public Accounts Committee selected for examination in connection with the Appropriation Account, 1950-51 and Audit Report, 1952.

Incompleteness of Cost Records. It was noticed that in the majority of cases of major works carried out in the Capital Project Divisions, the progress had not been recorded, nor was any rate of cost struck. In certain cases, even the posting in the Registers of Works was not made by Sub-Heads. This was a serious defect which rendered it very difficult for the Sub-Divisional and Divisional Officers to exercise adequate financial control. The irregularity was accordingly brought to the notice of the Divisional Officers in a circular letter in November 1952 and also through Audit Notes each month. Despite this, things did not register any improvement. The matter was, therefore, taken up on higher level and the Chief Engineer, Capital Project, was asked to issue strict instructions to the Divisional Officers to complete the accounts of cost records immediately. There has now been some improvement. The Registers of Works and Work Abstracts have been completed in respect of Public Health Division No. II and Capital Project Divisions No. II, III, IV and V. As regards Public Health Division No. I and Capital Project Division No. I, the position is still unsatisfactory, and the Chief Engineer is being requested to see that the records in respect of these two Divisions too are brought to shape without any further delay. The matter is being pursued vigorously by the Internal Auditor staff.

Physical Verification of Stock. Soon after the formation of the Chief Accounts Officer's Organisation, in October 1952, it was found that the state of accounts of the Stores Organisation of the Project was not up to date and was generally satisfactory. The half-yearly stock returns were badly in arrears. Inspection of the Stores Sub-Division of Capital Project Division No. I was, therefore, taken up by the Chief Accounts Officer's staff in the month of January 1953. This brought to notice, a number of irregularities in the upkeep of Stores Accounts and these were brought to the notice of the Chief Engineer (Capital) and the Capital Administration. It was suggested that the physical verification of stock should be undertaken without delay. In pursuance of this suggestion the verification of stock actually started on 1st May 1953 by an officer and staff of the Engineering Department together with the staff of the Chief Accounts Officer's Office. Simultaneously, the Chief Engineer was requested to take immediate steps to get the stock registers, the monthly stock papers and the half-yearly balance returns brought up to date to arrive at the correct book balances of the various items of stock. When these book balances are ready, they have to be reconciled with the actual physically verified balances, and differences are to be adjusted by taking the surplus items as receipts and showing deficits as issues. Where the deficits are comparatively substantial, separate investigation is to be made to account for the deficits, to see whether there have been leakages and to fix responsibility. The present position is that physical verification of stock in Project Division No. I is complete except a few items of round M. S. Bars. The checking of this item weighing about 4,000 tons is stated to be a long process and will take some time. The Chief Engineer is being urged to arrange for completing these items also.

The physical verification of stock in the Public Health Division No. I is still in progress. The Chief Engineer is being asked to expedite the matter and furnish results of verification to enable this office to see :—

- (1) Whether or not the position regarding the calculation of book balances is correct as compared with the actual physically verified balances.
- (2) Whether or not there are any serious deficiencies, and

(3) that the opening balances after the date of verification have been taken on the basis of physical balances.

A further report will be submitted on completion of the physical verification and after receiving from the Divisions, the book balances and other returns.

It has been suggested to the Chief Engineer (Capital) that a separate Division for Stores should be constructed without further delay and he has promised to do it. Unless this is done, things may not improve as rapidly as one would desire.

cclxxxviii

COPY OF D.O.

Office of the Chief Accounts Officer, Capital Project, Chandigarh Capital.

D.O.No.—

Dated

My dear

Will you kindly refer to your note submitted to Government in connection with the points selected by the Public Accounts Committee on Appropriation Accounts Committee on Appropriation Accounts, 1950-51 and Audit Report, 1952?

In respect of the cost accounts, it is stated that the record of expenditure by sub-heads has been dispensed with in the case of certain unimportant works completed long ago. Under para 7.63(c) Departmental Financial Rules, the Superintending Engineer is, no doubt, competent to dispense with the maintenance of accounts by sub-heads for any work if he considers that the circumstances of the work render such accounts useless or impossible to maintain, but he is required at the same time, to forward a copy of his orders, specifying the reasons, to the Accountant-General (now to the Chief Accounts Officer). A copy of his orders has not been received in my office so far.

Will you kindly ask the Superintending Engineer to intimate the particular unimportant works in respect of which the necessity of posting expenditure by sub-heads has been dispensed with, as also the reasons therefor?

Yours sincerely,
S. SIVARAMA KRISHNAN

Shri P. L. Verma,
Chief Engineer,
Capital Project,
Chandigarh.

The 28th August 1953

No. CAO/AR/1244. Copy forwarded to Shri B. B. Vohra, Deputy Secretary to Government, Punjab, Capital Project, Chandigarh, for information, with reference to his D.O. letter No.C-7206-53/5215, dated the 26th August, 1953. This point will be examined on receipt of reply from the Chief Engineer, Capital, and necessary modifications, if any, will be added to the note already submitted with D.O. letter No. CAO/AR/1237, dated the 27th August 1953. In the meantime, that note may stand.

Sd.
Chief Accounts Officer,
Capital Project, Chandigarh

ANNEXURE XV

Punjab Public Works Department, Electricity Branch.

*Note on the working of the Thermal Electric Supply Schemes,
Co-ordinated, in particular, with load that is intended to
be developed by gradual stages from Bhakra-
Nangal and the extent to which it is
expected to be utilized in the
State and other connected
matters*

Reference para 6 of the proceedings of a meeting of the Public Accounts Committee held on the 29th January 1953, at 10 a. m. in the Committee room of the Nangal Secretariat—page 51 of the Report of the P. A. C. on the Appropriation Accounts of the Punjab Government for the year 1948-49 and 1949-50.

It will be recalled by the Members that the issue raised by the Committee related to the development of load in the Industrial Townships only and as such this Note deals only with the Thermal Schemes which feed the Industrial Townships set up by the State Government. The rest of the Thermo Schemes which are in operation have not been taken into account in this Note.

At the very out-set it is necessary to explain, at least briefly, the necessity which led the Government to undertake the Thermo Electric Scheme in question. Immediately after partition of the Punjab Province, the main problem ahead was the rehabilitation of displaced persons, coupled with the importance of retaining displaced industries in the State. Therefore, it was necessary to make immediate arrangements to achieve the two objects viz. (a) rehabilitation of refugees and (b) preventing migration of industries and capital from the East Punjab to other provinces due to lack of requisite facilities. It was also considered that establishment of small industries would provide a nucleus for future larger industries and, as such they will provide a developed load for the Nangal Project when it came into operation. If the demand of industrialists was not met with, there was every risk of the industrialists migrating to other Provinces and the chances of rapid development of load on the Nangal Project would have been comparatively poor. With these factors in view, Government set up a Committee to determine the likely areas for industrial development and this Committee recommended the setting up of industrial centres at Bahadurgarh, Sonapat, Panipat, Jagadhri, Khanna and Rupar. While these arrangements were in view, Government launched on Grow-More-Food Campaign and the Jagadhri Tube-well Electrification Scheme was taken up as a part of the Five-Year Plan under the control of the Irrigation Branch. A good deal of load was required for the tube-wells to be installed under this scheme and arrangements for that had also to be made. Therefore, two diesel sets of 2,500 K.W. and 750 K.W. capacity were arranged for installation at Panipat and two sets of 550 K.W. each at Jagadhri to meet with the total requirements of the industrialists in the Industrial Colonies at these places, as well as of the Jagadhri Tube-well Scheme. For the rest of the places mentioned above it was proposed to set up independent diesel power stations with the following capacities as recommended in a joint note prepared by the Director of Industries, East Punjab and the Secretary, Electricity, dated the 16th August, 1948 (Appendix 'A'):

1. Sonapat.. 2—250 K.W.Set.
1—100 K.W. Set.
2. Bhadurgarh.. 1—250 K.W. set.
1—100 K.W. set.
1—50 K.W. set.

Khanna and Rupar Industrial Township Schemes were dropped later on. At Sonapat, it was decided subsequently to give supply from the Branch's Panipat Thermal Plant and, pending installation of that plant, some load was arranged from the local Electric Supply Co.

In the meeting held at Simla on the 14th February, 1951, it was decided by the officers present that the Electricity Branch should lay down their mains and substations both in regard to the street lights and the distribution of power all over the industrial area in the towns selected for the purpose irrespective of the fact whether there was any immediate demand in any particular area of the townships or not and even if the factories being installed were scattered all over the townships. In spite of the fact that the Under-Secretary, Electricity, explained that in order to implement the said decision of the Committee the Branch will have to entirely forget the standard formula for financial justification and considerable portion of these mains and sub-stations etc., were likely to remain idle for a considerable time thus involving loss, the representatives of the Relief and Rehabilitation and Industries Departments insisted that this should be done irrespective of the losses involved, if any. With a view to enable the Department to proceed with the implementation of the decision, full details of lay-out showing the existing and proposed roads, sewerage and other works, allotment of plots etc. etc. were called for from the Departments concerned. The Director of Industries sent in a list of the allottees of plots in respect of all the industrial areas mentioning against each the name of the allottee, nature of industry and the load required by each. This list showed a number of plots having been allotted in each industrial centre as detailed below :—

(1) Jagadhri	Plots
..	80
(2) Bahadurgarh	..
..	55
(3) Sonapat	..
..	57
(4) Ludhiana	..
..	above 600
(5) Panipat	..
..	88
(6) Jullundur	..
..	above 150

Note: Jullundur and Ludhiana A and B were also selected for the purpose, where power could be arranged from the Uhl River Hydro-Electric Scheme and it was not necessary to instal any thermal set.

According to a note on the development of industrial area prepared by the Industries Department in the middle of 1951 and total number of applications received for allotment in six industrial areas mentioned (Jullundur, Ludhiana, Jagadhri, Panipat, Sonapat and Bahadurgarh) up to the 30th April, 1951 was 3,553 involving approximately an area of 3,660 acres. The total number of plots allotted up to that date was 974 out of which full cost was said to have been paid by 834 allottees and total recoveries on this account amounted to Rs 14,11,851 in addition to a sum of Rs 54,000 as earnest money from other allottees. The number of allottees who had at that time actually started construction of factories as stated in the above-mentioned Note, was as below :—

(1) Ludhiana	8
(2) Jullundur	..
(3) Jagadhri	7
(4) Panipat	..
..	4
(5) Sonapat	..
..	8
(6) Bahadurgarh	..
..	1
..	Nil

Again in this note it was alleged that one of the bottle-necks in the slow progress of setting up of industries was the non-availability of electric supply although the installation of thermal sets at Panipat and Jagadhri had been completed and the sets put into commission. The position was examined on receipt of this note and it was found that the allegation against the Electricity Branch for not supplying electricity to the industrialists made therein, was very much incorrect. The position at that time was explained to the Rehabilitation Department which is summarized below :—

Jullundur and Ludhiana	..	No difficulty with regard to the availability of power. Demand for connections very low.
Panipat	..	Power House was commissioned in December, 1950 (i.e. 6 months back) but little or no demand for power from the industrial township.
Jagadhri	..	As against Panipat. However, this was the only industrial township where there was at least some activity by the allottees.
Bahadurgarh	..	One generating set was put into commission in May, 1951, but there was absolutely no activity in the industrial township and not even one allottee had started erection of factories.
Sonepat	..	Absolutely no activity in the industrial township. The construction of even the buildings of the two important factories—M/s Atlas Cycle Industries and M/s Bawa Iron and Steel Works Limited—had not been started at that time what to speak of installation of machinery.

The position with regard to the development of industrial townships at the end of December, 1952, was as follows :—

Name of Industrial Township	Number of connections given as on 31st December 1952	REMARKS
1. Panipat ..	12	
2. Jagadhri ..	11	
3. Sonepat ..	6	
4. Bahadurgarh ..	..

Note Jullundur and Ludhiana have not been taken into account, as this note deals with Thermo Schemes only.

It will be seen from the above that there has been very little (negligible, if it is not too much to say) response from the industrialists, who were either expected to establish in these industrial townships or even were actually allotted the plots. It is not within the purview of the Electricity Branch to comment on this poor development, and as verbally explained by the Secretary, Electricity, in the meeting of the Public Accounts Committee, this aspect of the case may be referred to the Industries Department, if the Committee considers such an action necessary.

Now dealing with the loading conditions, at each of the industrial centres where the Branch has installed thermal sets, viz., Panipat, Jagadhri and Bahadurgarh, it may be added that in view of the most unsatisfactory development in the industrial area at Bahadurgarh, it was decided not to actually instal the two 240 K.W. sets which had already been received thereby avoiding incurring further capital expenditure and the same have, therefore, been transferred to Capital Project in the best interest of public service. Only two small sets each of 50 K.W. and 17 K.W. capacity were accordingly installed there originally and another 50 K.W. set released from Palwal was added there about six months ago. This power has been found more than sufficient to meet with the requirements of few local applicants at Bahadurgarh, no load at all having developed in the Industrial Colony set up there. This town is also expected to be supplied with power from Faridabad shortly. Then the diesel sets there will become surplus and will be used at other thermal stations as may be required. The position with regard to Panipat and Jagadhri is briefly explained below :—

(a) Jagadhri

(b) Panipat —

Both the power houses installed at these places have been inter-linked for technical and economical reasons (inter-linking transmission line being covered under Nangal Project) and the sets installed therein have been fully loaded. In fact there is no surplus power now which can be supplied to the areas outside the present reticulation and the Branch has issued a press note to this effect. In this connection a copy of the Electricity Branch's Memorandum, dated 1st July 1952, which has been approved by the Irrigation and Hydro-Electric Development Committee of the Cabinet is enclosed (Appendix 'B'). Owing to very rapid development of the I.B. Tube-well load (G.M.F. Scheme) and the consequent shortage of thermal power at Panipat and Jagadhri, it has recently been decided by Government that with the exception of I.B. tube-well load all new industrial connections should either be refused or given on a restricted-hour basis if possible.

It will be seen from the above that the sets installed by the Electricity Branch for various schemes have and are being used in the best interest of the public and that these are not at all lying idle on account of poor development of industrial townships as it seems to have been assumed.

A statement showing the working of these Schemes is enclosed (Appendix 'C'). It will be seen from this statement that these schemes have been running at loss. As already explained above, these thermal plants were installed not as commercial proposition but with a view to developing the industrial load and encouraging Grow-More Food Campaign. The loss can thus be generally attributed to low rate of annas 2 per unit (less than the generation cost) purposely fixed for industrial and agricultural supply so as to encourage these developments, poor development of load at initial stage (this factor needs explanation of the Industries Department, and also to the delay in the sinking of the tube-wells under the Jagadhri Tube-wells Scheme. It will, however, be of interest that a connected load to the extent of 6,200 K.W. has been developed by these Schemes up to March, 1953, for the Nangal-Bhakra Project.

In so far as the utilization of power to be generated by the Bhakra-Nangal Power Project is concerned, a special committee consisting of Secretary, Electricity, Director of Industries, Director of Agriculture and Transport Controller was set up by Punjab Government in the later portion of the year 1950 to put up concrete proposals for effective and economic utilization of the power. A copy of the report submitted by the Special Committee on Ways and Means is enclosed (Appendix 'D').

In accordance with the recommendations contained in the Ways and Means Report referred to in preceding paragraph, load survey of the State of Punjab and PEPSU has been conducted and that for the State of Rajasthan is in hand. Electricity Tariff Advisory Committee, Punjab, has also been set up to recommend the rates for supply of power. This Committee is expected to finalize its recommendation on the rates to be adopted for Nangal Hydro Supply in its final meeting to be held from 9th to 11th of July, 1953. Efforts are being made by the Branch for publicity and propaganda. As will be seen from Ways and Means Report, a provision has been made for rendering financial assistance to prospective consumers to enable them to get their oil plants converted into electric-drive immediately with the availability of Nangal Power. Position of the load in brief is given in the enclosed statement (Appendix 'K').

It is note-worthy that according to the present load forecast (Appendix 'K') there are good prospects of the utilization of the power to be generated from the Bhakra-Nangal Power Project.

APPENDIX 'A'

There is at present a considerable demand for electric power in the East Punjab from persons who have migrated from West Punjab. So far as the area served by the Mandi Hydro-Electric Scheme is concerned, it is possible to meet such except at Ludhiana where the present equipment is already overloaded, but as a considerable portion of the population who have migrated from West Punjab, have settled in the Districts of Ambala, Karnal, Rohtak, etc., which are not served by the Mandi Scheme, this part of the demand cannot be met. The Nangal Power Project which is to serve these districts will yet take about 3½ years to complete. At present there are some private supply companies in a few of these towns, but their plants have become old and as they were not able to make any replacements or additions at present. It is necessary to make immediate arrangements to meet this demand as (a) this will help in rehabilitation of refugees which is the immediate problem before Government, and (b) it will prevent migration of industries and capital from East Punjab to other neighbouring States. Such small industries started now will provide a nucleus for future development of larger industries and as such they will provide a ready built load for the Nangal Project when it is ready. On the other hand, if this demand is not met now, these industries are likely to migrate to other neighbouring provinces and the chances of a rapid development of a load on the Nangal Project will be poorer.

2. Here it may be pointed out that when the Nangal Power Project was originally planned, the industrial load in West Punjab was also in view. The area of East Punjab is only 2/5th of the undivided Punjab, and therefore, this power has now to be consumed in only 2/5th of the original area. It is, therefore, very essential that all possible efforts be made to rehabilitate the displaced industries from West Punjab in the East Punjab so as to form a nucleus of rapid development when Nangal Power becomes available.

3. The only way to meet the present demand for electric power quickly is to instal small diesel power stations in a few selected places considered suitable for industrial development. Government recently set up a committee to determine the likely areas for industrial development and this Committee has recommended the setting up of industrial centres of Bahadurgarh, Sonapat, Panipat, Jagadhri, Karnal and Rupar for the present. Out of these places, arrangements have already been made to instal one 2,500 K.W. and one or two 550 K.W. sets at Panipat. This will feed also a tubewell load of about 2,000 K.W. in a 30 miles radius round Panipat. For other places it is proposed to set up diesel power stations with the following capacities :-

Jagadhri ..	—2—500 K.W. and One—250 K.W. Sets, with the prospects of adding a third 500 K.W. set after a year or so as the demand increases
Sonapat ..	2—250 k.W. sets 1—100 k.W. set
Bahadurgarh	—1—250 k.W. set 1—100 k.W. set 1—50 k.W. set
Karnal ..	—2—250 k.W. sets 1—100 k.W. set
Rupar ..	—1—250 k.W. set 1—100 k.W. set

4. These are tentative proposals with the object of keeping the initial cost as low as possible but as soon as the load develops and the demand increases, further sets will be added if required. The delivery position of diesel power plants is so good at present that we can depend on this contingency without any risk. These proposals mean that it will be possible to take up a maximum demand of 4,350 K W. This is a very conservative proposal and it is expected that it will be possible to build up this much load very rapidly in view of the fact that the non-muslim population who have migrated from West Punjab were using industrial power to the extent of over 10,000 K.W.

5. The total cost for the purchase of the diesel power plants listed above is likely to be Rs Eighteen lacs approximately. Since Nangal Power will become available in all the above towns by 1952, and allowing one year from now for the purchase and erection of these power plants and the distribution systems connected thereto it will mean that the diesel power plants will be used only for a period of about 2½ to 3 years. In view of this short period, these sets will not pay back their cost and the installation of these diesel plants will not therefore be a financial by justified proposition in itself. However, the indirect advantages by retaining the industries in the Province will mean better prosperity in the long run as such industries will provide employment for the people, and yield indirect revenue to Government. This industrial development will also bring about rapid growth of revenue when Nangal Power is ready.

6. The maximum rate at which industrial power is being sold from the Mandi Hydro Electric Project is 18 pies per unit. This applies to loads below 4 K W. For higher loads the rate is lower on a sliding scale. In the case of small diesel plants which are being proposed for the industrial centres enumerated above, the generation cost of the power station busbars will be about 30 pies per unit, including interest and depreciation on the capital cost. The running cost, excluding interest and depreciation will be about 21 pies per unit. It will thus be not possible to sell the energy from these diesel plants at rates prevailing in the area served by the Mandi Scheme. On other hand, unless the rates offered to industry are sufficiently attractive so that the industries can run economically at these rates the industrial development will not take place as rapidly as desired and the purpose for which these power plants are being installed will be forfeited. Since the rates of power for Mandi Scheme were fixed several years back and prices have gone up it is considered that if we can offer a rate of 2 annas per unit to industry it should be quite reasonable and attractive under the present circumstances. As this rate is less than the overall generation cost, and as major portion of the power is likely to be consumed by industry, there is likely to be a loss to Government of about Rs.3 lacs per annum or a total of about Rs. nine lacs in three years. However, in view of the indirect advantages stated above and for solving the problem of rehabilitation of industrial consumers displaced for West Punjab, it is considered that this loss should not stand in the way of Government sanctioning these schemes. As soon as Government accepts this policy, an order for the diesel sets listed above will be placed on the basis of competitive tenders. Project estimate for each scheme will be submitted to the Finance Department in due course.

7. Besides the above the Electricity Branch has already in hand the electrification of Gurgaon for which power in bulk to the extent of 100 K.W. is to be purchased from the R.A.F. Thermal Station at Gurgaon. The maximum demand there, with the on rush of refugees to that place and judging from the number of applications received recently, is expected to be in the neighbourhood of 400 K.W. Negotiations are afoot with the Ministry of Defence for the additional power required at Gurgaon. In case it does not mature we may have to instal thermal station of our own there also.

The Project for installing a thermal station for electrification of Palwal has already been submitted to Government.

In addition to the above, the following four licences for Electric Supply Undertakings, which expire in early 1949 are being required by Government and projects are being submitted to Government within a week or so for augmenting the existing generating capacity of these stations with the following additional sets:—

Karnal .. —2 of 350 kW

Moga —2 of 250 kW

Fazilka —1 of 100 kW

Abohar .. —180 kW has already been received by the Licensee for installation there

All the places mentioned above will offer additional power and help in resettlement of refugees from the West Punjab.

S.N. KAPUR,
Director of Industries,
East Punjab, Simla.
Dated 16th August, 1948

S.S. KUMAR,
Chief Engineer & Secretary to
Government, East Punjab P.W.D.
Electricity Branch, Simla.

APPENDIX B

PUNJAB PUBLIC WORKS DEPARTMENT

ELECTRICITY BRANCH

Memorandum Dated 1st July, 1952

Subject : *Availability of power from the Panipat and Jagadhri Thermal Power Stations.*

Thermal Power Stations at Panipat and Jagadhri were installed for the supply of electricity primarily to tube-wells to be sunk by Irrigation Branch in the Jagadhri Indri, Karnal and Panipat areas and for meeting the demand of the displaced industrialists who may establish themselves in the Industrial Colonies set up by Government at Sonapat, Panipat and Jagadhri till the advent of the Nangal Hydel Power which at that time was expected to be available by the end of 1952.

The sets installed are :—

Panipat	..	1—2500 K.W. de-rated capacity	2,250 K.W.	
		1—750 K.W.	Ditto—	650 K.W.
Jagadhri	..	2 Sets 550 K.W. each de-rated capacity		
		500 K.W. each		

As will be observed, the sets at Panipat do not make a good combination for commercial supply as the power that can be depended upon from this stations is that of the capacity of the smaller machine viz. 750K.W. set. At Jagadhri the primary power available is that from one 550 K.W. set as the other has to be accepted as stand by. Thus, the primary power available from Panipat and Jagadhri Power House is 650 and 500 K.W. respectively. These were the only sets which could be procured in the country at that time and it was with great difficulty that we prevailed upon the Central Government to allot these to the Punjab State for the purpose of "grow-more-food" and resettlement of industries.

With the installation of these two thermal power stations, the Electricity Branch has been flooded lately with applications for supply of power to various categories, prominently for private irrigation from tubewells and open wells. Many such applicants are also in the habit of sending copies of their applications to the Governor and Ministers, thus increasing correspondence all round. In view of the primary obligation of catering supply to the Irrigation Branch Tubewells and the Industrial Townships and the corresponding limited capacity of the generating plant, it is not possible to spare freely supply for other categories of consumers. A very careful study of the quantity of power available, as against the essential demands of the Irrigation Branch and the Industrial Townships, has been made from time to time and it has been found that only a very limited quantity of power can be made available to the general public from these power stations and that also involving considerable amount of risk.

The estimated ultimate demand (i.e. till the advent of hydro power from Nangal expected now in early 1954) of the essential loads of Irrigation Branch Tubewells, Industrial and refugee Townships; based on the recent study of the load position, may be taken as follows :—

(a) *Jagadhri Power House*

The peak demand of the essential load is estimated at 1000 KW. after allowing a diversity factor of 60 per cent on tubewell demand. At present, with only 16

Irrigation Branch Tubewells connected and the factories in the Industrial Township not in full working order, the peak load on the Power House is about 400 K.W. Electrification works for another 70 tubewells with a connected load of about 700 K.W. are in advanced stage of completion and most of them are expected to be in commission shortly. When all these tubewells are in commission the peak load on the Power House, taking into consideration some further development in the Jagadhri Industrial Township, will be in the neighbourhood of 1,000 K.W. As only 2—550 K.W. sets (derated capacity 500 K.W. each) are installed at Jagadhri, even this essential load will have to be restricted to the derated capacity of only one set—i.e. about 5,000 K.W. the other set being a stand by and at present not capable of parallel operation. It will thus necessitate staggering of even these essential loads in order to limit the peak demand to 500 K.W. in place of 1,000 K.W. as estimated above.

The question of parallel operation of these two sets has been examined but there is little hope of this materialising before another 7 to 8 months because some essential equipments have to be ordered from abroad. The third 550 K.W. set, which is locked up at Ferozepore as a stand by in case of failure of hydro power through Lahore, cannot be released for installation at Jagadhri till the middle of 1953-54. Following six months for its dismantlement, transport and re-erection at Jagadhri, its use cannot be made there till March 1954 by when Nangal Hydel Power is also expected to be available. As such, there would not appear any point in counting on the use of Ferozepore 550 K.W. set for use at Jagadhri. In Jagadhri therefore, there will be hardly any scope to give supply freely to the public at Jagadhri or to the Jagadhri Electric Supply Company till the advent of Nangal Power.

The practicability of installing the 2—240 K.W. sets (which were originally purchased for the requirement of the Industrial Township at Bahadurgarh but, on account of absence of any demand so far, are at present lying uninstalled) immediately at Jagadhri, has been examined. It is considered to be practicable to instal these two sets to augment the supply at Jagadhri provided it is decided by Government to drop out Bahadurgarh Industrial Township where no activity has yet been seen. Only two applications for supply of power aggregating to about 30 K.W. have recently been received but the applicants are nowhere near readiness to receive supply. With such poor demand for this Colony, it should be possible to meet these requirements by installing the 50 K.W. Diesel set at present installed at Palwal, and which is expected to be released in about three months' time at Bahadurgarh in addition to the 50 and 17 K.W. sets already installed there. Efforts are also being made to transmit power to Bahadurgarh from Faridabad by erecting transmission line between Okhla and Delhi Grid Substation and thence on to Bahadurgarh. But it cannot be definitely said as to when it will be possible because several formalities have to be observed with various authorities in Delhi State before work on these lines can be taken in hand. If it were decided to utilise these 2-240 K.W. diesel sets at Jagadhri, it will be so arranged that most of the Irrigation Branch tubewells load will be taken on these two generating sets, thus releasing the 550 K.W. set for the essential load of the Industrial Township and making whatever surplus power that can be spared available for the non-essential loads such as the Jagadhri Electric Supply Co. and the general public. Of course, all such non-essential loads will be subject to disconnection at a very short notice without any obligation on the part of Government.

(b) Panipat Power House

The combined peak demand of all the essential loads at this Power House may be taken as not less than 2,000 K.W. allowing a diversity factor of 60 per cent

for tubewell loads. This will consist of the loads at Karnal, Panipat and Sonapat on the basis of estimates of connected loads given below :—

237 tubewells to be sunk by I.B.	..	K.W. 2,370
Panipat Industrial Township	..	200
Sonapat Industrial Township	..	200
Panipat, Sonapat & Karnal Refugee Townships	..	100
Karnal Undertaking (including supply to Nilokheri)	..	450
Total	..	<u>3,320</u>

Against this, the primary capacity of this power House is only 650K W; i.e. the derated generating capacity of the smaller of the two sets. This is less than 30 per cent of the combined peak demand of the essential loads. This will mean that when the essential load consisting mostly of the Irrigation Branch Tubewells-develops, we will have to depend on the 2,500 K.W. set, with its derated capacity of 2250 K.W. The 2,500 K.W. set being oil fired is much more costly to run than the smaller steam set. Its high operating cost has been further enhanced by the recent rise in the price of diesel oil by 40 per cent thus increasing the total losses on this thermal power station. But, if full supply to the Irrigation Branch tubewells is to be given, there is no option but to run the costlier 2500 K.W. set to the maximum extent possible. During the closure of the 2 500 K.W. set, either for routine inspection or due to breakdown, even these essential loads will have to be drastically cut down and/or staggered. The periods of routine inspection (about 3 to 4 during a year) for the 2 500K W. set would, of course, be so arranged in consultation with the Irrigation Branch that, as far as possible, these periods may synchronize with those when the requirements of the Irrigation Branch are very small. Even then, the 750 K.W. set will not be able to cater for all the essential loads.

From the above it would appear that little or no power will be available for giving supply to the general public. But, unfortunately, the demand for agricultural tubewells in the Nilokheri-Karnal-Panipat-Sonapat areas and in the Pehowa area near Pipli is very great. Some rural distribution lines for supplying these areas have already been laid and the estimates for the supply of power to the Garden Colonies at Ganaur, Panchi Gujran and at Jundla and also to the Pehowa area have either been sanctioned or are under scrutiny. The enclosed drawing shows all this 11 k V. network—the lines in yellow indicating the network already constructed and those in yellow dotted lines indicating the network under construction or proposed to be constructed very soon. On a very conservative estimate, the overall peak demand of all the private tubewell loads expected from these areas may be taken as 700 K W. which is approximately equivalent to the derated generating capacity of the 750 K.W. set at Panipat. Giving supply to these non-essential loads will mean the complete booking up of both the sets at Panipat, leaving no standby, with the risk of partial or total shutdown of supply in case of breakdown of one or both of these sets. Of course, after the interlinking of the two power houses at Jagadhri and Panipat, as discussed in the succeeding paragraph, it will be possible to minimize this risk to some extent but, because of the old size of 2,500 K.W. of the biggest set as compared to the aggregate capacity of the remaining three sets, the risk will still be there, especially in case of breakdown of the 2,500K.W. set. Since the Government is naturally keen to supply power to the cultivators to the maximum extent possible in order to grow more food grains, certain amount of risk will have to be

But it will not be possible for the Electricity Branch to supply power to any area outside the areas mentioned above because of the simple reason that no more power is available, the total capacity of the two thermal stations having been completely booked as explained above and, even as it is, it endangers the primary purpose.

The transmission line between Panipat and Jagadhri has already been completed under the construction programme of the Nangal Project and it is, of course, technically feasible to interlink the two power houses, thus enabling them to supplement the requirements of each other during peak load periods and during low load periods, to enable running of one or more of the sets at either of the Power House more economically than would be otherwise possible, to enable this interlinking and parallel operation to be undertaken without risk of damage to plant and safety to the personnel, an independent telephonic communication between the two Power Houses and the Karnal Grid Substation is absolutely essential. Various alternative means of this telecommunication, including installation of wireless sets have been and are still being examined but there is little likelihood of this communication being established before the end of 1952-53.

This note is being put up for the information of the Irrigation and Hydro-Electric Development Sub-Committee of the Cabinet and for special notice and co-operation of the Development, Relief and Rehabilitation and Agricultural Departments from and through whom frequent demands for supply of power are received by the Electricity Branch. It is intended to inform the public that till the advent of hydro power from Nangal, there is absolutely no chance whatever of any electricity being made available to non-essential loads outside the areas mentioned above and that all such applications received in any of the offices of Electricity Branch will be filed away without any action being taken on them. Judging from the demands already received, a stage may soon arise when we shall have to put a halt to supply even in the areas already reticulated or are in the process of being reticulated.

The matter is put up to the Irrigation and Hydro-Electricity Development Sub-Committee of the Cabinet for information and approval.

APPENDIX C

Statement showing the Financial Results of the working of Panipat, Jagadhari and Bahadur garh Thermo Electric Schemes

Serial No.	Name of the Scheme	81—A Capital cost as on 31st March 1953	WORKINGS RESULTS											
			1950-51			1951-52				1952-53 (Budgeted figures)				
			Revenue	Working Expenses	Net Revenue	Interest	Revenue	Working Expenses	Net Revenue	Interest	Revenue	Working Expenses	Net Revenue	Interest
1	B—3 Panipat	Rs. 39,68,452	..	..	Rs. 1,24,458	Rs. 1,94,521	Rs. 8,96,550	Rs. —7,02,029	Rs. 1,33,598	Rs. 4,91,200	Rs. 13,17,300	Rs. —8,26,100	Rs. 1,98,660	
2	B—15 Jagadhri	10,10,897	41,039	54,295	—13,256	46,057	2,08,529	4,84,082	—2,75,553	61,356	..	94,200	—94,200	..
3	B—10 Bahadurgarh	2,00,280	..	..	..	9,999	6,283	36,487	—30,204	10,817	10,000	34,000	—24,000	17,460

(1) Working expenses for 1952-53 in respect of Panipat also include maintenance charges of Jagadhri Plant, as the accounts of both Panipat and gadhri Plants have been merged together due to the power houses at both these places having been interlinked.

(2) Rs. 94,200 shown against Jagadhri for 1952-53 represent only depreciation charges for that year, which will also be transferred to Panipat.

(3) The Capital expenditure shown against B—15 Jagadhri is also to be written back to the relevant schemes viz., Industrial Township and inside Licensed area.

APPENDIX D

PUNJAB P. W. D., ELECTRICITY BRANCH

Subject.—REPORT OF THE SPECIAL COMMITTEE SET UP BY THE IRRIGATION AND HYDRO-ELECTRIC DEVELOPMENT SUB-COMMITTEE OF THE CABINET.

on

Ways and Means for the utilization of electric power to be generated by the Nangal-Bhakra Project.

Reference.—Clause (V) of item numbers 2, 3 and 4 of the proceedings of the meetings of the Irrigation and Hydro-Electric Sub-Committee of the Cabinet held from 1st November to 3rd November 1950 relating to the development of load from the Nangal-Bhakra Project.

Enclosed please find one copy/———copies of the report by the Special Committee comprising, Secretary, Electricity Branch, Secretary, Irrigation Branch (Running Canals), Director of Industries, Director of Agriculture, and the Provincial Transport Controller, which was set up for this purpose by the Irrigation and Hydro-Electric Development Sub-Committee of the Cabinet.

The decision of the Irrigation and Hydro-Electric Development Sub-Committee of the Cabinet on the recommendations made by the Special Committee in this report shall form the basis of the machinery to be set up in the various Departments of the Punjab Government.

(Sd) S. S. KUMAR,
Secretary to Government, Punjab,
Public Works Department, Electricity Branch,
(Convener of the Special Committee).

D. A.

One copy of the report.
———Copies of the report.

1. Secretary, Irrigation and Hydro-Electric Development Sub-Committee of the Cabinet.
2. His Excellency the Governor of the Punjab.
3. Honourable Chief Minister, Punjab.
4. Honourable Minister for Public Works.
5. Honourable Minister for Development.
6. Honourable Minister for Rehabilitation.
7. Honourable Minister for Education.
8. Honourable Minister for Labour.
9. Financial Commissioner, Rehabilitation.

10. Financial Commissioner, Development.
11. Financial Commissioner, Revenue.
12. Secretary, Finance Department.
13. Secretary, Irrigation Branch (Bhakra Dam).
14. Secretary, Irrigation Branch (Bhakra Canals).
15. Secretary, Irrigation Branch (Running Canals).
16. Director of Industries.
17. Director of Agriculture.
18. Controller Provincial Transport.
19. Chief Engineer, Buildings and Roads.
20. Deputy Secretary to Government Punjab (Development).
21. Registrar, Co-operative Societies.
22. Director of Panchayats.

U. O. No. _____/, dated Simla, the 29th January, 1951.

PUNJAB P. W. D., ELECTRICITY BRANCH

REPORT OF THE SPECIAL COMMITTEE SET UP BY THE IRRIGATION
AND HYDRO-ELECTRIC SUB-COMMITTEE OF THE CABINET.

on

Ways and Means for the utilization of Electric power to be generated by the Nangal-Bhakra Project.

Reference.—Item Nos. 2,3 and 4 of the proceedings of the meeting of the Irrigation and Hydro-Electric Sub-Committee of the Cabinet held from 1st November to 3rd November, 1950 regarding Bhakra-Nangal Project.

Members—

- (1) Secretary, Irrigation (Running Canals).
- (2) Director of Agriculture.
- (3) Director of Industries.
- (4) Controller, Provincial Transport, and
- (5) Secretary, Electricity (Convener of the Committee).

The Engineers of the Public Works Department of Punjab (India) in the Electricity and Irrigation Branches are trying their best for the early, economic and efficient execution of the multi-purposes Nangal-Bhakra Project. According to the present forecast of the programme of construction of the electrical side of the Project, its different stages are expected to be completed on the dates mentioned below :—

<i>Stage</i>	<i>Description and capacity</i>	<i>Date of completion</i>
1st	.. <i>Nangal Project (Pre-Bhakra) KW.</i>	
	Installed Capacity—	
	4 units of 24,000 KW. each	96,000
	Stand by. One unit ..	24,000
	Effective generating capacity—	
	(or firm power) ..	72,000
		By April or May, 1953.
2nd	.. <i>Nangal Project (Post Bhakra)</i>	
	AND	
	<i>Bhakra (Two Units</i>	
	<i>Installed Capacity)</i>	
	Nangal 6 units of 24,000 KW.	
	each	144,000
	Bhakra 2 units of 80,000 KW.	
	each (if it is decided to proceed with their installation along with the construction of Bhakra Dam) ..	160,000
	Total ..	<u>304,000</u>

CCCV

Stage	Description and capacity	Date of completion
	Effective generating capacity— (or firm power)	
	Nangal 6 × 24,000 .. 144,000	
	Bhakra 1 × 48,000 (*) .. 48,000	
	(allowing one unit at Bhakra as stand by)	
	Total .. 192,000	1956-57
	(*) Against the rated capacity of 80,000 KW. under minimum water level condi- tions of the Bhakra Dam Reservoir.	
3rd	Nangal-Bhakra Project.	(*) Construction programme to be so regulated as to be in accord with the load require- ments.
	Installed Capacity—	
	Nangal 6 units of 24,000 KW. each .. 144,000	
	Bhakra (*) 4 units of 80,000 KW. each .. 320,000	
	Total .. 464,000	
	Effective generating capacity (or firm power)	
	Nangal per cent 5 × 24,000 120,000	
	Bhakra per cent 3 × 48,000 144,000	
	Total .. 264,000	
	Per cent (Keeping one unit at Nangal and one unit at Bhakra as standby).	

2. A copy of the statement of load forecast for the utilisation of power to be generated from Nangal-Bhakra Project during the first eleven years of the commercial operation of the Project (1952-53 to 1962-63) is attached to this report (Appendix 'K') This statement based on the memorandum prepared by the Electricity Branch has been prepared by the Central Electricity Commission after series of prolonged discussions between the representatives of Central Electricity Commission, the Electricity Branch, Irrigation Branch and Industries Department of the Punjab Government and CWINC of the Government of India. The estimated load forecast can thus be treated as fairly conservative. The completion of the construction of the Project and the forecast of the utilization of the available power are, however, not the ends to themselves. These are only the means to the end, the end being the *actual* utilization of all the available power, or rather an expeditious and remunerative sale of the power on one hand and the uplift of Industrial Agricultural, Social and General conditions of the State on the other (the two being co-related to and inter-dependent on each other) and this report is intended to suggest tangible ways and means and the machinery required to be set up for the rapid achievement thereof.

3. The commercial success of any Electric Supply Undertaking lies in the economic development of load which in turn depends entirely on overall planning in all its aspects in advance. Along with the work of power development and simultaneously with its construction, we must, therefore go ahead and create conditions in the country and the State that would make it possible for providing earliest possible use of the power to be generated to the benefit of the common man. The late Honourable Sardar Patel, Deputy Prime Minister of India, while inaugurating the last annual meeting of the Central Board of Irrigation and Power on the 24th October, 1950 strongly emphasized on this important aspect of the River Valley Projects in hand by making the following observations in his speech :—

“Unless we have an overall planning in advance, we cannot utilize to the maximum benefit the water which would flow or the electrical energy that would be produced.”

“Mere availability of canal waters or production of electrical energy was not going to solve the problem of a River Valley Project”.

“The planners must have a clear picture of the crops that should be grown, the layout of the fields and villages and the needs of villagers who would grow these crops as also of the industries which would actually be set up and the layout and plans of industrial undertakings and towns which would grow”.

4. The ways and means to be adopted or the machinery to be set up for the economic development of load with the maximum possible speed to the mutual advantage of the Electricity Branch as “Supplier” and of the Public or the State as “Consumer” may for facility in reference, be classified into 3 categories viz :—

(a) *General, i.e.* Applicable to all classes of supply or for all uses of electricity.

(b) *Special, i.e.* Applicable to individual classes of supply and

(c) *Departmental, i.e.* Pertaining to Departmental procedure of the Electricity Branch.

Each of these categories is dealt with below :—

5 *General.* This category comprises the following ways and means :—

(1) Publicity and Propaganda.

(2) Load Survey.

(3) Tariffs and Rates.

(4) Mill conversion Fund.

(5) Assisted or Subsidized wiring.

(6) Hire Purchase System.

(7) Arrangement for free advice to the consumers and prospective consumers.

(8) Rebate or special reduction in Rates.

A brief description of each of these eight ways and means is given in the succeeding paragraphs.

6. *Publicity and Propaganda.* It is true that electricity to-day is no longer a luxury, as it used to be considered in our State about two decades back ; it is an absolute necessity in all walks of human life, just like Atta, Rice, Clothes, etc. etc. Nevertheless, in view of the population of our Province being mostly rural, it is necessary to familiarise them with the extensive uses of electricity. It is said that in America the farmers use electricity for as many as 120 purposes. In countries like Canada, New Zealand, Switzerland, Sweden and Great Britain, we hear of "All-Electric Home". The fuel (Coal) used in domestic, commercial and industrial purposes can easily be saved by substituting electricity therefor, wherever possible. With Power generating Projects running into crores of rupees ; it is of imperative necessity that the power available should be promptly utilized, so that there should be little or no dead weight of interest, depreciation and other standing charges of Administration on the "unused" Capital Investment. Any money spent on experiments, trials and propaganda, will, therefore, be well laid.

Following concrete suggestions for Publicity and Propaganda, it is hoped shall produce tangible results :—

- (a) Descriptive articles on Nangal-Bhakra Project should be published in various Newspapers and Magazines of Punjab (India) periodically in different languages (English, Urdu, Hindi and Punjabi) specially to dispel from the public mind any apprehensions regarding the time by which power shall be available. This shall help in eliminating the possibility of the flight of potential industrialists to other States or their unnecessary investments in the installation of Thermal Plants for motive power.
- (b) Literature explaining the various uses of electricity in home, shop, factory and farm should be made available to the public liberally, i.e., leaflets, booklets and brochures and in different languages should be compiled for this purpose and posters exhibited at conspicuous public places. This literature should also contain information regarding "Cost to Consumer" in relation to the cost of other types of motive power. The advisability of engaging a special officer for this purpose and also to deliver public lectures on the commercial aspects of Hydro-Electric Scheme needs due consideration.
- (c) There should be frequent Cinematographic displays showing the uses of electricity in industry, in agriculture as also in day to day domestic and commercial life, as is being done in other countries.
- (d) Demonstration Touring Vans, duly equipped with various electricity consuming apparatus, should be used as an interesting and an educative medium of advertisement, specially in rural areas. Such visual demonstrations have borne fruitful results in all other countries in the development of the loads.
- (e) Electricity Branch should take liberal part in all big exhibitions and put up such exhibits there as should educate the masses in the various uses of electricity. This has been extensively followed by Western Countries and by the Madras State in our Country.

7. *Load Survey.* This is one of the most, if not the *most* essential and effective step which the Punjab Government should adopt for the quick development of load. The closest possible co-operation of the Industries, Agriculture, Co-operative, Land Revenue, Irrigation and Panchayats Departments is absolutely indispensable for any effective load survey to be conducted by the Electricity Branch, which can be of real practical value. Unless this is done, it would be a hard problem indeed to realize the projected loads. The work of "load survey" can be divided into two groups.

The First Group should deal with the work of collecting the complete data of all the Thermal Steam and Oil motive plants existing in the areas to be commanded by the Nangal-Bhakra Project as also in the Area of Supply covered by the Uhl River Scheme, and getting them converted into electric drive. The portfolio of this group should also cover the work connected with supplying of Hydro Power in bulk to all the Licensed Electric Supply Undertakings in Punjab (India) at present being run on Thermal Power..

The second group should be responsible for studying the genuine potentialities of industrial (huge, medium and cottage) and agricultural development in the towns and areas to be served by the Nangal-Bhakra Project and the areas embraced by the existing Uhl River Scheme

The first group should have Survey parties consisting of the subordinates Field Engineer (Commercial) of the Electricity Branch, whereas the Survey Parties of the Second Group should consist of the representatives of the various Departments referred to above.

BROAD OUTLINES OF THE WORKING OF LOAD SURVEY PARTIES

(GROUP FIRST)

Conversion of existing fuel plants into Electric drive.

(i) An up-to-date list of all the factories run by fuel plants in Punjab (India) embodying salient features of each factory and motive plant should be furnished by the Department of Industries to the Electricity Branch.

N.B. It would have been of interest to give here an idea of the total installed capacity of the motive power plants in the Punjab (India) and especially in the towns and areas embraced by the Uhl River and Nangal-Bhakra Projects, but due to pressure of work with the Chief Inspector of Factories, it has not been possible for him to furnish this information so far.

(ii) An account of each factory and plant shall be maintained on separate Card in the form of a loose-leaf ledger in the Head Office (Sales Section) of the Electricity Branch.

(iii) The factories should be grouped into reasonable manageable number of zones with due regard to location and each zone entrusted to a Load Surveyor to be attached to a Division, Circle or the Head Office's Sale Section of the Electricity Branch (where no Operation Circle exists).

(iv) The Load Surveyor should visit each factory in his zone, and verify the particulars collected from the Factory Inspector. He should be able to convince the Proprietor or the Manager of the factory of the manifold advantages of his running the factory by Electricity. The system of "approach" to a consumer

should not be on the lines of Canvassing, but should be more with healthy spirit of reforming the industrialists in their own interest. The visits should be repeated discretely at regular intervals until an undertaking is obtained for the conversion.

(v) The Head Office be kept in close touch with the progress made by the Load Surveyor on each factory. The Head Office shall be responsible for keeping a regular contact with each factory through series of business-like and convincing circulars (on the lines of colleges and institutions imparting education by post who pursue an enquiry for even 5 to 10 years) until the needful is done.

(vi) These Survey Parties should also contact the Lincensed Electric Supply Undertakings in their zones to do all that is required to make the Licensee take Bulk Supply from the Electricity Branch immediately Nangal Power becomes available in the area of the Undertaking.

(GROUP SECOND).

Survey of the scope of Industrial and Agircultural Development in East Punjab (India).

Two Committees of officials and non-officials called (i) Committee for large Scale and Factory Industries and (ii) the Committee for small scale and cottage Industries were appointed by the Punjab Government with effect from the 23rd March, 1948 (*vide* copy of the Gazette notification No. 4215-I&G-48/47028, dated the 1st September 1948, enclosed as Appendix 'M').

The functions of these Committees were to advise Government in regard to :—

- (i) the re-starting of Factories in East Punjab which had been c'osed down consequent on the partition of the Province of the Punjab and the civil commotion that followed it.
- (ii) the putting of other factories in East Punjab which were not working properly on a sound basis ; and
- (iii) the methods to be adopted to encourage the industrialisation of the Province.

Punjab Government has recently set up an "Industrial Development Sub-Committee of the Cabinet". As observed by His Excellency in the 1st meeting of this Committee held on the 5th December 1950, the Sub-Ccmmittee had been formed in order to see what could be done to remove handicaps and impediments in the way of the development of industries in this State. His Excellency further observed that in the present state of our finances, we should not think of new big industries and that it would be enough if we concentrated on the old ones and saw that they became running and flourishing concerns (*vide* proceedings of the meetings).

Whatever might have been the re-action of the Punjab Government, on the recommendations made by the 1948 large and small scale Industries Ccmmittees, referred to above we are unanimously of the opinion that a physical survey should be conducted of this Province in general and of the towns and areas cmbraced by the Nangal-Bhakra Project in particular, with a view to determining the *geruine and pracctial* potentialities of Industrial development so that based on the results of that survey a reliable forecast could be made of the amount of power required for the potential industries.

The following concrete suggestions are made in connection with the conducting of potential load surveys :—

- (a) An association should be formed of a representative each of Electricity, Industries, and Co-operative Societies with two representatives of leading manufacturers and industrialists of the State. This Association should chalk out a working programme of conducting the survey. As agriculture is the basic industry of our State, the proposed Association should simultaneously explore the avenues of rural electrification. For this purpose, it is necessary to have a representative each of the Agriculture, Irrigation, Development, and Panchayats Departments. As an alternative the advisability of having two different associations could be considered in order to make them more wieldy and to expedite action. Representative of the Industries Department and Electricity Branch shall be Ex-Officio Secretary of the two proposed Associations respectively.
 - (b) The proposed Associations should put up definite proposals for the organization required for the load surveys. Director of Industries has already put up to Punjab Government his proposal for setting up of a separate section in his Department in the Headquarters office under the charge of a properly qualified officer for the purpose of Industrial load survey.
 - (c) The survey parties should devote special attention to all factories on which the economy of industry depends e.g.
 - (i) availability of raw materials,
 - (ii) Cost of raw materials,
 - (iii) Availability of skilled and un-skilled labour,
 - (iv) Cost of labour,
 - (v) Transportation
 - (vi) Marketing facilities,
 - (vii) possibilities of bye-products and
 - (viii) possibility of cottage industry as should provide the maximum employment to the citizens and the rural inhabitants including women-folk.
 - (d) Fullst co-operation of all Civil Officers such as Commissioners, Deputy Commissioners, Revenue Assistants, Tahsildars and even Patwaries should be secured in carrying out the load survey. Fullst use should be made of the local authorities.
- Note.* A comprehensive memorandum containing direction for conducting the survey and detailed questionnaire and forms shall be prepared by the Electricity Branch.
- (e) Fullst use should be made of the recommendations of the Industrial Development Board of 1948 on item (iii) of their terms of reference viz., "Methods to be adopted to encourage the industrialization of the Province". According to the advice of the Director of

Industries, the report of the Industrial Development Board is a good guide, but it has to be co-ordinated with the actual needs or actual scope for the new industries which, in turn depends on a comprehensive load survey from place to place. Such a survey is most essential for proper planning of Industries as also for a correct estimate of the utilization of power.

8. *Tariffs and rates.* The tariffs for the supply of power to different classes of consumers and also the rates of charges for other services allied to the supply of power viz., Meter Hire, Service rentals, etc., etc., have a direct and an important bearing on the development of load and need most careful attention and consideration of the authorities, in charge of an Electric Supply Undertaking. Reasonability of the rates is a flexible and a relative phrase. Opinions can never be unanimous on this question in view of the clashing interests of the Suppliers and the consumers, more especially when the Supplier also is bound by economic and commercial limitations and does not get any subsidy or compensation for so many indirect benefits of his commodity (electricity). On account of the huge capital cost of the Nangal-Bhakra Project due to the present day high level of the cost of plant and machinery as also of labour and material the question of the tariff rates for supply of power in relation to those in force for the supply from the Uhl River is a most intricate and a taxing problem. Unless and until this subject receives special, concentrated and thorough attention of practical experts of electricity rate-making, it shall not be possible to expect a satisfactory solution of this problem. The desirability of having uniform rates for sale of power from both the Uhl River and Nangal-Bhakra Systems shall have to be seriously considered with due regard to the principles of accounting and auditing of a Public Works Department for determining the Productivity of a Project.

For large industrial consumers, an especially low tariff shall have to be given, depending on the *nature of industry* percentage of energy cost in normal operating expenditure, economic rate for proper growth and progress of the industry, its position in industrial and economic life of the people, its position with regard to the defence requirements of the country, its place in the competitive international market, etc., etc. This however is the one side of the picture, the other being the financial effect of the proposed industrial tariff rate on the economy of the Nangal-Bhakra Project. If such a tariff were not to affect adversely the economy of the Project as a whole, the matter would be quite simple. But in case the effect of it makes the project economically unsound (as unfortunately is the case with the Nangal-Bhakra Project, arising out of abnormally high capital cost), ways and means shall have to be evolved to tide over this difficulty. In the wider interests of the State, however, one thing is clear, viz., whether our power development project is profitable or not, we must develop our industries, including Agriculture by exploring all possible avenues for this purpose. No sacrifice should be deemed to be too great to give an impetus and a proper start to our new industries. Naturally, the question arises as to how to counteract the uneconomic effects of low rates, over the power development projects.

The following methods are suggested:—

- (i) Indirect benefits to be utilized for writing off some of the capital expenditure.
- (ii) Direct and indirect taxes on finished products of the industries to which power is sold at cheap rates, to be utilized for either writing off some of the Capital expenditure or to reduce the operational charges of the Electricity Branch.

- (iii) Betterment tax arising out of improvement of the land to be irrigated by Electric tube-wells, to be utilized either for writing off the Capital cost or to contribute towards operational charges of the Electricity Department.
- (iv) System of incremental or promotional rates (i.e. to subject the rates to imperceptible periodical increase).
- (v) Equitable apportionment of the capital cost of Civil Works between Electricity and Irrigation Branches.
- (vi) Equitable allocation of the capital cost of transmission over the different stages of the generating capacity of the Project.

Service Connections. Besides the tariff Rates for electricity, the cost of service connection also plays an important role in the development of load. According to the existing procedure, a prospective consumer is required to bind himself to a guarantee of a minimum consumption per month or per annum and also to pay a fixed amount of service rental (which in certain cases might be prohibitive). In certain cases a new connection on account of the capital cost involved does not prove to be commercially justified and the prospective consumer is required to pay the total cost in a lump sum including supervisory charges which in the case of Electricity Branch are as high as 24 per cent of the cost of work. These factors hamper the speed of new connections. The following alternatives are suggested to accelerate the speed of load development:—

- (a) In the case of unjustified Service Connections Electricity Branch should demand only the difference in cost between the total cost and the justified cost. Departmental Supervisory charges of 24 per cent should not be levied as after all the Service Connection remains the property of the Supplier, even if its cost has been borne by the consumer,
- (b) To fix a limit in the form of percentage of the cost of the service connection up to which cost should not be recovered, and
- (c) To fix a "Reasonable Retrun" as a percentage of the cost of Service Connection.

It is understood that the subject of the treatment of Service Connection is engaging the consideration of the Central Electricity Commission.

In view of the very serious problems involved in the matter of Tariffs, this subject warrants special consideration of Punjab Government for which formation of a Rating or Tariff Committee is strongly recommended for the whole of the Electricity Branch in general and Nangal-Bhakra Project in particular. Representatives of the Electricity, Industries, Agriculture, and Irrigation Departments of the Punjab Government and an adviser of the Central Electricity Commission could be the members of proposed Committee.

9. Having explained in the fore-going paragraphs that Publicity, Load Survey and attractive Tariffs are the most essential requisites for the development of load, hereunder are explained, the facilities to be provided and inducements to be offered to the prospective consumers to ensure their becoming actual consumers without delay:—

FACILITY No. (1)—*Mill Conversion Fund.*—To enable the Proprietors of the Steam and/or oil-driven factories and mills to get their under-takings converted into electric drive, it shall be necessary for them to purchase new motors and the

allied electrical equipment. This applies also to agricultural pumping sets run by diesel engines. Want of funds is likely to retard the progress of conversion. In our own interest as "Suppliers" we should arrange to provide the requisite financial aid to enable them to go ahead with the conversion. For this purpose Electricity Branch should have ample funds at its disposal under the head "Mill Conversion Fund". The money should be advanced to the *bona-fide* parties after taking all due precautions (administrative, technical and legal) which shall be repayable in reasonable monthly or quarterly instalments within a period of 5 to 10 years. In the absence of any data of the fuel driven plants to be converted into electric drive, it is physically impossible to estimate the amount required for this fund ; but a tentative sum of Rs 50 (Fifty) lacs is proposed for which necessary provision should be made in the Project Estimate of Nangal-Bhakra Project. The Madras Government had introduced such a fund in their Electric Supply Undertaking to develop the load in the initial stages. In the case of Uhl River Hydro-Electric Project, the late Col. Battye (founder of the Project) had provided a sum of Rs. 20 lacs or so in the Project Estimate for the purpose of Mill conversion fund, but unfortunately the provision had been eliminated for reasons best known to the then Finance Department. The slow progress of Industrial development in the pre-partitioned Punjab can be attributed to lack of this fund.

FACILITY NO. (ii) *Assisted Wiring or Subsidized Wiring.*

The initial expenditure to be incurred by a prospective consumer in the form of internal wiring is not infrequently an impediment to his becoming a consumer. To obviate this difficulty the Electricity Branch should advance funds to the prospective consumers for this purpose against valid securities and sureties.

This facility is especially indicated in the case of domestic supply (*i.e.* for residences and commercial premises). The amount advanced shall be recoverable in a year or two by monthly instalments. Assuming an average expenditure of Rs 100 per domestic connection and assuming a tentative figure, of 10,000 domestic connections (the number of general supply consumers on the Uhl River System after 17 years of operation is 25,000 approximately) provision in the Project Estimate of Nangal-Bhakra Project to the extent of Rs 10 (Ten) lacs is recommended. It would have helped matters to provide internal wiring departmentally to small consumers on "rental basis", but this alternative does not appear to be feasible of practical working.

FACILITY NO. (iii) *Hire Purchase*

The system of "Hire Purchase" is intended to act as an incentive to the prospective consumers to use such appliances as Heaters, Cookers, Stoves, Boilers etc., etc., for consuming electricity which they may be unable to afford without financial assistance. The facility could, with advantage be extended to the purchase of electric motors for industrial purposes including tube-wells for domestic supply and even for Irrigation purposes. A tentative provision of Rs 40 lacs is recommended for this purpose. The amount advanced by the Electricity Branch under this system shall also be recoverable in reasonable instalments.

Note (1) As an alternative to financial facilities numbers (i), (ii) and (iii) above (*viz.*, Mill Conversion Fund Assisted Wiring and Hire Purchase) for which a provision of Rs. one Crore is recommended, the advisability of setting up a Finance Corporation by the State needs serious consideration, although the latter organization shall not prove so effective as the availability of funds with the Electricity Branch, who are intimately and directly concerned for the sales of Power.

The advisability of creating "Ways and Means" fund on the lines of the Depreciation Reserve Fund out of the General Revenues of the State in general and/or out of the Electricity Branch (Uhl River Scheme which is now productive.) Revenue in particular to be considered as a means for providing fund for financial assistance to the consumers and prospective consumers.

Note. (2) The question of the rate of interest to be levied on money advanced to the parties, shall be examined later after the basic principles have been approved.

FACILITY NO. (iv). *Arrangement for free advice to the consumers and prospective consumers on all technical matters*

The Survey Parties of the Electricity Branch should tender all practical help to the prospective consumers in the matter of conversion, size and type of motor required, agency of purchase, method of erection, improvement in the machinery installed, etc. etc. All facilities should be provided by the State in the respective Departments concerned in obtaining permits for electric motors, pumps and machinery, etc.

FACILITY NO. (v). *Rebate or Special Reduction in Rates*

On the lines of the concession permitted in the case of supply of power from the Uhl River Scheme, cases of parties who shall get their fuel-driven plants converted into electric drive within a specified period commencing from the date the power becomes available in a particular locality, to be considered for special rebate for the first five years or so.

The advisability of extending a similar concession to new industrialists to be considered with suitable modifications.

10. CATEGORY (B) OF THE WAYS AND MEANS "SPECIAL" (*applicable to industrial class of supply*).

The ways and means to be adopted for the development of load as suggested in paras 6, 7, 8 and 9 above under the category "GENERAL" apply commonly to all the uses of electricity ranging from an ordinary light point or fan in a house or a shop to a big block of load for large industry or a big bulk-supply consumer. It is now proposed to deal with the next category "SPECIAL" relating to specific conditions necessary and favourable for individual classes of supply and the means to be adopted for the development thereof. A list of various uses of electricity or classes of supply is given below:—

- (i) Use in day to day life of a poor, middle class or a well-to-do person or family (including use in shops, business places, stores, godowns and offices) commonly known as Domestic or General Supply for (a) lights and fans, and (b) for heating, cooling and cooking.
- (ii) Use in big commercial establishments and institutions like Schools, Colleges, Hostels, Clubs, Hotels, Cinemas, Theatres, etc. etc.
- (iii) Use in Government and Railway Buildings.
- (iv) Use in Charitable institutions and place of worships, e.g., Hospitals, Orphanages, Temples, Gurdwaras, Churches, Mosques, Cremation Ghats, etc, etc.

- (v) Use in domestic Water Works (Tube-wells).
- (vi) Use by local bodies for street lighting and water-supply.
- (vii) Use in small and Cottage Industries.
- (viii) Use in medium and large Industries.
- (ix) Use in Agriculture including Rural and Farm electrification and allied agricultural home industries.
- (x) Use in tube-well pumping for State Irrigation and Drainage.
- (xi) Use in huge industries to be run by industrialists and/or the State
e.g., Cement, Aluminium and chemical industries like Caustic Soda, Soda ash and Fertilizer.
- (xii) Use in Railway Electrification and also in electric trollies.
- (xiii) Supply to Licensed Electric Supply Undertakings in Punjab (India) in bulk and Supply to big mills like Surajpur Cement Factory, Abdullapur Mills, Bhiwani Textile Mills, proposed Government Cement Factory, etc. etc., under special contracts, and
- (xiv) Bulk Supply to adjoining States, e.g., Delhi, PEPSU, Bilaspur, Himachal Pradesh, Bikaner and Uttar Pradesh.

Each of the above-noted classes of supply has been dealt with in succeeding paragraphs (No. 11 to 20).

11. ITEMS (I), (II), (III), (IV) AND (V) OF PARA 10. (*Domestic and Commercial Supply*).

Development of this class of supply will be accelerated by:—

- (i) *Manufacture in our country of various types of electrical equipments and materials required for Distribution and Servicing of electricity.
- *(ii). Manufacture in our country of various types of electricity consuming appliances to promote mass production with a view to their being available at minimum possible cost.

*Note.—So long we have to depend on Foreign imports for items under (i) and (ii) no appreciable development can be achieved for this class of supply.

- (iii) Standardization of designs and workmanship of the required equipment and appliances with a view to ensuring efficiency, durability, public safety and economy. (Standard designs to be prepared by the State Government and made available to private industrialists without charge or at a very nominal charge).
- (iv) Control on the costs of required equipment and appliances.
- (v) Control on the schedule of rates of the licensed wiring contractors for different types of internal wiring.

- (vi) Hire-purchase system through Co-operative Societies for the required equipment and appliances (as an alternative and/or in addition to facility No. (iii) in paragraph 9).
- (vii) Un-metered electric supply for lighting of petty shops needing only one light point (as practised in other States and Countries), thereby cheapening the cost of supply.
- (viii) Special rates for electricity to be consumed for domestic heating, cooling, cooking, etc.

This could be achieved by:—

- (i) consumers providing a separate Circuit for heating load in which case supply shall be metered separately and charged at heating tariff.
- (ii) where consumers cannot afford the additional cost of separate wiring, an "All Electric Home Tariff— 'A.E.H'" shall be applied for combined general and heating consumption.

The Electricity Branch should give the Public the option to adopt any of the two alternatives.

- (ix) Big commercial Establishments and institutions, Government and Railway buildings, Charitable Institutions and places of worship using electricity for heating purposes without having a separate circuit to be also given the benefit of the proposed "AEH" Tariff.
- (x) Domestic water work equipment to be standardized and supply to be given on cheap rates. Supply for domestic pumping from the Uhl River Scheme is being given at the maximum Industrial Supply Tariffs which is 18 pies per unit. Domestic Heating Tariff Rate (provided it is cheaper than the maximum of Industrial Tariff) is recommended for Domestic pumping.

12. ITEM NO. (vi) OF PARA 10.—*Use by Local Bodies for Street Lighting, Water Supply, etc.*

(i) Load Survey Party should induce the local body using Kerosene Oil Street Lamps to get them converted into electric lights. Long range economics of the substitution should be brought home to the authorities concerned.

(ii) Load Survey Party should study the general economics of a place (village or town) having no street lighting and try to suggest ways and means for the improvement of the general economics of the units to justify the amenity of street lighting.

(iii) Economics of installing electric tube-well or electric pumping from percolation wells by local bodies of villages and towns having population of 5,000 and over, to be investigated for providing long felt amenity to the public.

13. ITEM NO. (vii) OF PARA 10.—*(Use in Small and Cottage Industries)*

(i) Educational facilities to train labour to become semi-skilled and skilled workers (Industrial and Technicians, Schools and Demonstrations Units to be opened for this purpose).

Industries Department has already a scheme for Technicians's Courses in a fairly large number of Trades. The necessity for adding to the strength of the Scheme for making any reforms needs serious consideration.

(ii) Co-operative method for financing for capital equipment, raw materials and other running expenses.

(iii) Co-operative method of finding market for semi-finished or finished products.

As intimated by the Registrar Co-operative Societies, Punjab, they are already supplying raw materials and capital equipment and also are finding market for finished goods in case of Cottage Industries organized on Co-operative lines. Assistance and co-operation of Panchayats Department shall be further helpful in this direction.

(iv) Co-ordination and co-operation between small and cottage industries and their counter-part in medium or large scale industries is most essential.

(v) National and provincial protection from cut throat competition and also from the uneconomic duplication of such industries in any given locality. Necessity or State Control in permitting any such industry is indicated.

Note—In connection with items (iv) and (v) above adoption of the manufacturing policy of Japan (whereby mass production of components of a certain equipment say a bicycle or an electric fan is conducted on Cottage industry basis) needs serious attention of the Industries Department.

(vi) Electricity Branch should provide necessary facilities for the availability of electricity out of way sites even by allowing reasonable relaxations in its standing rules and regulations in the matter of conditions of supply with particular reference to financial implications and commercial justifications. In this connection it is suggested that the Departments of Agriculture, Industries, Co-operative Societies and Panchayats could join hands together and prepare Agriculture-cum-Cottage Industries Schemes. This shall render the commercial justification of these projects easy, as with the same capital investment by the Electricity Branch it shall be possible for it to cater for more load and this shall help in developing both agriculture and industry as also the sale of electricity. The Panchayat Choudhry (Headman) could be held responsible for the liquidation of the Bills of the Branch for his own unit.

(vii) Industries Department to consider the necessity of putting up Test Model Factories for manufacturing articles which are at present being imported so that public contemplating small and cottage industries could get the necessary manufacturing advice and benefit from the State demonstrations.

(viii) Where setting up of Test Model Factories may not be justified, the State should set up Demonstration units of machinery required for various cottage industries as far as possible throughout the State both in Urban and Rural areas.

14. ITEM NO. (viii) OF PARA 10.—*Use in medium and large industries*

(i) In the Industrial Colonies already created and to be set up at other suitable places all possible facilities (domestic and business) to be provided to the industrialists e.g., facilities for transport of raw materials and finished products, labour Residential facilities, co-operative housing, sale of land on easy instalments, etc.

(ii) Industries Department to control to a reasonable extent the division of Industries by colonies in order to avoid the possibilities of uneconomic industries being put up at any particular place. Extensive industrial survey shall be necessary for this purpose.

(iii) Punjab Government to study the present Export and Import policy of Government of India as also the internal direct taxation policy and seriously take up practical steps to introduce such reforms as should improve the development of industry in our State.

(iv) Government to provide research facilities for improvement in the industry of State with particular reference to the possibilities of economic manufacture of by-products in order to bring down the cost of manufacture of the main product.

(v) As the State can ill-afford to put up new industries due to financial difficulties (*vide* observations made by His Excellency in the meeting of the Industrial Development Sub-Committee held on 5th December, 1950), the Industrial Development Sub-Committee of the Cabinet should seriously consider the possibilities of setting up a Finance Corporation with the help of the leading industrialists and banks of the country.

15. ITEM NO. (ix) OF PARA 10.—*Use in Agriculture, rural and farm electrification, and allied agricultural home industries*

(i) Electric supply to rural areas to be treated as "public service" and not a source of profit to State. Rural electrification schemes to be judged by the indirect benefit accruing to the population and not from the percentage return on capital.

(ii) Rural Development Board of the Punjab Government to be charged with the responsibility to initiate, formulate, administer and supervise a programme of rural electrification projects in collaboration mainly with the Electricity Branch and other Departments concerned.

(iii) Punjab Government to float loans for rural electrification at the market rate of interest and pass on the loan to the Electricity Branch and Rural Development Board at nominal rates of interest as done in T. V. A. and other countries; the difference to be treated as charge against the Provincial Revenues under the head "Rural Development". Electricity Branch shall utilise this amount for transmission and distribution system required primarily for rural electrification and Rural Development Board shall utilize the amount for providing equipment and appliances to the public.

Rural electrification is possible only with the help of subsidy by the State for some years in the initial stages in the form of "Rural Development Fund" or "Agricultural Development Fund".

Notes—(1) If any tax or duty is decided by the State Government to be levied on sale of electricity, this revenue should be utilized for extensions of transmission and distribution system for rural electrification.

(2) The revenue to be derived by the Electricity Branch from the proposed surcharge of 6 pies per unit on general consumption should be reserved for rural electrification development.

(3) Procedures similar to those mentioned above (1) and (2) have been adopted by practically all other countries and the Madras State in our country to develop rural electrification which is very much required for raising the standard of living of the masses.

(iv) Service connections for rural electrification to be allowed by the Electricity Branch free out of the subsidy (i. e. neither lumpsum recovery nor rentals to be demanded).

(v) Cost of equipment and appliances (including cost of internal fittings) to be supplied to the rural consumers should be treated as a loan re-payable over a long period in nominal instalments, or alternatively supply of pumping sets, farm equipment, motors etc. should be given on hire purchase basis (including free maintenance) Further the supply of such equipment on "hire purchase system" on co-operative basis needs serious consideration.

(vi) The apparatus necessary to modernize the farms may be placed at the disposal of the farmers free of cost for a year at the end of which he may be given the option to purchase or return the same. This has been very successfully tried in Western Countries.

(vii) Electricity Branch to aim further at cheapening the cost of Transmission and Distribution Lines and Services by adopting the relaxations recently recommended by the Central Electricity Board in the relevant rules and regulations of the Indian Electricity Act (1910) and Indian Electricity Rules, 1937, in order to achieve this end.

(viii) Extensive use of single phase motors should be encouraged in rural areas for pumping water from percolation wells and for small trades ancillary to agriculture. This will reduce appreciably the initial capital cost to the Electricity Branch in giving supply and the number of applications for supply likely to be rejected under the present procedure due to commercial non-justification shall be considerably reduced with consequent increase in sale of electricity.

(ix) Indigenous development of cheap electric-driven appliances required for agricultural purposes should be encouraged by the State and in educating the peasants to the use thereof.

(x) Putting up of Model Demonstration farms would be the best medium of practical education and guidance to the farmers for the various uses of electricity in agriculture.

(xi) The scheme of consolidation of holdings under contemplation of the State shall be very beneficial to the economies of rural electrification.

(xii) Farming on co-operative basis shall make the electric tube-well irrigation of small holdings a practical proposition which otherwise may not be commercially justified.

(xiii) Planned consolidation of agricultural and cottage industries Schemes will substantially help the Electricity Department in reaching distant rural areas which otherwise may not be possible to cover.

(xiv) Training schools to be opened for imparting education for the indigenous manufacture of agriculture by-products, e. g., jams, sauces, pickles, squashes etc. etc. At present these articles are mostly foreign imported but there is a good scope for rural population to engage themselves in the manufacture of such food-stuffs.

(xv) Rate structure to be so simple as to be easily intelligible to even an ordinary public man. (This will enable the consumers and the public to proceed with their development plans unhampered by any ambiguity or uncertainty in regard to rates for electricity.)

(xvi) Free electricity to each consumer in rural areas for the first 2 or 3 months of his becoming a consumer has proved conducive to the development of Rural loads in Western Countries and the adoption of this concession is strongly recommended.

16.—ITEM NO. (x) OF PARA 10.—*Use in tube-well pumping for State Irrigation and Drainage*

(i) Irrigation Branch to consider the possibility of extending their tube-well Schemes to the areas which are within the possible reach of the Electricity Branch System, but are not covered at present by their existing sanctioned Projects. This will not only increase the area of culturable land but would considerably add to the utilisation of electricity.

(ii) Electricity could profitably be utilized for de-watering marshy and water-logged areas in the State, thereby reclaiming such lands for cultivation and using the water so obtained for irrigating more lands.

(iii) Possibilities of lift Irrigation from canal and river water to be investigated by Irrigation Branch specially in areas which could be served economically by the Transmission System of the Electricity Branch. In U. P. a huge big load of this nature is being catered by the Electricity Department of that State.

(iv) All the above-mentioned three loads would not only improve the power factor of the Electric System of the State thereby resulting in lowering the cost of energy but would also result in spreading a net work of Transmission System in the distant rural areas which otherwise may be uneconomic for the Electricity Branch to reach for rural electrification.

17. ITEM NO. (xi) OF PARAGRAPH 10.—*Use in huge industries to be run by industrialists and/or State, e.g., Cement, Aluminium, and Chemical industries, like caustic soda, soda ash and fertilizers*

(i) Proposals and recommendations made by the Industrial Development Board set up by the Punjab Government during 1948 (*vide* paragraph 7 above) need thorough and critical review in the light of all the factors governing the economics of each factory and as aptly remarked by the Director of Industries, these recommendations have to be co-ordinated with the actual needs and actual scope, for the new industries, which according to the Director of Industries, will depend on the Industrial Survey to be carried out.

(ii) Unless a huge Finance Corporation is set up, the prospects of heavy industries developing in the State do not appear to be bright (see also item No. (v) under paragraph No. 14 of this Report).

(iii) Government in the Irrigation Department is already looking into the possibilities of setting up a Cement Factory for meeting the huge requirements of cement for Bhakra Dam at economic rates which is not considered possible otherwise to be met from the existing production capacity in the State and adjoining States within reasonable economic distance of transport to site.

(iv) The economic possibilities of setting up a Fertilizer Factory, as near the Hydro Power Stations as possible, are already being examined by the Secretary, Bhakra Dam, Irrigation Branch, in order to take advantage of cheap power at the source of supply. The chief raw materials required for production of ammonium sulphate by Electrolytic process are water, air and gypsum besides a very cheap power. Transport required will only be for gypsum. This scheme, if warranted by economic conditions, shall be in the wider interest of the State to launch on as it will not only help in absorbing a huge block of electricity but will provide cheap Fertilizer to the agriculturists of this and the adjoining States, the basic industry of which is agriculture. It is reckoned that our quota from the turn over of the Sindri Fertilizer plant shall be far from sufficient to meet the requirements of our State.

(v). Our State is no doubt poor in mineral resources but our regions appear to be promising in respect of the manufacture of caustic soda and soda ash, the economic possibilities of the manufacture of which with the availability of cheap power, needs serious investigation by the Industries Department.

18.—ITEM NO. (xii) OF PARA 10.—*Use in Railway Electrification and also in electric trollies*

(i). The subject of Railway electrification in India was discussed at length at the recent World Power Conference held at Delhi from 9th to 15th January, 1951. Whereas the necessity for conserving valuable steam coal available in the countries was admitted on all hands, divergent views were expressed by the various authorities participating in the Conference regarding the practicability and feasibility of Railway Electrification. The Hon'ble Minister of State for Railways (Shri K. Sathyanam) while summing up the proceedings expressed the Government's concern that the electrification of Railway line Sections where traffic density may even justify such a possibility; will place us at the mercy of foreign imports for the extensive machinery and equipments that would be required and until and unless the heavy electrical industrial plant manufacturing Factory under Government's active contemplation was set up, it will not be advisable to launch on Railway Electrification Projects.

For the Ambala-Delhi Section where traffic density has been reckoned at 2.85 million gross tons per single track per annum and where it costs the E. P. Railway approximately Rs. 45 per ton of coal for steam traction, the Railway authorities felt that electrification will be financially justified only at 0.35 of an anna per unit (K. W. H.) consumed with an approximate annual consumption of 15.45 million units (K. W. H.) This will bring a gross revenue of Rs 3.38 lakhs per annum to the State as supplies of energy. The Electricity Branch will study whether it will be an economically justifiable proposition to supply the power at such a low rate. A separate Memorandum will be put up by the Electricity Branch in due course on the subject.

(ii). Controller, Provincial Transport, Punjab and Electricity Branch may better put up a joint Memorandum on the subject of providing electric transport by electric trollies round Amritsar Suburban, Jullundur Suburban and Basties, Ludhiana town and Ambala City to Ambala Cantt where traffic density is likely to justify it as a commercial proposition.

19.—ITEM NO. (xiii) OF PARAGRAPH 10.—*Supply to licensed Electric Supply Undertakings in Punjab (India) in bulk and supply to big mills like Surajpur Cement Factory, Abdullapur Mills, Bhiwani Textile Mills etc. etc. under special contracts.*

If, the industry of electricity could be nationalized by the State as done in Madras, the Electricity Branch could purchase all the private Electric Supply Undertakings in the Punjab and do their best to develop load in all such towns. As, however, this is not an opportune time for the State to purchase the Undertakings because of the present day heavy costs of Electrical machinery, equipment and materials which is approximately 3 to 4 times of the pre-War prices, the only course left for State is to advance reasonably liberal loans to the licensees to enable them to augment their Distribution Systems which would result in the development of load for the Nangal-Bahakra Project, when hydro power in bulk would be made available to these licensees at reasonably cheap rates which is bound to encourage load in such areas.

Electricity Branch should take effective steps to commence negotiations with each licensee from now on with a view to concluding agreements before supply of power in bulk from the Nangal-Bhakra Project, becomes available in each town. The same remarks apply to the supply of power to big mills ; as unless supply agreements are executed well in advance of the time by which Nangal Power is available, such consumers will not only be in a better bargaining position but delays are bound to occur in their taking Hydro supply as they will not be timely ready with their arrangements required for conversion from Thermal to Electric power. This calls for suitable commercial or sales Organization in the Head Office of the Electricity Branch which is very poor indeed at present hardly sufficient to cope with even the Uhl River Operational Development.

20. ITEM NO. (xiv) OF PARAGRAPH 10.—*Bulk supply to adjoining States e. g., Delhi, Pepsu, Bilaspur, Himachal Pradesh, Bikaner and Uttar Pradesh*

The necessity for commencing and pursuing most zealously negotiations with each party by the Electricity Branch cannot be too strongly emphasized to ensure all formalities regarding terms and rates being completed and settled in time and agreements being ready to avoid any unnecessary delay in giving the supply from Nangal when it is ready.

This work, as already said, depends entirely on suitable and adequate Sales Organization in the Head Office of the Electricity Branch which unfortunately is very poor at present.

As decided by the Bhakra Control Board in their 4th meeting (*vide* letter No. 32/B-16, dated 3rd January 1951, from the Secretary, Bhakra Control Board), the Chief Engineer, Electricity Branch, should approach the Central Electricity Commission to use their good offices in connection with the utilization of electric power in adjoining areas of Uttar Pradesh. The Central Electricity Commission have already taken up the matter with the Uttar Pradesh Government on the Punjab Government's request. As understood from the Chairman, Central Electricity Commission, the Uttar Pradesh Government were to discuss the matter between themselves on the 23rd of January after which a meeting will be arranged for joint discussions of the subject with the Punjab Government.

21. CATEGORY (C) OF THE WAYS AND MEANS "DEPARTMENTAL" (*i. e. pertaining to departmental procedure of the Electricity Branch*)

There are yet other measures which shall act as strong catalytic agent to the development of load. These fall under the third category "Departmental" (referred to in paragraph 4 above) and are explained hereunder:—

- (i) Any provisions in the procedure of getting an electric connection which cause undue harassment to prospective consumers and delay in getting the connection to be modified to the advantage of the prospective consumers.
- (ii) The present Organisation of the Electricity Branch, whereby the Sub Divisional Officers and the Executive Engineers are required to be responsible for both the Technical and Commercial (Revenue assessment and realization) operation of the Schemes under their control, needs thorough review. There has been growing feeling for considerable long time that with the expansion of the Branch the technical work of construction and maintenance needs segregation from the commercial work pertaining to assessment and realization of revenue, with advantage. It is felt that such a segregation will improve efficiency and accelerate the speed of works without additional expense. Due to limited staff and rush of new works it has not been possible by the Electricity Branch to make a detailed study of the issue,

- (iii) Want of materials is sometimes, if not very often, put forward by the local staff of the Electricity Branch as a reason or an excuse for delay in giving a connection. Stores Organisation of the Branch in the Subordinate and Direction offices should be so implemented as to eliminate this factor or so-called factor of delay, which eventually affects the revenue of the Electricity Branch, besides affecting the good-will of the public.
- (iv) Delay in giving new connections is due partially to inadequate administrative, technical or financial powers delegated to subordinate officers. This calls for enhancement of powers which question is being taken up by the Electricity Branch with the Government.
- (v) Comparison of the existing poor "Sales and Commercial Organisation" in the Head Office of the Electricity Branch with the corresponding organisation when the construction of the Uhl River Hydro Electric Project was in progress would be an eye-opener to even a casual observer. An adequate "Sales and Publicity organisation" exclusively for the Nangal Project at least on the lines that the Branch had when the Uhl River Project was under construction from 1927 to 1933 is immediately called for with a view to improving the sale of electricity, earning more revenue, and also securing various indirect benefits to the State in the form of improvement in industry agriculture and domestic life.

Without dilating much on this issue, this Committee thinks it their first and foremost duty to place on record in the strongest terms possible at their command that this aspect of the case warrants serious and immediate attention of the Government. Commercial success of Nangal-Bhakra Project hinges on the efficiency and strength of the Central Sales Organisation and unless it is brought to a proper level, expectation of the development of load shall be nothing but a dream.

22. RECAPITULATION AND SYNOPSIS

For facility of reference, an abstract of the ways and means to be adopted for the development of load has been prepared in the form of a chart (in 2 sheets) a copy of which is enclosed as appendix 'M'.

23. CONCLUSION AND MAIN RECOMMENDATIONS

- (i) The Electricity Branch to launch on an active publicity campaign.
- (ii) The Departments of Electricity, Industries, Agriculture, Irrigation, Land Revenue, Co-operative Societies and Panchayats to conduct co-ordinated and planned load surveys by setting up proper Association/Associations.
- (iii) The Electricity Branch to provide reasonably low tariffs to attract Industrial, Agricultural and domestic heating and pumping loads.
- (iv) Financial facilities to be provided to the prospective consumers to meet initial capital investment for plant, machinery and raw materials.
- (v) Provision to be made in the Project Estimate for Nangal-Bhakra Project for funds required for:—
 - (a) expenditure involved in publicity, propaganda, planning and utilisation of power, and

- (b) sums to be advanced to prospective consumers for Mill conversion and assisted wiring ;
- and (c) cost of electricity consuming apparatus to be given to the consumers on Hire-Purchase system.
- (vi) Finance Corporation to be set up and Co-operative methods to be adopted for raising funds.
- (vii) Adoption of ways and means and creation of conditions necessary for the utilisation of electricity for different classes of supply (paras 11 to 20 of the report).
- (viii) To introduce such reforms in the General, Stores and Sales Organisation of the Electricity Branch as should accelerate the speed of loading up the Project.
- (ix) The very first practical step that needs to be taken to aim at any achievement for the development of load is to provide adequate 'Sales Organisation' in the Head Office of the Electricity Branch with the least possible delay.

24. In the end Secretary, Electricity takes this opportunity to thank the Members of the Committee for their co-operation; and has pleasure in placing on record his appreciation of the valuable assistance rendered to him by Shri Bhagwan Chand Sood, Load Planning Officer (which post was specially created for two months) for the collection of the data and material in writing this report.

Chief Engineer, and Secretary to Government,
Punjab, P. W. D., Electricity Branch.

Enclosures—

Appendices, K, L & M.

Dated Simla, the 27th January, 1951.

APPENDIX "L"

The 1st September 1948

No. 4115-I/G-43/47028 The Governor of the East Punjab is pleased to appoint two committees of officials and non-officials to be called (i) the Committee for Large Scale and Factory Industries and (ii) the Committee for Small Scale and Cottage Industries, with effect from the 23rd March, 1948. The functions of these Committees will be to advise Government in regard to:—

- (i) the restarting of factories in East Punjab which had closed down consequent on the partition of the province of the Punjab and the Civil Commotion that followed it:—
- (ii) the putting of other factories in East Punjab which are not working properly on a sound basis ; and
- (iii) the methods to be adopted to encourage the Industrialisation of the Province.

2. The following will be the members of these Committees with effect from the date shown against each:—

(a) Committee for Large Scale and Factory Industries

(Chairman)

- | | |
|---|-----------------------|
| (1) Shri Jag Raj Bhalla c/o M/S The Straw Board Manufacturing Company, Saharanpur (U. P.) | From 23rd March, 1948 |
|---|-----------------------|

(Members)

Officials

- | | |
|---|--|
| (1) Shri S. S. Kumar, Project Engineer (now Chief Engineer) P. W. D., Electricity Branch | From 23rd March, 1948 to the date of this notification |
| Shri H. R. Bhatia Projects Engineer, P. W. D., Electricity Branch | From the date of this notification |
| (2) Director of Central Designs, Irrigation Branch | From 23rd March, 1948 |
| (3) Shri A. R. Oberoi, representative of the East Punjab Railway | Ditto |
| (4) A representative of the P. W. D., Buildings and Roads Branch | Ditto |
| (5) Shri K. C. Thapar, 5, Royal Exchange Place, Calcutta (with Shri I. P. Anand as alternative) | Ditto |
| (6) S. Sapuran Singh Chawla, Kharsa, District Amritsar | Ditto |
| (7) Shri Kishen Chand of K. C. Industries, Delhi | Ditto |

- | | |
|--|-----------------------|
| (8) Shri Bhagwan Dass, M. L. A. c/o M/S Bija Mal-Mela Ram, The Mall, Simla | From 23rd March, 1948 |
| (9) Shri Bihari Lal Chanana, M. L. A., Simla | .. Ditto |
| (10) Sardar Ujjal Singh, M. L. A., Delhi | .. Ditto |
| (11) Sardar Inder Singh, M. L. A. | .. Ditto |
| (12) Shri Ganga Saran, M. L. A. | .. Ditto |
| (13) Sardar Ajit Singh, M. L. A. | .. From 5th May, 1948 |
| (14) Ch. Kartar Singh, M. L. A. | .. Ditto |
| (15) Sardar Gurdial Singh, Lawrence Road, Amritsar | Ditto |
| (16) Sardar Harbhajan Singh, Rattan Chand Road, Amritsar | Ditto |

Secretary

The Director of Industries, East Punjab (ex-officio)

(b) Committee for Small Scale and Cottage Industries

(Chairman)

Shri Krishan Gopal Dutt, M.L.A.	.. From the 23rd March 1948 to the 10th June, 1948
---------------------------------	--

(Members)

Officials

(1) The Registrar of Co-operative Societies, East Punjab	23rd March, 1948
--	------------------

(Members)

Officials

(1) The Registrar of Co-operative Societies, East Punjab	23rd March, 1948
--	------------------

(2) Shri Sohan Lal, All-India Spinners Association Adampur Doaba, District Jullundur	Ditto
--	-------

(4) Shri Dev Raj Sethi, M. L. A.	.. Ditto
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(5) Shri Prithvi Chandra Nayar, B. A. LL. B., Controller, Spinning and Weaving Centres, Civil Secretariat, Jullundur	From 15th July, 1948
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Secretary

The Director of Industries, East Punjab (ex-officio)

3. All vacancies occurring from time to time will be filled up by nomination by the Provincial Government.

4. The Provincial Government will have powers to appoint from time to time such individuals as may be considered necessary to help in the examination of particular problems which may come before the Committees.

5. The Provincial Government shall also have powers to remove a member of the Committee at any time.

6. The Secretary of the Committee will convene meetings in consultation with the Chairman of the respective Committees and will give due notice to the members of the place and date of each meeting.

7. The non-official members of the Committees will be entitled to travelling and halting allowance at the rates admissible to Government Servants of Grade II. The official members will draw travelling allowance according to the rates admissible under the Punjab Travelling Allowance Rules.

A. L. FLETCHER,

SECRETARY.

APPENDIX 'K'

NANGAL BHAKRA PROJECT

Statement of Load Forecast

C. E. C.'s Estimate

Serial No.	Type of Load	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	Load Factor per cent
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	Bulk Supply to Delhi	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	50
2	New Local Distribution Schemes	4,000	5,000	5,500	6,000	6,500	7,000	7,500	8,000	8,500	9,000	9,500	35
3	Licensed Electric Supply Undertakings	4,000	4,500	5,000	5,500	6,000	6,500	7,000	7,500	8,000	8,250	8,500	35
4	Bulk Supply to PEPSU	4,000	4,400	4,800	5,200	5,500	5,800	6,100	6,400	6,700	7,000	7,300	35
5	Supply to Bilaspur	..	400	500	550	600	650	700	750	800	850	900	20
6	Supply to Himachal Pradesh	..	200	250	300	350	375	400	425	450	475	500	35

7	Surajpur Cement Factory	..	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	75
8	Abdullapur Mills	..	5,000	5,500	5,500	6,000	6,000	6,500	6,500	6,500	6,500	6,500	60
9	Bhiwani Textile Mills	..	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	60
10	Irrigation Tube-wells	..	2,500	3,500	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	30
11	Supply to Bikaner State	..	500	1,000	1,200	1,400	1,600	1,800	2,000	2,000	2,000	2,000	30
12	Government Cement Factory	..	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	35
13	Heavy Industries	..	..	1,500	2,000	2,500	2,500	3,000	3,000	3,000	3,500	3,500	50
14	Bhakra Dam Construction	..	3,500	4,000	4,000	4,000	4,000	..	..	..	..	..	60
15	Traction	..	..	..	..	..	..	..	..	..	..	..	:
16	Fertilizer Factory	..	..	..	..	..	..	..	..	..	..	..	..
17	Bulk Supply to U.P.	..	5,000	6,000	7,000	8,000	9,000	10,000	10,000	10,000	10,000	10,000	50
18	Extra demand from area served by Uhl River System	..	..	..	..	..	1,000	2,000	3,000	4,000	5,000	6,000	35
Total		37,000	60,000	64,800	69,050	72,750	77,225	80,800	80,375	82,950	85,575	87,700	kW
Applying a diversity of 1.2 loads equals		30,830	50,000	54,000	57,540	60,625	64,350	67,330	66,980	69,125	71,310	73,080	kW
Assuming transformation and transmission losses of 15 per cent Station Demand equals		35,500	57,500	62,100	66,200	69,700	74,000	77,400	77,000	79,500	81,800	84,000	kW

Chart showing ways and means to be adopted for the utilization of power to be generated by the Nangal Bhakra Project (Appendix M) Details of Category "B" "Special".

General Supply (Domestic and Commercial)—(11)

1. Manufacture in our own country of electrical equipment, materials and appliances.
2. Standardization of electrical equipment, materials and appliances.
3. Control on the cost of electrical equipment, materials and appliances.
4. Control on the rates of licensed wiring contractors.
5. Hire Purchase System through Co-operative Societies for electric equipment and appliances.
6. Unmetered Supply for small shops requiring one light point only.
7. Special rates for Domestic Heating, Cooking, etc.
8. Special rates for Domestic Water Works.

Supply to Local Bodies—(12)

1. Load Survey Parties to induce the Local Bodies to get electric lights in place of Kerosene Oil lights.
2. Load Survey Parties to canvass the Local Bodies having no street lamps to provide the same.
3. Economics of installing electric Tube-wells in big villages and towns to be examined.

Small and Cottage Industries—(13)

1. Educational possibilities to be provided by State to train labour. (Technician Schools and Demonstration units to be opened).
2. Co-operative method for financing for capital equipment, raw materials and for disposal of products.
3. Co-ordination between Cottages, small and large industries.
4. State control to avoid uneconomic duplication of any particular industry.
5. Electricity Branch to provide facilities in supplying electricity at out-of-way places and to help the Department of Industries and Agriculture in launching on Cottage-Cum-Agriculture Schemes.
6. Electricity Branch to introduce the system of supply on "Panchayat basis".
7. Test Model Factories or Demonstration units of machinery to be put up.

Medium and Large Industries—(14)

1. Industrial Colonies already put up and to be set up to provide for all possible facilities—domestic and residential.
2. Division of Industries at various colonies to be controlled by Industries Department.
3. Export, Import, and Taxation policies of Government of India to be studied and reformed to the advantage of the industries of the State.
4. State to provide research facilities with particular reference to by-products.
5. Finance Co-operation to be set up.

Agriculture, Rural and Farm Electrification—(15)

1. Supply to rural areas to be treated as "Public Service" and *not* a source of profit to State.
2. Rural Development Board to sponsor rural electrification Project.
3. State to loan funds for Rural Electrification Schemes on nominal rates of interest.
4. State to grant subsidy to Electricity Branch and Rural Development Board to enable them to give free service connections and to advance loans to rural consumers respectively.
5. Apparatus necessary to modernize farms to be given by the Electricity Branch and/or Rural Development Board to consumers free of charge for a year or so.
6. Use of cheapest possible designs of Transmission, Distribution and Servicing with a view to reducing the capital cost to the minimum possible.
7. Extensive use of Single phase motors.
8. Manufacture of cheap electric driven agricultural implements to be encouraged by the State.
9. Model Demonstration Farms to be put up by State.
10. Scheme of consolidation of holdings under contemplation of the State to be pushed through.
11. Farming on co-operation basis.
12. Planned consolidation of agricultural and cottage Industries Schemes.
13. Training Schools for imparting education for the indigenous manufacture of Jams, sauces, pickles, squashes, etc, etc.
14. Free supply to each rural consumer for the first 2 or 3 months.

Pumping for State Irrigation and Drainage—(16)

1. Irrigation Branch to consider the possibility of extending their tube-wells schemes.
2. Electricity to be used for de-watering marshy and water-logged areas in the State.
3. Possibilities of lift irrigation from canal and river water to be investigated by Irrigation Branch.

Huge Industries, e.g., Cement, Aluminium and Chemical industries like Caustic Soda, Soda ash and Fertilizer—(17)

1. Recommendations made by 1948 Industrial Development Board to be co-ordinated with the actual needs and actual scope for the new industries.
2. Huge Finance Corporation to be set up.
3. Economics of a Fertilizer Factory are being examined by the Irrigation Branch.
4. Economics of manufacturing Caustic Soda and Soda ash to be investigated by the Industries Department.

Railway Electrification—(18)

1. Electricity Branch is putting up a separate memorandum on the subject of Railway Electrification.
2. Provincial Transport Department and Electricity Branch to put up a joint memorandum on the electric transport of certain localities in the State.

Supply to Licensed Electric Supply Undertakings, big Mills and adjoining States—(19) and (20).

1. Reasonably liberal loans to be advanced by the State to Electric Supply Undertakings to enable them to augment their distribution system and to develop load.
2. Active and zealous negotiations to be commenced forthwith with each company, mills and State for supply of power so that necessary contracts and agreements should be ready in time.

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ANNEXURE XVI

Explanatory Notes on the points relating to Punjab Public Works Department, Electricity Branch

Serial No.	Page No. of the appropriation accounts of the Audit Report	Major head and Sub-heads	Remarks by the Committee
2	18 (para 26) ..	81-A— Capital	In para 26 of the Audit Report (page 18) it has been mentioned that a contractor was paid an additional rate of Rs 8 per thousand cubic feet for excavation made under water for purposes of laying foundation, although, the contract expressly stipulated that in respect of excavation under water the dewatering arrangements in foundations, wherever necessary, would have to be made by the contractor himself at his own cost. The committee would like to know whether this payment has been regularized by Government or recovery has been ordered and what the total amount under question works up to ?

EXPLANATIONS

It is clear from clause 8 under the general information attached to the Tender Notice for special repairs to the Protection River Training Works at Brot Head Works that the dewatering arrangement in the foundations was to be done by the contractor himself. A few pumps available with R. E. Joginder Nagar were provided to be lent free of rent to the contractor for this dewatering arrangement. No rate was stated in the details of estimate given under clause 12 of the tender nor the contractor was specifically asked to quote any rate for making dewatering arrangement, though a lumpsum provision of Rs 10,000 was made in the original estimate for this purpose. There is no denying the fact that the contractor had to make arrangement for dewatering. He could not carry out the work of foundations which had to be dug out from 4 to 6 feet deep in the river bed, without making such arrangements. At certain locations, he had even to divert the course of the river to complete the work, and thus had to run the four pumps lent to him free of rent for about three months i.e., from the 13th of January 1948 to 13th April 1948. As the contractor had to drive these pumps with Electricity, the department had to give temporary electric connection to these pumps and instal their meters, for which the Department has already charged the contractor a sum of Rs 284-15-0 for the consumption of 3,551 units. All this is a clearproof to establish the fact that the contractor used four pumps for dewatering purposes and that he had to shift these pumps from location to location frequently for dewatering purposes.

In view of the above, payment of dewatering charges is reasonable. The total amount paid to the contractor works out to Rs 3,995. The question of recovery does not arise under the circumstances explained above. The matter to regularize the payment is under correspondence with the Government.

Serial No.	Page	SUB-HEADS	Remarks by the Committee
		Paragraph	
2	321	8	What action has been taken against the officer responsible for the irregularity reported in this paragraph, namely, that orders were placed for the local purchase of tools and plant and office furniture without obtaining sanction of the competent authority, calling for quotations, issuing a cheque on the 31st March and accounting it as issued on that date and making payment after three weeks ?

EXPLANATION

Apparantly the facts of the case relates to certain purchases of Tools and Plant and articles of furniture made by the Resident Engineer, Panipat, of the Branch. If so, this case is under a Departmental enquiry by the State Commissioner.

Serial No.	Page No. of appropriation Accounts of the Audit Report	Major head and Sub-head	Remarks by the Committee
8	Page 17/Para 25	81-A— Capital outlay on Elec. Schemes (Outside the Revenue Account) Bhakra Nangal Project.	The Committee would like to know why the amount of 20 lacs, which at the instance of the Audit was debited to the work concerned in March 1951, was later on written back to "Miscellaneous Public Works Advances" in March 1951, Supplementary Accounts.

EXPLANATIONS

In this connection it is stated that in an Electricity Branch Division advance payment of Rs 14 lacs was made to the suppliers in September 1950, for the purchase of electrical equipment and debited to the suspense head "Miscellaneous P.W. Advances" instead of the work concerned as estimates for the works under reference has not been prepared, nor sanctioned. On being pointed out by audit, it was debited to the work concerned in March 1951, but was later on written back to

Miscellaneous P. W. Advances in March 1951, Supplementary Accounts, to avoid excess over appropriation as necessary funds to meet this charge under the Head "Works" were not allotted but the requisite provision on account of the advance payment of Rs 14 lacs had been made under the Sub-Head "Miscellaneous P. W. Advance" under the minor Head "4—Suspense".

A sum of Rs 6 lacs paid in another Division in March 1950, to the same Suppliers against the same contract, was also similarly debited to suspense Head "Miscellaneous P. W. Advances". However, necessary instructions have since been issued to the Subordinate offices that such Advances should in future be debited to the works concerned instead of the sub-head "Suspense",

Serial No.	Page No. of Appropriation Accounts of 1950-51 and Audit Report, 1952	Major Head and Sub-head	Remarks by the Committee
5	<i>Contract procedure.</i> —The Committee would like to have a clear note explaining what extent of works are done by Departmental agency and what works are let out on contract. What procedure is in force to enable the departmental authorities to satisfy themselves that works executed through departmental agency are as economically done as by letting them out on contract ?

EXPLANATION

Practically all the works in the Electricity Branch both capital works as well as maintenance works are carried out through departmental agency. The set up of the E. B. is very much different to that of the other sister Branches of the P.W.D. In the E. B. the works mainly consist of erection of transmission lines, sub-stations, mains ; sub-mains and services from day to day as and when demand may arise and the relevant estimates are sanctioned by competent authority. Consequently there are many practical difficulties in giving such works on contract. Moreover experience gained during the last 20 years has shown that the departmental execution is not only of a superior quality but also definitely cheaper. That is the reason why, even in the Nangal Project, the erection of extra high tension 220 k. V. transmission lines are also being executed departmentally. This decision was taken after the tenders for the execution of the 220 k. V. line between Nangal and Delhi were actually called for, received by Government and examined thoroughly. It was found that departmental execution will be considerably cheaper.

Civil Works which are required to be constructed under the Nangal Project and occasionally, under the Uhl River Scheme as well, are, however, executed through contract because the E.B. has not got a sufficiently large organisation to execute these works departmentally. Moreover after the execution of these capital works under the Nangal Project will be completed, there will be little or no occasion for any further execution of such Civil Works and only maintenance of such works will be necessary.

The electrical works are entirely in a different category as already stated above and even after completion of a main project—such as Nangal Project—considerably capital works on the electrical side are still required to be executed from year to year under the various sub-projects and for giving extensions to rural areas, industrial and general service connections in the town already electrified.

ANNEXURE XVII.

Note regarding Printing of Electoral Rolls

- 2 18. Para 27 of Audit Report
2. The decision of selection of presses was taken by (a) Election Commissioner, Punjab, after inspection of (b) presses in Punjab, and Delhi, by him or his officer. As a result of the inspection, it was found perhaps not necessary to call open tenders as there were not many presses with whom the work of such magnitude could be entrusted. Moreover this practice of giving out the work of printing of Electoral Rolls to selected presses, was in conformity with the practice which was in vogue in Joint Punjab. As to the later part, as said above, the presses were selected by Election Commissioner, Punjab, and presumably according to the dictates of his own conviction.
- (a) The presses concerned complied with the orders in full.
- (b) The question does not arise. This office is not in the know of any such deal, nor is this office concerned with it.
- (2) This is wrong. Lot of presses in Punjab actually came into existence between 1948 and 1950. The rate of Rs 5-14-0 given in 1948 was lower than Government of India Schedule of Rates as also of the rates allowed for the same work by other States for instance U. P. C.P., Bengal & Bombay and although no abnormal condition existed there and that invariably there existed large number of well established presses. This very fact is an ample proof that the rate given by us was the lowest which could have been procured in those days. The reasons of the fall of rate to Rs 1-15-0 in July 1950 were due to—
- (i) slump in the Punjab Printing Market,
- (ii) Establishment of large number of small presses especially formed of evacuee property,
- (iii) the employment of displaced persons.

There was a general suggestion as to the time limit and the presses concerned in general complied with the orders to the satisfaction of Elections Commissioner, Punjab. There was no penalty clause as it was not considered necessary at that time. There was no such condition in respect of sub-letting of work. However, such sub-letting is presumed to be common with P. W. D. contracts and such deals if any being purely a private arrangement between the parties.

NARRATION OF EVENTS

I request the following statement of mine which indicates the events in sequence may also kindly be placed on record :—

- (1) That in 1948, both the posts of Secretary, Medical, Local Government and Industries and the Elections Commissioner, were held by one and the same officer (Mr Bhide).
- (2) In connection with the printing of Electoral Rolls preliminary enquiry was addressed in March 1948 to 23 presses located in Delhi, Jullundur, Amritsar, Ambala, Dharamsala, Ferozepore and Hoshiarpur, as to let this office know the details of Machinery available with them. Only 11 presses responded, out of which 6 presses as shown below were only equipped with Litho Machines :—
 - (1) M. Gulab Singh and Sons, Delhi.
 - (2) Gulab Chand Kapur and Sons, Delhi
 - (3) Narinder Electric Press, Delhi.
 - (4) Imperial Printing Press, Dharamsala.
 - (5) Mahrishi Press, Hoshiarpur.
 - (6) Chands Electric Press, Ambala.
- (3) The list of presses addressed together with the information with regard to the details of machinery so received from the presses was forwarded to the Elections Commissioner on 14th April 1948.
- (4) The Secretary, Medical, Local Government and Industries was also informed of the above fact and enquiring as to what procedure was to be followed,—vide U. O. No. 267-G, dated the 19th April 1948.
- (5) The Elections Commissioners,—vide his U.O. No. 69-E/48, dated 7th May 1948, submitted an inspection report of following Delhi and U.P. Presses, with the direction to invite tenders from these presses :—
 - (1) M. Gulab Singh and Sons, Delhi.
 - (2) Gulab Chand Kapur and Sons, Delhi.
 - (3) Punjabi Press, Delhi.
 - (4) Hassan Press, Delhi.
 - (5) Dayal Printing Press, Delhi.
 - (6) Newal Kishore Press, Lucknow
 - (7) Indian Press Allahabad.
- (6) Vide this office U. O. No. 823-G, dated the 20th May 1948, to the Secretary, Medical, Local Government and Industries, a copy of the above report of Elections Commissioner was forwarded, seeking Government's orders as to the policy, whether tenders should be invited from selected presses only as was done in Lahore, or it should be advertised.

- (7) Government sanction was accorded to entrust the work by calling tenders to the selected presses,—*vide* their No. 4493-LPR/48/29580, dated the 31st May 1948, copy of which was endorsed to both the Accountant-General, and the Elections Commissioner.
 - (8) In continuation of his U. O. No. 69-E/48, dated the 7th May 1948, Elections Commissioner,—*vide* his U.O. No. 96-PR, dated the 22nd June 1948, directed this office to invite tenders from the following presses also :—
 - (1) Narinder Electric Press, Delhi.
 - (2) Chopra Printing Press, Jullundur.
 - (9) Accordingly rates were invited on 19th July/22nd July 1948.
 - (10) Rates were also invited from the following presses after discussion with P. A. to the Election Commissioner :—
 - (1) Star Press, Kanpur.
 - (2) Job Press, Kanpur.
- Note.—Both these presses did not quote.*
- (11) Elections Commissioner further,—*vide* his U. O. No. 112-PR, dated the 26th July 1948, directed to invite rates from Uttar Chand Kapur and Sons, Delhi. Accordingly tender was invited from this Press too.
 - (12) Thus tenders were invited from 12 presses. Sealed tenders were opened on 29th July 1948 in the presence of the tenderers who were present. P. A. to the Elections Commissioner was also present. Out of the above 12 presses, 3 presses did not quote, of the remaining 9 quotations, 3 were received by post. The quotations varied from Rs 6 to Rs 9-4-0.
 - (13) Since the work had to be distributed between presses due to the work being heavy and the time at disposal being short, a flat rate had to be fixed. After negotiation, a flat rate was fixed at Rs 5-14-0 per plate page, which was lower than the lowest quotation, as also lower than that of Government of India Schedule of Rates Class B.
 - (14) Enquiries as to the acceptance of the flat rate so fixed was also made from the following presses :—
 - (1) Nazar Press, Delhi ,
 - (2) Daily Vir Bharat, Delhi ,
 - (3) Dharamrajya Press, Delhi ,at the instance of Elections Commissioner.
 - (15) It was also decided by the Elections Commissioner, that the work would be done at Delhi only,—*vide* his No.213-PR, dated the 23rd August 1948.
 - (16) Thus the Elections Commissioner recommended from time to time the following presses :—
 - (1) M. Gulab Singh and Sons, Delhi ,
 - (2) Gulab Chand Kapur and Sons, Delhi ,
 - (3) Punjabi Press, Delhi ,
 - (4) Hassan Press, Delhi ,
 - (5) Dayal Printing Press, Delhi ,(This press did not quote)

- (6) Newal Kishore Press, Lucknow,
 - (7) Indian Press, Allahabad,
 - (8) Narinder Press, Delhi,
 - (9) Chopra Printing Press, Jullundur,
 - (10) Uttar Chand Kapur and Sons, Delhi.
 - (11) Nazar Press, Delhi,
 - (12) Daily Vir Bharat, Delhi,
 - (13) Dharamrajya Press, Delhi.
- (17) Out of the above, the work was allotted direct by the Elections Commissioner to the following presses as intimated,—*vide* his letter No. 161, dated 10th February 1949.
- (1) M. Gulab Singh and Sons, Delhi,
 - (2) Gulab Chand Kapur and Sons, Delhi,
 - (3) Uttar Chand Kapur and Sons, Delhi.,
 - (4) Hassan Press (Lahore Press), Delhi,
 - (5) Dharamrajya Press, Delhi,
 - (6) Nazar Press (Chakarwanti Press), Delhi,
 - (7) Narindera Electric Press, Delhi.
- (18) Thus it will be seen that the presses were recommended by Elections Commissioner (who was Secretary, Medical, Local Government and Industries) and the work was also allotted by him.
- (19) It seems too much emphasis is being given to the article "the" (selected presses), mentioned in the Government Memorandum No. 4493-LPR-48/29580, dated the 31st May 1948, I must admit article "the" was not taken in the restricted sense, for the simple reasons, had it been so, the Elections Commissioner (who was also Secretary, Medical, Local Government and Industries) would not have proceeded in recommending any further presses subsequently. It is amply clear therefore that the word "the" was inadvertant or at least it did not restrict to these 7 original presses only.
- (20) It is said that Daily Vir Bharat Press did certain portion of the work for M/s Uttar Chand Kapur and Sons, at Rs 2 per page. I am not concerned with that because the work was given by the Elections Commissioner direct and that if there was anything of the sort it was for him to have not given the work to them at all and all the time, say nearly 2½ months, his officers and staff were at the spot. Again it is not known to me how the Daily Vir Bharat did the work at Rs 2 especially when they were already on the recommended list of presses. If what the press say is correct, they should have immediately offered their lower rate to Govtment, instead of doing so for some other Press. However, my information is that this Press did only the actual printing process.
- (21) A comparison of rate of 1948 seems to have been made with that of 1950-51. This mode of scrutiny does not appear to be sound. The rate fixed in 1948 was lower than the lowest quotation was also lower than Government of India, Schedule of Rates, Class "B". If the above comparison holds good for any reason, then too it was lower than the rate allowed for Electoral Rolls by Litho in several other States in 1949-50. As a matter of fact my impression as judged from the open tender 1950-51 is that even if open tenders had been invited in 1948, it would not have yielded any better result, for there were in Punjab only 4 or 5 small Litho Presses then.

ANNEXURE XVIII

EXPLANATORY NOTE ON THE POINTS RELATING TO RELIEF AND REHABILITATION DEPARTMENTS

Serial No.	Page	Sub-head Paragraph	Remarks in the Audit Report	Observations made by the Public Accounts Committee	Answers
4	357—359	Government Cotton Spinning and Weaving Centres, Jullundur. Scheme for training displaced women and students in various crafts for the year 1950-51 and Government Wool Spinning and Weaving Centres, Panipat	<p>(i) Government Cotton Spinning and Weaving Centres, Jullundur</p> <p>AUDIT COMMENTS</p> <p>A sum of Rs 1,00,000 was advanced to the Controller, Government Cotton Spinning and Weaving Centres, Jullundur, in June, 1949 and placed in a Personal Ledger Account open in his name at the Jullundur Treasury. A further sum of Rs 3,50,000 was placed in the Personal Ledger Account in the name of the Director of Industries, Punjab, in March 1950 and subsequently transferred to this account in August 1950, by Contra debit to the head "57-Miscellaneous—Miscellaneous and Unforeseen Charges Expenditure on Rehabilitation-Schemes Industrial Schemes" thus making a total deposit of Rs 4,50,000 up to the end of the year.</p>	<p>The Committee would like to have an account showing the annual receipts, expenditure and profit or loss on these schemes and Centres since their inception of right up to end of 1952-53 and the number of persons who have received training or been benefited by the operation of these centres or schemes. In other words the Committee would like to have a note on the activities of this scheme and centres from both financial and human angles.</p>	<p>The various Industrial Rehabilitation Schemes detailed below were mostly started in the year 1948-49 with a view to filling the gap created by the mass migration of skilled muslim artisans and to restore the shattered economy of the State.</p> <p>(ii) <i>Scheme for the Training of Displaced Persons in various crafts.</i></p> <p>In the very beginning the following crafts were selected for providing training to 2,000 displaced persons from West Pakistan every six months to enable them to learn some trade and settle themselves in the gainful occupation and thus fit in the economy of the State. Each male trainee was entitled to a stipend of Rs 25 per mensem while the girl trainees were paid Rs 15 per mensem each.</p>

(2) The capital of Rs 4,50,000. was of a revolving nature to which the sale proceeds of finished goods were credited and contingent expenses debited..

(3) The amounts representing undisbursed pay of staff, recoveries on account of over-payments made previously, securities realised from staff and spinners and weavers, etc., were credited into the Personal Ledger Account instead of to the relevant deposit heads of account. The deposits and withdrawals during the year 1950-51, amounted to Rs 8,93,477 and Rs. 2,51,162, respectively. The balance at the close of the year was Rs 7,46,012 which was in excess of the requirements of this scheme and needs to be suitably reduced.

Serial No.	Page	Sub-head Paragraph	Remarks in the Audit Report	Observations made by the Public Accounts Committee	Answers
			<p>(ii) <i>Scheme for Training of displaced Women and Students in various crafts.</i></p> <p>AUDIT COMMENTS</p> <p>A sum of Rs 3,10,000 was transferred in March 1950 to Personal Ledger Accounts opened at 12 treasuries in the name of the Controllers of various Rehabilitation Vocational Training Schemes by Contra debit to the head " 57-Miscellaneous—Miscellaneous and Unforeseen Charges—Expenditure on Rehabilitation Schemes—Industrial Schemes ". These accounts were opened for the purchase of raw materials, to which the sale proceeds of finished goods were also credited. The total deposits during the year 1950-51 amount to Rs 1,60,072 whereas the withdrawals from this account work out to Rs 90,410 leaving a balance of Rs 3,79,662 on 31st March</p>		<ol style="list-style-type: none"> 1. Carpentry. 2. Smithy. 3. Cycle repairing. 4. Dyeing and Calico Printing 5. Leather goods manufacture. 6. Utensil making. 7. Oil and soap making. 8. Tailoring. 9. Carpet Weaving. 10. Weaving 11. Mechanic. 12. Tin Smithy. 13. Foundry and Moulding.

1951. The excess of Rs 69,662 on 31st March 1951, over the amount of Rs 3,10,000 which was originally placed in the Personal Deposit Account is due to (i) stocks both of raw material and manufactured goods in hand prior to the opening of the Personal Ledger Accounts, the cost of which was actually met from the service head, but the sale proceeds thereof credited in the Personal Ledger Accounts and (ii) due to the sale proceeds credited in excess of the cost of raw material debited to this account during 1950-51.

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14. Paper making.
 15. Welding.
 16. Sericulture.
 17. Drawing Masters.
 18. Pashmina Weaving.
 19. Turning.
 20. Lacquer and Wood Work.
 21. Oilseed pressing.
 22. Surgical Instruments.
 23. Red pottery.
 24. Bangle making.
 25. Lac culture.
 26. Sports goods manufacture.
 27. Hand-loom Weaving.
 28. Hosiery goods manufacture.
- The training of the girls were mainly restricted to trades like tailorings, knitting, hand embroidery, machine embroidery, toy making, Silma and tilla work, etc.

Serial No.	Page	Sub-head Paragraphs	Remarks in the Audit Report	Observations made by the Public Accounts committee	Answers
			<p>(iii) <i>Government Wool Spinning and Weaving Centres, Panipat</i></p> <p>AUDIT COMMENTS</p> <p>A sum of Rs 50,000 was advanced in April, 1949 to the Controller, Wool Spinning and Weaving Centres, Panipat and placed in a Personal Ledger Account opened in his name at the Panipat Sub-Treasury. A further sum of Rs 4,50,000 was transferred to his account at the end of the year 1949-50 by contra debit to the head "57-Miscellaneous—Miscellaneous and Unforeseen Charges—Expenditure on Rehabilitation Schemes—Industrial Schemes" thus making a total deposit of Rs 5,00,000</p>		<p>During the year 1952-53, however, mechanical trades such as Radio Mechanics, Motor Mechanics, Sheet Metal Work, Moulding, Turning, Electroplating, Tractor and Tube-well Engine Driving and Repairs, etc., were introduced in place of the less important trades like paper making, Sericulture, Drawing Masters, Oilseed pressing, Bangle making, Sports Industries and Lac Culture, etc. In the beginning the period of training was six months but now it has been increased to one year for most of the trades due to the fact that 6 months was considered to be too short a period to attain adequate skill in any one</p>

trade. The number of centres, expenditure incurred thereon, during the various years is given on next page.

2. The capital of Rs 5,00,000 was of a revolving nature to which the sale proceeds of finished goods were credited and contingent expenses debited

3. The opening balance on 1st April, 1950 was Rs 70,629. The deposits during the year amounted to Rs 13,70,601 and the withdrawals to Rs 3,49,517 thus leaving a balance of Rs 10,91,713 on 31st March, 1951.

4. Judged by the expenditure incurred during the year (Rs 3,49,517), the balance of Rs 10,91,713 at the close of the year 1950-51 is apparently in excess of normal requirements of these centres

5. The security deposits furnished by the Spinners and Weavers and the Extra Assistant Director of Industries, Ambala, were deposited in the Personal Ledger Account. These should have been deposited into the treasury under the proper deposit head of account

Name of the year	Number of Centres		No. of persons trained		Expenditure on Vocational training Centres Schemes		Training-Pro- duction centres in women Homes and Infirmaries
	Boys	Girls	Boys	Girls	Boys	Girls	
1948-49	8	..	..	..	Rs 3,15,090	Rs 50,611	..
1949-50	31	8	4,676	2,148	22,95,235	5,74,147	..
1950-51	12	9	2,800	1,546	10,71,106	2,46,210	..
1951-52	15	..	1,147	(From October 1951 these V.T. C.s. were converted into Women Homes at . Karnal, Rohtak, Jullundur and Hoshiarpur).	7,56,818	..	1,46,134
1952-53	16	..	1,759	..	10,78,975	..	1,74,641

It may, however, be stated that since 1950-51 the expenditure on raw material is being met out of a lump sum which has been allotted to each centre in the form of Personal Ledger Account. The sale proceeds of finished goods are again credited into the respective Personal Ledger Accounts of the Centres. This means the amount in each Personal Ledger Account is treated as rotating capital.

The Vocational Training Centres Schemes are purely training schemes financed through grants given by the Government of India and the question of profit and loss in this case, therefore, does not arise.

(i) *Government Cotton Spinning and Weaving Centres Scheme.*

Ten Cotton Spinning and Weaving Centres were started by the State Government in the year 1948-49 for providing work to displaced spinners and weavers.

The expenditure on the scheme, receipts credited into the treasury, profit and loss, and number of workers benefitted by the operation of this scheme during the various years are given below:—

Name of the year	Expenditure	Receipts deposited in the treasury under head "XLVI—Misc"			Profit or loss since the inception of the scheme			Number of workers benefitted		Wages paid	
								Spinners	Weavers	Spinners	Weavers
P.L.A.	Rs	A.	Rs	A	P.	Rs	P.	A.	Nil	Rs	Rs
1947-48	4,50,000	0 0	Nil			Nil			Nil	Nil	Nil
1948-49	20,569	0 0	Nil			Nil			Nil	Nil	Nil
1948-49	3,88,601	11 0	54,744	14	0				640	57,879	33,960
1949-50	8,69,908	13 3	1,31,795	0	3				1,283	1,70,747	1,77,749
1950-51	1,09,970	4 0	Nil			12,452	15	0	1,300	68,961	87,542
						(loss)					
1951-52	38,941	2 0	1,13,915	5	6	49,521	3	9	738	38,804	56,872
1952-53	Nil		36,283	13	9	(profit)			460	65,063	61,623
						75,295	8	3			
						(profit)					

In addition to the above workers benefitted and wages distributed amongst them, Rs 1,48,167 were paid as washing wages to the washermen and Rs 45,955 as carding wages to cotton carders during the 5 years.

The figures of expenditure for the years 1948-49 and 1949-50 include the cost of raw materials in addition to the expenditure on salaries, Travelling Allowance and Contingencies, whereas the figures for 1950-51 and 1951-52 do not include the cost of raw material as the same was met out of the Personal Ledger Account of the Controller, Government Cotton Spinning and Weaving Centres, from 1st April, 1950.

It may be added here that the figures of expenditure for 1951-52 include the pay of establishment, Travelling Allowance etc. for four months only from 1st March, 1951 to 30th June, 1951 as from 1st July, 1951 onwards the Government declared the scheme as *work charged*, and all the expenditure including salaries of the staff and Travelling Allowance etc. is being met out of the Personal Ledger Account of the Controller. The sum of Rs 4½ lacs originally placed in the Personal Ledger Account of the Controller, Government Cotton Spinning and Weaving Centres, Jullundur, has increased to Rs 13,23,172-15-3 upto 31st March, 1953. This increase was due to the fact that all the receipts have been deposited into the Personal Ledger Account since 1st April, 1950.

(iii) *Government Wool Spinning and Weaving Centres Schemes.*

Four Wool Spinning and Weaving Centres were started by the State Government during the year 1948-49 with a view to providing work to displaced spinners and weavers and to reviving the wool industry at Panipat which had received a great set back by the migration of Muslim spinners and weavers to Pakistan. Expenditure incurred on the scheme, receipts deposited into the treasury and profit or loss accrued during the various years of its working are given below:—

Name of the year	Expenditure			Receipts			Profit or Loss		No. of workers benefited	Wages paid	
	Rs	A.	P.	Rs	A.	P.	Rs	A.		Rs	figures not available
1948-49	6,62,391	7	9	67,980	0	0	5,851	3 6	2,840	65,246	
1949-50	12,47,477	0	9	3,12,868	6	3	11,889	10 0	4,850		
							(profit)				
1950-51	75,776	15	6				8,978	7 6	4,403	2,08,550	
1951-52	78,591	15	3	1,03,112	12	6	(loss)		3,934	2,55,638	
1952-53	62,852	1	6				7,666	7 9	3,538	1,17,025	
							(loss)				

The figures of expenditure for the years 1948-49 and 1949-50 include the cost of raw materials in addition to the expenditure on Salaries, Travelling Allowance and Contingencies while the figures for the year 1950-51, 1951-52 and 1952-53 do not include the cost of raw materials as the same was met out of the Personal Ledger Account of the Controller since 1st April, 1950. The figures of Rs 5 lacs originally placed in the Personal Ledger Account on 1st April, 1950 has now increased to Rs 8,51,241-10-9 upto 31st March 1953, on account of sale of goods after that date.

N.B. The two schemes viz. Cotton Spinning and Weaving Centres and Wool Spinning and Weaving Centres are being run on commercial lines although they have not yet been declared as such by the Punjab Government.

Serial No.	Page	Sub-head Paragraph	Remarks in the Audit Report	Observations made by the Public Accounts Committee	Replies
3	35-36	Paragraph 52 of the Report		<p>1 in para (52) (a) at page 35 of the Audit Report it has been mentioned that up to end of 1950-51, an expenditure of Rs 1,098.71 lakhs was incurred, of which Rs 919.68 lakhs was reimbursable by the Central Government. This leaves a balance of Rs 179.03 lakhs. Is the whole or any part of this amount recoverable from the Central Government? If so recoverable, has it been adjusted? What remains yet to be recovered? The Committee would also like to know the position regarding the expenditure incurred, amount recoverable from the Central Government and the amount actually recovered up to the end, of</p>	<p>A self-contained statement- (Annexure G) showing the total expenditure incurred with its apportionment between the State and Central Governments and the position with regard to the amount recovered and still recoverable from the Government of India in respect of expenditure incurred under "Relief" during the years 1947-48, 1948-49, 1949-50, 1950-51, 1951-52 and 1952-53 is enclosed. It would appear therefrom that as against the total expenditure of Rs 11,64,57,792 the liability of State Government was Rs 70,83,666 out of the remaining amount of Rs. 10,93,74,126 which represents the share of Government of India. The Accountant-General has adjusted a sum of Rs. 10,88,025 on account of receipts pertaining to displaced persons declaring net total amount of Rs. 10,82,86,101 as reimbursable by the Government of</p>

Serial No.	Page	Sub-head Paragraph	Remarks in the Audit Report	Observations made by the Public Accounts Committee	Replies
3— <i>concl'd</i>	35-36— <i>concl'd</i>	Paragraph 52 of the Report— <i>concl'd</i>		<p>1952-53. What part of the amount due to be received from the Central Government has not been recovered because of:—</p> <p>(a) the account not having been audited, and</p> <p>(b) the non-settlement of Audit Objections? In regard to (b) what are the principal defects and how much amount due to be recovered is being held up because of the non-settlement of each category of these principal audit objections? What steps have been and are being taken to settle the audit objections and recover from the Central Government the amounts reimbursable by it? The Committee would like to have a detailed note on the subject.</p>	<p>India. Against this amount the reimbursement of a sum of Rs. 10,04,57,831 was adjusted in due course in the accounts for the year concerned and the reimbursement of a further sum of Rs 45,78,619 has been made in subsequent years. A further sum of Rs 5,33,464 has been accepted and promised to be adjusted against the savings for the year 1952-53. The net amount which is still recoverable comes to Rs. 27,16,187</p> <p>The detailed up to date position regarding the amount withheld from reimbursement in respect of Relief Expenditure during the years 1947-48 to 1952-53 together with the defects is given hereunder:—</p>

Defects	Government realized during the subsequent years				Balance yet to be recovered.
	Amount withheld in the first instance	Adjusted in subsequent years	Promised to be adjusted against the saving for the year 1952-53	Total	
1	2	3	4	5	6
(i) Amount withheld on account of non-production of sub-vouchers etc.	Rs 55,11,302	Rs 34,66,536	Rs 5,33,464	Rs 40,00,000	Rs 15,11,302
(ii) Amount withheld on account of non-rendition of accounts of articles	3,64,863	..	..	..	3,64,683
(iii) Amount withheld on account of cases of misappropriation and defalcation	54,087 59,30,072 59,00,000	.. 34,66,536 Round	.. 5,33,464 ..	.. 40,00,000 19,00,000	54,087 19,30,072 Round
(iv) Amount not reimbursed as a result of non-inclusion of certain items due to their late adjustment	19,28,270	11,12,083	..	11,12,083	8,16,187
Total	78,28,270	45,78,619	5,33,464	51,12,083	27,16,187
The item in respect of reimbursement has been withheld on account of non-production of sub-vouchers which relate to the following years:—					
Upto					Rs.
1949-50					.. 6,11,302
1951-52					.. 1,00,000
1952-53					.. 8,00,000

Serial No.	Page	Sub-head Paragraph	Remarks in the Audit Report	Observations made by the Public Accounts Committee	Replies
					<p>Originally the Accountant-General, Punjab, had withheld as much as Rs. 55,11,302 on this account but it is due to the persistent efforts of this Department that a large part of it was got released and amongst the items up to the year 1949-50, only a sum of a little over Rs 6 lakhs now remains to be reimbursed. Vigorous efforts are being made to get this amount also released by the Accountant-General, Punjab, for credit to the State Government.</p> <p>As regards the other two items withheld on account of non-remission of accounts and losses and defalcations most of the objections raised by audit have been settled or dropped and we have already addressed the Accountant-General, Punjab,</p>

to release practically the whole of the amount withheld on this account. The items objected to mostly related to feeding and clothing accounts in the Relief Camps that were set up in the State immediately after the partition. The fourth item is made up as follows:—

(1) 1950-51—Rs. 2,96,501 on account of less reimbursement under "Accommodation" and "Amount transferred from other Departments" as a result of the entire expenditure under these heads not being covered wholly by the specific allotments made by the Government of India.

(2) 1951-52—Rs. 1,42,528 on account of "Feeding Charges" under I-General, and II-Infirmaries. Same as above.

(3) 1952-53—Rs 3,77,158. This amount will be reimbursed by the Accountant-General, Punjab, in the accounts for March, 1953 (Supplementary)

Total	Rs 8,16,187
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ANNEXURE G

Statement showing the total expenditure incurred with its apportionment between the State and Central Governments and the position with regard to the amount recovered and still recoverable from the Government of India in respect of expenditure incurred under 'Relief' during 1947-48, 1948-49, 1949-50, 1950-51, 1951-52 and 1952-53

Serial No.	Year	Total expenditure	Expenditure to be met by the State Government	Expenditure to be reimbursed by the Government of India	Receipts due to the Government of India	Net amount reimbursable by the Government of India	Amount actually reimbursed	Reimbursement not allowed in the first instance for want of settlement of objection
1	2	3	4	5	6	7	8	9
1	1947-48	Rs 3,34,24,481	Rs 17,51,549	Rs 3,16,72,932	Rs ..	Rs 3,16,72,932	Rs 2,93,72,932	Rs 23,00,000
2	1948-49	4,38,63,053	30,45,532	4,08,17,521	..	4,08,17,521	3,99,17,521	9,00,000
3	1949-50	2,02,43,035	8,14,735	1,94,28,300	..	1,94,28,300	1,70,31,106	18,00,000
4	1950-51	76,87,220	6,70,683	70,16,532	4,94,899	65,21,633	57,10,243	..
	Total ..	10,52,17,789	62,82,504	9,89,35,285	4,94,899	9,84,40,386	9,20,31,802	50,00,000
5	1951-52	63,43,716	5,48,119	57,95,597	3,74,365	54,21,232	51,78,704	1,00,000
6	1952-53	48,96,287	2,53,043	46,43,244	2,18,761	44,24,483	32,47,325	8,00,000
	Total ..	1,12,40,003	8,01,162	1,04,38,841	5,93,126	98,45,715	84,26,029	9,00,000
Grand Total ..		11,64,57,792	70,83,666	10,93,74,126	10,88,025	10,82,86,101	10,04,57,831	59,00,000

ANNEXURE G

Statement showing the total expenditure incurred with its apportionment between the State and Central Governments and the position with regard to the amount recovered and still recoverable from the Government of India in respect of expenditure incurred under 'Relief' during 1947-48, 1948-49, 1949-50, 1950-51, 1951-52 and 1952-53—*concl'd*

Serial No.	Year	Non-inclusion of certain items due for reimbursement owing to their late adjustment in the accounts.	Total	Recovered and adjusted in subsequent years			Amount accepted by A.G. and promised to adjust against the saving for 1952-53	Still recoverable
				Against Col. 9	Against col 10	Total		
10	11	12	13	14	15	16	17	18
1	1947-48	Rs ..	Rs 23,00,000	Rs 27,00,000	Rs ..	Rs 27,00,000	Rs 5,33,464	Rs 10,00,000
2	1948-49	..	9,00,000	7,66,536	..	7,66,536	..	..
3	1949-50	5,97,194	23,97,194	34,66,536	5,97,194	5,97,194	..	..
4	1950-51	8,11,390	8,11,390	..	2,42,590	2,42,590	..	2,96,501
	Total ..	14,08,584	64,08,584	34,66,536	11,12,083	45,78,619	5,33,464	12,96,501
5	1951-52	1,42,528	2,42,528	..	..	..	..	2,42,528
6	1952-53	3,77,158	11,77,158	..	..	..	..	11,77,158
	Total ..	5,19,686	14,19,686	..	..	..	..	14,19,686
Grand Total	..	19,28,270	78,28,270	34,66,536	11,12,083	45,78,619	5,33,464	27,16,187

Serial No.	Page	Sub-head Paragraph	Remarks in the Audit Report	Observations made by the Public Accounts Committee	Replies
5	35-36 of Audit Report	52	<p>(b) <i>Rehabilitation.</i> Expenditure on "Rehabilitation" consisted mainly of (i) maintaining technical training centres, (ii) giving grants for rehabilitation and prosecuting studies, and (iii) granting loans. The expenditure under (i) was reimbursed in full by the Union Government to the State Government in respect of the approved Vocational Training Schemes and on 50:50 basis in respect of other rehabilitation schemes. The expenditure under (ii) was also reimbursed in full except in respect of rehabilitation grants for the repair of houses and to displaced shopkeepers and that under (iii) is recoverable from the beneficiaries. The irrecoverable amounts are being treated as a "Loss" to be shared equally between the Union Government and the Punjab State. The total expenditure under (i) and (ii) (including a few other minor</p>	<p>2. It has also been mentioned in paragraph 52(b) of the Audit Report that up to the end of 1950-51 an expenditure of Rs. 573.68 lakhs has been incurred on :—</p> <p>(a) the maintenance of technical training schemes; and</p> <p>(b) grants for Rehabilitation purposes and prosecution of studies.</p> <p>Of this amount Rs. 243.55 lakhs have been reimbursed by the Central Government. Does this represent the entire reimbursable amount or if it does not, how much more is due to be recovered from the Central Government and why is it not being recovered? The Committee also would, as in the case of Relief expenditure like to have a statement of expenditure incurred up to 1952-53, the amount recoverable from the Central Government the</p>	<p>This para exclusively relates to the expenditure on Rehabilitation booked under the head "57—Miscellaneous" and the amount reimbursed against that.</p> <p>(a) The figures of expenditure of Rs. 5,73.68 lakhs and amount reimbursed by the Government of India Rs. 2,43.55 lakhs upto the end of 1950-51 as shown therein are not final. These figures were changed on account of subsequent adjustments in Accountant-General's office and the latest position of expenditure and the amount reimbursed up to 1950-51 is summarised in the statement at <i>Annexure A</i>. The difference between the two sets of figures of expenditure of Rs. 5,73.68 lakhs (reported in the Audit Report) and Rs. 62,1.68 worked out in statement 'A', referred to above is mainly due to the following reasons :—</p>

amount actually recovered, the reasons for the non-recovery of the balance and the steps taken to rectify the defects or omissions or other factors responsible for the non-reimbursement of the balance so that the amount due from the Central Government may be recovered in full.

items of assistance) during the year amounted to Rs. 90,27,009 out of which a sum of Rs. 51,01,177 was recovered from the Union Government. The progressive expenditure upto the end of the year under these heads amounted to Rs. 5,73,67,515 out of which a sum of Rs. 2,43,54,982 was reimbursed by the Union Government. Total loans to displaced persons both rural and urban referred to at (iii) above amounting to Rs. 7,42,71,142 were granted to the end of the year 1950-51. Against this, a sum of Rs. 24,99,227 was recovered as repayment of the loans up to the 31st March, 1951, and an amount of Rs. 56,58,605 refunded into the treasuries by the Drawing Officers as undischarged.

(i) The expenditure of Rs. 46.15 lakhs incurred on grants-in-aid during 1948-49 was booked under "Relief" and shown as such in the Appropriation Accounts.

(ii) An expenditure of Rs. 5,198 on the grant of stipends to trainees during 1948-49 has been shown under "Relief" in the Appropriation Accounts.

(iii) An expenditure of Rs. 2.68 lakhs transferred from other Departments by subsequent adjustments is not taken into Account in the Appropriation Accounts.

(iv) An expenditure of Rs. 1.17 lakhs incurred during 1947-48 in the

Serial No.	Page	Sub-head Paragraph	Remarks in the Audit Report	Observations made by the Public Accounts Committee	Replies
5	35-36 of Audit Report	52			<p>Custodian's Department has been shown in the Appropriation Accounts under "Rehabilitation".</p> <p>(v) The expenditure under Grants-in-aid included in the Appropriation Accounts for 1949-50 has been shown less by Rs. 0.33 lakhs than the final figure of expenditure.</p> <p>Similarly the amount of reimbursement was changed by subsequent adjustments.</p> <p>From the statement at Annexure "A", it will be seen that a sum of Rs. 2,20.26 lakhs has been reimbursed by the Central Government against the total expenditure of Rs. 6,21.68 lakhs on the basis of accepted principles and no more amount is due from them. It may be stated in this connection that the capital expenditure incurred on Housing Schemes up to the year 1948-49</p>

(Rs. 2,09.65 lakhs) is also included in the total expenditure referred to above. (b) Two statements *Annexure "B" and "C"* showing the year-wise expenditure on each scheme and the total expenditure booked under the heads "25—General" and "57—Miscellaneous" from 1947-48 to 1952-53 (supplementary) the amount reimbursable by the Government of India, amount actually reimbursed against that, amount withheld from reimbursement on account of non-settlement of audit objections and the amount still due to be recovered are also given below. Out of the total expenditure of Rs. 7,87.60 lakhs incurred up to 1952-53 a sum of Rs. 3,44.68 lakhs was reimbursable by the Government of India. Out of this, a sum of Rs. 8 lakhs only has been with held from reimbursement on account of non-settlement of audit objections and the balance has been recovered. A major portion of the amount of

Serial No.	Page	Sub-head Paragraph	Remarks in the Audit Report	Observations made by the Public Accounts Committee	Replies
5	35-36 of Audit Report	52			<p>Rs. 8 lakhs withheld from reimbursement; relates to the expenditure on Industrial Rehabilitation Schemes. The Director of Industries, Punjab, and other Drawing and Disbursing Officers concerned are being pressed to submit the requisite sub-vouchers etc., to the Accountant-General, Punjab, immediately and settle the outstanding items with the least possible delay. These objections are expected to be settled soon.</p> <p>(c) It may, however, be added that the Government of India have not agreed to reimburse any portion of the expenditure incurred by the State Government during the years 1947-48 to 1949-50 on the following items in spite of repeated reminders made to them both by</p>

correspondence and in the meetings held from time to time :—

Total expenditure

Rs.

1. Food Loans 92,24,045

2. Grants to widows and other refugees in urban areas 20,05,835

3. Grants to displaced students of Classes V—VIII 20,58,982

4. Grants for repairs of houses and wells in rural areas 5,33,063

Total .. 1,38,21,925.

ccclxi

With regard to the first 3 items, the Government of India have, on each occasion, refused to concede the State Government's

Serial No.	Page	Sub-head Paragraph	Remarks in the Audit Report	Observations made by the Public Accounts Committee	Replies
5	35-36 of Audit Report	52			<p>point of view on the ground that their prior concurrence was not obtained before incurring this expenditure. As for the IV item, they have conceded that they would be ready to reimburse the expenditure of Rs. 5,33,063 incurred on the grants for the repairs of wells and houses provided the State Government transfer to them about a couple of crores of rupees representing the proceeds of unidentified movable evacuee property and the rent of agricultural evacuee property other than the portion thereof for which the Central Government had given specific authorisations to the Punjab Government. The whole matter concerning the claims of the State Government and counter-claims of the Government of India is receiving attention in the Finance Department</p>

3. The Committee would also like to have a statement showing loans issued for Rehabilitation purposes to different categories of persons e.g. loans for house building purposes, urban loans and rural loans to end of 1952-53 (figures may be given separately for each year), the recoveries due to be made from the persons concerned in every year, recoveries actually effected and if actual recoveries fall short of recoveries due, the reasons for short fall and the steps taken to effect the recoveries? How much was due to be repaid to the Central Government by way of interest and principal, up to end of 1952-53 and what portion of such dues should have been and was actually matched by recoveries effected from persons to whom loans were granted? Were the amounts due to the Central Government up to end of 1952-53, paid in full or only in part and if so how much has been paid and what remains to be refunded? Briefly, the Com-

A statement showing the position of Rehabilitation Loans taken from the Government of India up to the end of the year 1952-53 for house building purposes, urban loans and rural loans, amount due to be refunded, amount actually paid to the Government of India, balance remaining to be paid, the loans issued to displaced persons, the recoveries due to be made from them and recoveries actually effected is given in the statement (Appendix "D"). This statement shows that the amount due to the Government of India against the various categories of loans received from them has been paid. In fact the amount paid to the Central Government of India is much more than was actually due.

Of course, the pace of recoveries from displaced persons does not correspond with the amount due from them. The main reason for less recoveries is the

Serial No.	Page	Sub-head Paragraph	Remarks in the Audit Report	Observations made by the Public Accounts Committee.	Replies.
5	35-36 of Audit Report	52	..	<p>mittee would like to have a clear picture of the loans received from the Central Government up to end of 1952-53, the amounts due to be refunded to them, the amounts actually paid, the balance remaining to be refunded, the loans issued to the displaced persons, the recoveries due to be made from them, the recoveries actually effected and the steps taken to recover the balances. What difficulties are being met with in the way or recovery and how they are being got over?</p>	<p>lean financial position of the displaced persons in view of their limited means, general slump in the trade and migration of loanees to other districts and States. Postponement of recoveries to the extent of 10 per cent of verified claims under the instructions of the Government of India is also one of the chief factors for less recovery of urban loans. On the rural side difficulty is being felt in recovery of taccavi loans in the following cases :—</p> <p>(i) Temporary allottees who were advanced taccavi loans, but shifted to other places on account of allotment of lands on quasi-permanent basis.</p> <p>(ii) Allottees who have been advanced taccavi loans but leased out their land to the tenants and have evaded the repayment of loans by taking</p>

their abode at places elsewhere than the villages of their resettlement ;

(iii) Loanees who are evading repayment of loans intentionally.

In case of No (i) the present addresses of the loanees are being ascertained from the sureties of the loanees as well as *parcha* claims available in the displaced persons land record. Approximately a sum of Rs. 50 lakhs was advanced to the tenants. Most of these persons are now untraceable. Efforts are being made to trace them In case of No. (ii) instructions have been issued to all the Deputy Commissioners in the State to recover the amount from the sureties where the loanees are untraceable Moreover standing instructions have been issued to the circle *patwaris* that they should report to the Tehsildars the particulars of such defaulters when their harvests are ready. The Tehsildars will then take necessary action for recovery

Serial No.	Page	Sub-head Paragraph	Remarks in the Audit Report	Observations made by the Public Accounts Committee	Replies
5	35-36 of Audit Report	52			<p>by attaching the share of the crops of the loanes concerned. For cases falling under category No. (iii) detailed instructions have already been issued to the Deputy Commissioners that they should look continuously into recoveries in every part of their district and should take steps to recover the arrears. The authorities concerned are making every effort to recover the arrears by resorting to coercive processes where necessary, such as attachment of property or putting the loanes under arrest. Such coercive measures are only taken in cases in which the loanes are actually in a position to repay the loan but are otherwise unwilling to do so and thus evading repayment of loans deliberately. In addition it may be stated that loans amounting to Rs. 92,24,045 were advanced</p>

to displaced persons as Food Loans. This was done as a measure of dire relief needed at the time of great emergency prevailing after the partition and no enactment was made under which these loans could be advanced. This amount cannot be recovered from the displaced persons. The Government of India have already been approached to consider this amount as grant-in-aid but so far the request of the State Government has not been acceded to.

The Statement at Annexure 'E' shows loans taken from the Government of India, repayment due to them and repayment made to them on account of principal and interest.

The statement at Annexure 'F' shows year-wise details of loans advanced to displaced persons and recoveries effected from them.

Replies

Serial No.	Page	Sub-head	Remarks in the Audit Report	Observations made by the Public Accounts Committee
		Paragraph		
5	35-36 of Audit Report	52	<p>The accounts of the expenditure incurred on relief and rehabilitation of displaced persons in addition to being audited centrally were also tested locally. The more important of the irregularities noticed are enumerated below:—</p> <p style="text-align: center;"><i>Rehabilitation Expenditure.</i></p> <p><i>General—</i></p> <p>(i) Loans and grants were sometimes paid to unauthorised persons and for unauthorised purposes.</p> <p>(ii) Loans were given in some cases in excess of the prescribed scales.</p> <p>(iii) In certain instances persons handling cash and stores had not furnished the requisite security</p>	<p>4. The Committee would like to know whether proper accounts are being maintained and whether the outstanding are properly reviewed and suitable action taken to ensure recoveries, wherever they ought to be made.</p>
			<p><i>General—</i></p> <p>(i) Loans and grants were sometimes paid to unauthorised persons and for unauthorised purposes.</p> <p>(ii) Loans were given in some cases in excess of the prescribed scales.</p> <p>(iii) In certain instances persons handling cash and stores had not furnished the requisite security</p>	<p>4. Accounts pertaining to various Rehabilitation Loans and Grants of Urban and Rural nature are now mostly being maintained properly. Any irregularity in the maintenance of accounts when comes to the notice of the Audit Parties of this Department who are responsible for internal audit of accounts of Rehabilitation Loans and Grants is brought to the notice of Officer-in-charge of Rehabilitation work and got regularized through correspondence. Outstanding are properly reviewed in the case of Urban Loans which become due for repayment and suitable action taken to effect recovery.</p> <p>5. All taccavi loans have now been entered into khataunis and where recoveries of rural loans have since fallen due kistandies have also been prepared in such</p>

Rural Loans.

(i) Verification regarding the proper use of loans was not conducted by the inspectional staff in some cases.

(ii) Taccavi loans advanced in a number of cases were not entered in the khatauns and Kistbandies to watch their repayment.

Urban Loans.

Loans were in some cases granted to Government servants and to persons not entitled to receive such loans.

Kistbandies to watch their repayment. Has this defect been rectified? It has also been mentioned that loans have been granted in some cases, in excess of the prescribed scale, or to persons not entitled to receive them and that verification regarding disbursement of the loans was not conducted in some cases. Have these excess or wrong issues been recovered and have steps been taken to see that the loans were utilised for the purposes for which they were granted?

cases. There are, however, a few cases where kistbandies have not yet been prepared and the reasons for not doing so are ascribed to the fact that recovery in such cases has not yet failed. Stress is, however, being constantly laid on the staff concerned for the completion of their records through audit and inspection notes issued by this Department.

There are certain cases in some of the Tehsils where maximum limit of rural loans has been exceeded. This irregularity has mostly occurred in case of Bullock Loans. In these cases land allottees who were entitled to get taccavi for the purchase of one bullock only were given taccavi for the purchase of two bullocks as one bullock could not serve their purpose. Also there are certain cases in some Tehsils where maximum amount of

Serial No.	Page	Sub-head/ Paragraph	Remarks in the Audit Report	Observations made by the Public Accounts Committee	Replies
5	35-36 of Audit Report	52			<p>Rs. 2,500 which could be given to any person as loan for agricultural implements, power-driven pumps, etc., has been exceeded to. This irregularity has occurred in cases where two or more persons joined together to obtain loan as each one of them individually was not entitled to the receipt of such loans as their allotment of land individually did not come up to the limit of 20 Standard acres fixed by this Department. In their cases rural loans were sanctioned by the Tehsildars on the basis of the total areas allotted to the group as a whole and the maximum limit of loan exceeded proportionately. This was done by the Tehsil Authorities on account of wrong interpretation of Government instructions. All such cases of overpayments which have come to the notice of this</p>

Department through internal audit have been brought to the notice of the District Authorities and they have been asked to make immediate recovery of such irregular loans together with interest.

As regards the verification of loans regarding their proper utilization, it is being conducted and as soon as any case of non-verification comes to the notice of this Department, it is brought to notice of District Authorities for immediate verification. As far as urban loans are concerned there are only a very few cases where loans have not been utilised for the purpose for which these were sanctioned, and where such cases have come to the notice of the audit parties. Deputy Commissioners concerned have been asked to declare the loans immediately recoverable. Recovery proceedings as a result thereof have been started. Instructions have been issued by this Department in their Memo. No. 6542/U, dated 7th September,

Serial No.	Page	Sub-head Paragraph	Remarks in the Audit Report	Observations made by the Public Accounts Committee	Replies
5	35-36 of Audit Report	52			<p>1950, that each Sub-Inspector, Urban Resettlement should complete verification of 75 cases per week. Government further introduced a statement fortnightly (now monthly) in which number of cases verified has to be mentioned along with new sanctions of loans. Similarly verification of rural loans is conducted by the Revenue Staff but it is unfortunate that the pace of progress in these cases is very slow. However, where cases of misutilization come to the notice of the Revenue staff and the Rehabilitation Department, immediate recovery of the loan amounts together with interest is ordered. In this connection it may also be mentioned that verification of various kinds of Rehabilitation Loans is a very huge work and entails heavy responsibility on the part of revenue staff who have, in addition to this work, to handle work of a varied nature.</p>

ANNEXURE 'A'

Statement showing the expenditure incurred on Rehabilitation under the Head "57—Miscellaneous" during the years 1947-48 to 1950-51 and the reimbursement made thereon by the Government of India.

Serial No.	Schemes	1947-48			1948-49			1949-50	
		Total expenditure	Amount reimbursable by the Government of India	Amount actually reimbursed	Total expenditure	Amount reimbursable by Government of India	Amount actually reimbursed	Total expenditure	Amount reimbursable
1	2	3	4	5	6	7	8	9	10
1	57—Miscellaneous Establishment Charges ..	Rs 10,57,344	Rs 5,28,672	Rs 5,28,672	Rs 72,37,642	Rs 36,12,570	Rs 36,12,570	Rs 97,35,314	Rs 48,67,657
2	Vocational and Industrial Schemes	23,896	23,896	23,896	14,33,469	9,03,084	9,03,084	55,31,411	41,19,915
3	Other Schemes ..	..	..	..	2,09,65,253	..	..	87,383	..
4	Grants-in-aid ..	1,01,670	..	..	46,15,177	6,54,089	6,54,089	23,53,244	11,87,353
5	Deduct—Amount transferred to the Deposit Account of the Custodian ..	..	..	..	..	..	..	..	..
	Grand Total	11,82,910	5,52,568	5,52,568	3,42,51,541	51,69,743	51,69,743	1,77,07,352	1,01,74,925

ANNEXURE 'A'—CONCLD.

Statement showing the expenditure incurred on Rehabilitation under the head "57—Miscellaneous" during the years 1947-48 to 1950-51 and the reimbursement made thereon by the Government of India—concl'd

Serial No.	Schemes	Amount actually reimbursed	Total expenditure	Amount reimbursable by Government of India	Amount actually reimbursed	Total 1947-48 to 1950-51		
						Total expenditure (cols 3+6+9+12)	Amount reimbursable (cols 4+7+10+13)	Amount actually reimbursed (cols 5+8+11+14)
1	2	11	12	13	14	15	16	17
				1950-51				
1	57—Miscellaneous Establishment Charges ..	Rs 48,67,657	Rs 32,02,100	Rs 16,01,050	Rs 16,01,050	Rs 2,12,32,400	Rs 1,06,09,949	Rs 1,06,09,949
2	Vocational and Industrial Schemes	41,19,915	17,20,781	15,52,899	15,52,899	87,09,557	65,99,794	65,99,794
3	Other Schemes ..	..	11,74,575	..	..	2,22,27,211	..	..
4	Grants-in-aid	11,87,353	39,29,552	29,75,546	29,75,546	1,09,99,643	48,16,988	48,16,988
5	Deduct—Amount transferred to the Deposit Account of the Custodian	..	—10,00,000	..	..	—10,00,000	..	..
	Grand Total	1,01,74,925	90,27,008	61,29,495	61,29,495	6,21,68,811	2,20,26,731	2,20,26,731

ANNEXURE 'B'

Statement showing the total expenditure under Rehabilitation during 1947-48 and reimbursement due thereon

Serial No.	Scheme	Total expenditure	Share of the State Government	Share of the Government of India	REMARKS
1	<i>Establishment Charges—</i>	Rs	Rs	Rs	
	(a) "25—General Administration" (Headquarters Staff)	1,53,374	54,322	99,052	
	(b) "57—Miscellaneous" ..	10,57,344	5,28,672	5,28,672	
	Total Establishment ..	12,10,718	5,82,994	6,27,724	
2	<i>Vocational and Industrial Schemes—</i>				
	(a) Spinning and Weaving Schemes ..	23,896	..	23,896	
	Total Vocational and Industrial Schemes ..	23,896	..	23,896	
3	<i>Grants-in-aid—</i>				
	(a) Grants for Industrial Rehabilitation	6,400	6,400	..	
	(b) Grants for Urban Resettlement ..	62,350	62,350	..	
	(c) Gratuitous Relief to sufferers in Gurgaon ..	32,920	32,920	..	
	Total Grants-in-aid ..	1,01,670	1,01,670	..	
	GRAND TOTAL ..	13,36,284	6,84,664	6,51,620	

Statement showing the total expenditure incurred on Rehabilitation during 1948-49 and reimbursement due thereon

Serial No.	Scheme	Total expenditure	Share of the State Government	Share of the Government of India	REMARKS
		Rs	Rs	Rs	
1	Establishment Charges—				
	(a) 25—General Administration (Headquarters staff) ..	5,30,579	2,21,038	3,09,541	
	(b) 57—Miscellaneous ..	72,37,642	36,25,072	36,12,570	
	Total Establishment Charges ..	77,68,221	38,46,110	39,22,111	
2	Vocational and Industrial Rehabilitation Schemes—				
	(a) Weavers Rehabilitation	6,359	3,180	3,179	
	(b) Training of boys in various crafts ..	1,00,520	..	1,00,520	
	(c) Sports Industry ..	1,766	..	1,766	
	(d) Training of Women in various crafts ..	50,611	..	50,611	
	(e) Industrial staff at Headquarters ..	73,915	36,958	36,957	
	(f) Training in Hosiery ..	2,08,647	..	2,08,647	
	(g) Wool Spinning and Weaving Centres ..	5,98,185	2,99,092	2,99,093	
		10,40,003	3,39,230	7,00,773	
	(h) Stipends to Trainees ..	5,198	..	5,198	
	(i) Cotton Spinning and Weaving Centres ..	3,81,711	1,90,855	1,90,856	
	(j) Training of students in hand spinning at Amritsar ..	4,757	..	4,757	
	(k) Pottery Scheme ..	300	300	..	
	(l) Training of students in village industries at Wardha ..	1,500	..	1500	
	Total Vocational and Industrial Rehabilitation Schemes ..	14,33,469	5,30,385	9,03,084	

Statement showing the total expenditure incurred on Rehabilitation during 1948-49 and reimbursement due thereon—concl'd

Serial No.	Scheme	Total expenditure	Share of the State Government	Share of the Government of India	REMARKS
3	Grants-in-Aid—	Rs	Rs	Rs	
	(a) Grants to displaced students ..	19,20,172	12,66,083	6,54,089	
	(b) Grants for Industrial Rehabilitation ..	15,79,364	15,79,364	..	
	(c) Grants for repairs of wells in rural areas ..	11,15,641	11,15,641	..	
	Total Grants-in-aid ..	46,15,177	39,61,088	6,54,089	
4	Other Schemes—				
	Housing Schemes (Urban)	2,09,65,253	2,09,65,253	..	This expenditure has been met against the loan of Rs. 2.5 crores given by the Government of India for 4,000 Houses Scheme up to 1948-49. Expenditure on this scheme was booked in the revenue section of the Public Account.
	Total Other Schemes ..	2,09,65,253	2,09,65,253	..	
	GRAND TOTAL ..	3,47,82,120	2,93,02,836	54,79,284	

*Statement showing the total expenditure incurred on Rehabilitation during
1949-50 and reimbursement due thereon*

Serial No.	Scheme	Total Expenditure	Share of the State Government	Share of the Gov- ernment of India	REMARKS
1	<i>Establishment Charges—</i>	Rs	Rs	Rs	
	(1) 25—General Administration (Headquarters staff) ..	5,47,380	2,73,690	2,73,690	
	(2) 57—Miscellaneous ..	97,35,314	48,67,657	48,67,657	
	Total Establishment ..	1,02,82,694	51,41,347	51,41,347	
2	<i>Vocational and Industrial Rehabilitation Schemes</i>				
	(1) Headquarters staff	1,97,054	93,527	93,527	
	(2) Training of boys in various crafts ..	16,49,553			
	(3) Vocational Training Centres ..	116			
	(4) Doubling up scheme ..	2,37,488			
	(5) Training of women in various crafts ..	5,74,147			
	(6) Stipends to trainees (V.T.C.) ..	4,157	..	..	..
	(7) Training in hand spinning and weaving at Amritsar ..	1,14,279			
	(8) Training in Hosiery Scheme ..	2,31,112			
	(9) Training in Sports Industry	44,492			
	(10) Industrial Training Schemes ..	5,005			
	(11) Training of students at Wardha and Noakhali	3,728			
	Total	28,64,077	78,676	27,85,401	

*Statement showing the total expenditure incurred on Rehabilitation during
1949-50 and reimbursement due thereon—concl'd*

Serial No.	Scheme	Total Expenditure	Share of the State Government	Share of the Government of India	REMARKS
2	<i>Vocational and Industrial Schemes—concl'd</i>	Rs	Rs	Rs	
	(12) Training of post graduates in social sciences ..	1,694	..	1,694	
	(13) Rehabilitation of Weavers at Panipat ..	12,032	6,016	6,016	
	(14) Wool spinning and weaving centres ..	12,46,176	6,23,088	6,23,088	
	(15) Cotton spinning and weaving centres ..	12,20,378	6,10,189	6,10,189	
	Total Vocational and Industrial Rehabilitation Schemes ..	55,31,411	14,11,496	41,19,915	
	<i>3 Other Schemes—</i>				
	(1) Pottery Scheme ..	13,926	13,926	..	
	(2) Garden Colony Scheme	73,457	73,457	..	
	Total Other Schemes ..	87,383	87,383		
4	<i>Grants-in-Aid—</i>				
	(1) Grants to students ..	19,53,532	8,01,429	11,52,103	Government of India agreed to share the expenditure on IX and X Class students only
	(2) Grants for Industrial Rehabilitation ..	3,57,971	3,57,971	..	
	(3) Grants for Urban Resettlement ..	6,491	6,491	..	
	(4) Grants to Punchkula ..	35,250	..	35,250	
	Total Grants-in-aid ..	23,53,244	11,65,891	11,87,353	
	GRAND TOTAL ..	1,82,54,732	78,06,117	1,04,48,615	

*Statement showing the total expenditure incurred on Rehabilitation during
1950-51 and reimbursement due thereon*

Serial No.	Scheme	Total expenditure	Share of the State Government	Share of the Government of India	REMARKS
1	<i>Establishment Charges—</i> (1) 25—General Administration (Headquarters Staff) .. (2) 57—Miscellaneous .. Total Establishment Charges ..	4,76,353 32,02,100 36,78,453	2,38,177 16,01,050 18,39,227	2,38,176 16,01,050 18,39,226	
2	<i>Vocational and Industrial Schemes—</i> (1) Staff at Headquarters .. (2) Scheme for the training of boys in various crafts .. (3) Scheme for the training of women in various crafts .. (4) Training of students in hand-spinning and weaving at Amritsar .. (5) Training of students at Wardha .. (6) Cotton spinning centres .. (7) Wool Spinning Centre .. (8) Rehabilitation of Weavers .. Total Vocational and Industrial Schemes ..	1,27,223 11,05,097 2,46,210 38,531 160 1,17,139 75,767 10,654 17,20,781	63,973 60,699 37,883 5,327 1,67,882	(a) 63,250 11,05,097 2,46,210 38,531 160 (b) 56,440 37,884 5,327 15,52,899	(a) Funds provided (b) Funds provided in the budget estimates.
3	Rural Housing Scheme .. Total Rural Housing Scheme ..	11,74,575 11,74,575	11,74,575 11,74,575	.. ..
4	<i>Grants-in-Aid—</i> (1) For repairs of houses in flood affected areas .. (2) To disrupted non-Governmental educational institutions .. (3) To displaced shopkeepers .. (4) To Punjab University .. (5) To Refugee Students .. Total Grants-in-Aid .. GRAND TOTAL .. <i>Deduction—Amount transferred to Deposit Account ..</i> Net total expenditure ..	9,44,006 10,00,000 10,000 4,00,000 15,75,546 39,29,552 1,05,03,361 —10,00,000 95,03,361	9,44,006 .. 10,000 9,54,006 41,35,690 —10,00,000 31,35,690	.. 10,00,000 .. 4,00,000 15,75,546 29,75,546 63,67,671 .. 63,67,671	

Statement showing the total expenditure incurred on Rehabilitation during 1951-52 (preliminary) and reimbursement due thereon

Serial No.	Scheme	Total expenditure	Share of the State Government	Share of the Government of India	REMARKS
1	Establishment Charges—				
	(1) 25—General Administration (Headquarters Staff) ..	Rs. 4,56,532	Rs. 2,28,266	Rs. 2,28,266	
	(2) 57—Miscellaneous ..	25,39,133	12,69,566	12,69,567	
	Total Establishment Charges ..	29,95,665	14,97,832	14,97,833	
2	Vocational and Industrial Schemes—				
	(1) Staff at Headquarters	1,22,685	61,343	61,342	
	(2) Vocational Training Centres for boys ..	7,52,069	..	7,52,069	
	(3) Vocational Training Centres for Girls including training-cum-production centres	1,46,137	..	1,46,137	
	(4) Cotton Spinning and Weaving Centres ..	34,117	34,117	..	
	(5) Government Wool Spinning and Weaving Centres ..	78,828	52,552	26,276	
	(6) Rehabilitation of Weavers at Panipat ..	6,028	3,813	(a) 2,215	(a) Funds provided for in the budget estimates.
	(7) Work Centres ..	1,27,188	77,675	(b) 49,513	(b) 50 per cent of the expenditure on Headquarters Staff only which is Rs. 99,026-2-6
	Total Vocational and Industrial Schemes ..	12,67,052	2,29,500	10,37,552	
3	Other Schemes—				
	Rural Housing Scheme ..	1,34,380	1,34,380	..	
	Total Rural Housing Scheme ..	1,34,380	1,34,380	..	
4	Grants-in-Aid—				
	(1) To displaced students ..	22,06,170	..	22,06,170	
	(2) For construction of Houses in Rural Areas ..	2,39,555	2,39,555	..	
	(3) To disrupted non-Governmental educational institutions ..	1,00,000	..	1,00,000	
	(4) To the Punjab University ..	3,00,000	..	3,00,000	
	Total Grants-in-Aid ..	28,45,725	2,39,555	26,06,170	
	GRAND TOTAL ..	72,42,822	21,01,267	51,41,555	

*Statement showing the total expenditure incurred on Rehabilitation during
1952-53 and the reimbursement due thereon*

Serial No.	Scheme	Total expenditure	Share of the State Government	Share of the Government of India	REMARKS
		Rs	Rs	Rs	
I	<i>Establishment Charges—</i>				
	(1) 25—General Administration (Secretariat Staff) ..	4,28,790	2,14,395	2,14,395	
	(2) 57—Miscellaneous ..	18,17,585	9,08,792	9,08,793	
	Total Establishment Charges ..	22,46,375	11,23,187	11,23,188	
II	<i>Vocational and Industrial Schemes—</i>				
	(1) Industrial Staff at Headquarters ..	1,23,962	61,981	61,981	
	(2) Vocational Training Centres for boys ..	10,34,893	..	10,34,893	
	(3) Training-cum-Production Centres in Women Homes ..	1,02,687	..	1,02,687	
	(4) Training-cum-Production centres in Infirmarys ..	86,317	..	86,317	
	(5) Rehabilitation of Weavers at Panipat ..	3,431	1,715	1,716	
	(6) Government Wool Spinning and Weaving Centres ..	59,660	39,773	(a) 19,887	(a) 33 $\frac{1}{2}$ per cent.
	(7) Works Centres Scheme ..	65,098	32,549	32,549	
	Total Vocational and Industrial Schemes ..	14,76,048	1,36,018	13,40,030	
III	<i>Grants-in-Aid—</i>				
	(1)—Grants to displaced students ..	27,75,686	..	27,75,686	
	(2) Grants to displaced allottees of 4 marlas plots ..	11,41,000	..	11,41,000	
	Total Grants-in-Aid ..	39,16,686	..	39,16,686	
IV	Rural Housing Scheme ..	2,348	2,348	..	
	Total Rural Housing Scheme ..	2,348	2,348	..	
	GRAND TOTAL ..	76,41,457	12,61,553	63,79,904	

ANNEXURE 'C'

SUMMARY

Statement showing the total expenditure incurred on Rehabilitation during 1947-48 to 1952-53 the amount reimbursed by the Government of India and the amount yet to be reimbursed.

Ser- ial No.	Year	Total Expenditure	Expenditure to be borne by the State Government	Expenditure to be reim- bursed by the Go- vernment of India	Receipts booked under "XLVI— Miscellane- ous" and due to Go- vernment of India	Net amount reimburse- able by the Government of India (col. 5— col. 6)	Amount with held from reimburse- ment for accounts not hav- ing been audited.	Amount with held from reimburse- ment for non- settlement of audit objections	Total amount with held (cols. 8 and 9)	Amount actually reimbursed by the Government of India (col. 7—10)	Amount yet to be reimbursed (col. 7—11)
1	2	3	4	5	6	7	8	9	10	11	12
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	1947-48	13,36,284	6,84,664	6,51,620	..	6,51,620	..	..	..	6,51,620	..
2	1948-49	3,47,82,120	2,93,02,836	54,79,284	1,03,611	53,75,673	..	..	..	53,75,673	..
3	1949-50	1,82,54,732	78,06,117	1,04,48,615	9,68,269	94,80,346	..	..	..	94,80,346	..
4	1950-51	95,03,361	31,35,690	63,67,671	6,41,998	57,25,673	..	3,00,000	3,00,000	54,25,673	3,00,000
5	1951-52	72,42,822	21,01,267	51,41,555	—4,31,695	55,73,250	..	3,00,000	3,00,000	52,73,250	3,00,000
6	1952-53	76,41,457	12,61,553	63,79,904	1,44,768	62,35,136	..	2,00,000	2,00,000	60,35,136	2,00,000
GRAND TOTAL		7,87,60,776	4,42,92,127	3,44,68,649	14,26,951	3,30,41,698	..	8,00,000	8,00,000	3,22,41,698	8,00,000

ANNEXURE "D"

Statement showing position of Rehabilitation loans taken from the Government of India up to the 31st March 1953

Kind of Loan	Loans received from Government of India	Amount due to be refunded to G.O.I.	Amount actually paid to the G.O.I.	Balance remaining to be paid to the G.O.I.	Loans issued to displaced persons	Recoveries due to be made from displaced persons	Recoveries actually effected from displaced persons
	Rs	Rs	Rs		Rs	Rs	Rs
I—HOUSING LOANS.							
(a) <i>Housing Scheme.</i>							
Principal	5,06,93,000	52,43,172	53,00,602	Already paid in excess.	4,64,62,718	1,28,69,786*	1,22,04,891*
Interest	..	48,75,131	48,68,268	Nil. (Less interest payable than due)	..	..	..
(b) <i>House Building Loans.</i>							
Principal	1,03,49,000	..	..	..	1,03,27,219	4,55,128	5,46,707
Interest	..	6,67,678	6,67,678	Nil.	..	2,38,849	1,15,900
II—URBAN LOANS. (including educational loans)							
Principal	3,18,21,000	46,55,391	1,34,86,896	Already paid in excess.	3,07,30,357	68,74,931	45,00,985
Interest	..	22,48,852	21,74,607	Nil. (Less interest payable than due).	..	9,87,305	5,54,755
III—RURAL LOANS.							
Principal	3,85,20,000	73,50,192	1,36,67,138	Already paid in excess.	3,94,45,136	1,87,50,923	81,77,237
Interest	..	20,75,324	23,40,969	Ditto	..	27,42,538	12,75,£80
Total Loans—							
Principal	13,13,83,000	1,72,48,755	3,24,54,636	Already paid in excess.	12,69,65,430	3,89,50,768	2,54,29,820
Interest	..	98,66,985	1,00,51,522	Ditto	..	39,68,692	19,46,535

*Is inclusive of both the Principal and Interest. Separate figures are not available.

ANNEXURE "F"

Statement showing loans taken from the Government of India up to 1952-53 Repayment due up to 1952-53 and payment made up to 1952-53

Purpose for which loan sanctioned	Year	Amount of loan	Principal		Interest	
			Repayment due up to 1952-53	Payment made up to 1952-53	Repayment due up to 1952-53	Payment made up to 1952-53
1	2	3	4	5	6	7
I—HOUSING LOANS— (a) Housing Schemes—						
1 Construction of 4,000 houses	1948-49	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
2. Development of 6,800 sites	1949-50	2,50,00,000 0 0	38,08,610 10 0	38,08,610 10 0	30,69,277 6 0	30,69,277 6 0
3. Cheap Housing Schemes	1949-50	75,00,000 0 0	3,13,156 0 0	3,13,156 0 0	7,31,250 10 0	7,31,250 0 0
	1949-50	20,00,000 0 0	3,27,136 4 0	3,27,136 4 0	1,95,457 12 0	1,94,424 5 0
	1949-50	30,00,000 0 0	4,90,705 15 0	4,90,705 15 0	2,78,227 11 0	2,78,084 6 0
4. Development of 6,800 sites (Rs. 4 lakhs) and Cheap Housing Scheme (Rs 4 lakhs)	1949-50	8,00,000 0 0	65,426 1 0	1,22,856 4 0	36,918 15 0	37,605 4 0
	..	..	..	..	39,000 0 0	37,627 8 0
5. (i) Development of 6,800 sites	1950-51	45,00,000 0 0	..	..	3,15,000 0 0	3,15,000 0 0
(ii) Shopping Centres		10,00,000				
(iii) Industrial Areas		10,00,000				
(iv) House Building Loans		35,00,000				
		80,00,000				

ccclxxxv

Statement showing loans taken from the Government of India up to 1952-53 repayment due up to 1952-53 and payment made up to 1952

Purpose for which loan sanctioned	Year	Amount of loan	Principal		Interest	
			Repayment due up to 1952-53	Payment made up to 1952-53	Repayment due up to 1952-53	Payment made up to 1952-53
1	2	3	4	5	6	7
I—HOUSING LOANS—contd		Rs A. P.	Rs A. P.	Rs A. P.	Rs A. P.	Rs A. P.
(a) Housing Schemes—contd						
(6) (i) 6,800 sites scheme 11,00,000						
(ii) Development of Loans, Industrial Areas 6,00,000	1951-52	17,00,000 0 0	..	..	63,749 0 0	63,749 0 0
(iii) House Building Loans 8,35,000						
Total .. 25,35,000						
7. Cheap Housing Scheme ..	1951-52	20,00,000 0 0	..	..
8. Development of Mandis ..	1951-52	5,00,000 0 0	..	..	1,08,750 0 0	1,08,750 0 0
9. Development of Industrial Areas ..	1951-52	5,00,000 0 0	..	..	..	..
10. Renovation of Mud-huts ..						
Acquisition of land for Mud-hut colonies ..	1951-52	10,00,000 0 0	2,38,137 0 0	2,38,137 0 0	37,500 0 0	32,500 0 0
11. Housing of displaced Squatters—						
Development of 4,000 4-Marla plots, for construction of cheap tenements ..	1952-53	6,00,000 0 0	..	..	..	..
12. Development of 6,800 sites .. Water-Supply Scheme for Townships		15,93,000 0 0	..	..	..	..
Total Housing Schemes		5,06,93,000 0 0	52,43,171 14 0	53,00,602 1 0	48,75,130 12 0	48,68,267 13 0

(b) House Building Loans ..	1949-50 ..	40,14,000 0 0	..	..	3,91,365 0 0	3,91,365 0 0
	1950-51	35,00,000 0 0	..	..	2,45,000 0 0	2,45,000 0 0
	1951-52	8,35,000 0 0	..	..	31,313 8 0	31,313 8 0
	1952-53	20,00,000 0 0	..	..	..	..
	Total House Building Loans	1,03,49,000 0 0	..	..	6,67,678 8 0	6,67,678 8 0
Total Housing Loans ..		6,10,42,000 0 0	52,43,171 14 0	53,00,602 1 0	55,42,809 4 0	55,35,946 5 0
II—URBAN LOANS.						
(i) Loans Advanced—						
Loans for Industrial Rehabilitation ..	1948-49	1,20,00,000 0 0	28,68,325 0 0	88,08,941 14 0	10,80,000 0 0	12,94,563 8 0
	1949-50	66,86,000 0 0	..	20,98,287 3 0	4,01,160 0 0	3,07,202 3 0
Loans for Industrial Rehabilitation ..	1949-50	1,00,000 0 0	40,339 5 0	40,339 5 0	7,813 11 0	7,813 11 0
	1949-50	2,19,000 0 0	65,700 0 0	65,700 0 0	17,739 0 0	18,396 0 0
Loan for Industrial Rehabilitation ..	1950-51	20,00,000 0 0	..	..	62,500 0 0	62,500 0 0
	1951-52	8,50,000 0 0	..	..	..	..
Total Loans advanced ..		2,18,55,000 0 0	29,74,364 5 0	1,10,13,268 6 0	15,69,212 11 0	16,90,475 6 0

Purpose for which loan sanctioned	Year	Amount of loan	Principal			Interest		
			Repayment due up to 1952-53	Payment made up to 1952-53	Rs A. P.	Repayment due up to 1952-53	Payment made up to 1952-53	Rs A. P.
1	2	3	4	5	6	7		
II—URBAN LOANS—continued								
(ii) Loans invested in Work Centres		Rs A. P.	Rs A. P.	Rs A. P.	Rs A. P.	Rs A. P.	Rs A. P.	Rs A. P.
		46,66,000 0 0	..	..	..	3,38,285 0 0	1,20,000 0 0	
Total Urban Loans		2,65,21,000 0 0	29,74,364 5 0	1,10,13,268 6 0	19,07,497 11 0	18,10,475 6 0		
III—EDUCATIONAL LOANS								
	1948-49	20,00,000 0 0	8,06,765 1 0	12,67,011 8 0	1,56,273 15 0	1,99,864 15 0		
	1949-50	33,00,000 0 0	8,74,262 2 0	12,06,616 9 0	1,85,079 14 0	1,64,266 7 0		
Total Educational Loans		53,00,000 0 0	16,81,027 3 0	24,73,628 1 0	3,41,353 13 0	3,64,131 6 0		
Total Urban and Educational Loans		3,18,21,000 0 0	46,55,391 8 0	1,34,86,896 7 0	22,48,851 8 0	21,74,606 12 0		
III—RURAL LOANS.								
1. Rural Loans	1948-49	1,60,00,000 0 0	48,67,988 4 0	95,91,678 7 0	12,96,837 12 0	16,30,170 12 0		
2. Loans to Muslims of Buria Camp	1949-50	20,000 0 0	7,647 0 0	10,232 1 0	1,087 0 0	918 15 0		
3. Rural Loans	1949-50	85,00,000 0 0	16,98,476 10 0	23,87,004 10 0	4,84,899 6 0	4,42,601 6 0		
4. Rural Loans	1950-51	90,00,000 0 0	7,75,080 0 0	16,78,222 10 0	2,92,500 0 0	2,67,277 6 0		
5. Rural Loans	1951-52	50,00,000 0 0	..	..	..	..
Total Rural Loans		3,85,20,000 0 0	73,50,191 14 0	1,36,67,137 12 0	20,75,324 2 0	23,40,968 7 0		
Grand Total		13,13,83,000 0 0	1,72,48,755 4 0	3,24,54,636 4 0	98,66,984 14 0	1,00,51,521 8 0		

ANNEXURE " F "

Statement showing loans received from the Government of India and expenditure incurred up to 31st March 1953 and recoveries made from displaced persons up to 31st March 1953.

Kind of loan	Year	Loans received from the Government of India	Expenditure incurred	Recoveries made from displaced persons
1	2	3	4	5
		Rs	Rs	
1. HOUSING LOANS				
(a) HOUSING SCHEMES				
A. Housing				
1. Construction of 4,000 houses ..	1947-48 ..	..	58,650	
	1948-49 ..	2,50,00,000	2,00,01,735	
	1949-50 ..	..	27,28,823	
	1950-51 ..	..	16,54,181	
	1951-52 ..	..	2,08,169	
	1952-53 ..	..	2,92,583	
Total 4,000 Houses ..		2,50,00,000	2,49,44,141	
2. Development of 6,800 sites and scheme for water-supply to Townships developed in the State ..	1948-49 ..	..	2,28,09 5	
	1949-50 ..	79,00,000	35,01,193	
	1950-51 ..	25,00,000	26,02,027	
	1951-52 ..	11,00,000	21,62,391	
	1952-53 ..	15,93,000	10,84,785	
Total 6,800 sites ..		1,30,93,000	95,78,491	
3. Cheap Housing Scheme ..	1949-50 ..	54,00,000	572	
	1950-51 ..	..	11,26,118	
	1951-52 ..	20,00,000	34,23,083	
	1952-53 ..	..	19,93,557	
Total Cheap Housing Scheme ..		74,00,000	65,43,330	
4. Setting up of Small Shopping Centres ..	1950-51 ..	10,00,000	..	
	1951-52 ..	..	15,140	
	1952-53 ..	..	76,835	
Total Shopping Centres ..		10,00,000	91,975	
5. Development of Mandis ..	1951-52 ..	5,00,000	39	
	1952-53 ..	..	..
Total Development of Mandis ..		5,00,000	39	

Kind of loan	Year	Loans received from the Government of India	Expenditure incurred	Recoveries made from displaced persons
1	2	3	4	5
1. HOUSING LOANS—CONCLD				
(a) HOUSING SCHEMES—concl'd				
A. Housing—concl'd				
6. Development of 4,000 four marla plots for construction of cheap tenements ..	1952-53	6,00,000	..	
7. Establishment charges. ..	1950-51	..	B&R 4,82,617	
			(P.H.) 3,95,586	
	1951-52	..	(B&R) 4,59,446	
			(P.H.) 26,477	
	1952-53	..	(B&R and P.H.) 2,83,250	
Total Establishment Charges ..		..	16,47,376	1,22,04,891
Total Housing Schemes ..		4,75,93,000	4,28,05,352	
B. Renovation of Mud Huts ..	1951-52	10,00,000	..	
	1952-53	..	92,903	
Total Renovation of Mud Huts		10,00,000	92,903	
C. Development of Industrial areas Scheme ..	1949-50	..	4,24,575	
	1950-51	10,00,000	10,91,588	
	1951-52	11,00,000	18,34,292	
	1952-53	..	61,826	
			+3,955 (B&R)	
			+38,187 (D.I.)	
Total Industrial Areas Scheme.		21,00,000	34,54,463	
D. Loans to Electric Supply Companies	1949-50	..	1,10,000	
Total Housing Schemes ..		5,06,93,000	4,64,62,718	1,22,04,891
(b) HOUSE BUILDING LOANS ..	1949-50	40,14,000	35,06,977	..
	1950-51	35,00,000	11,26,775	68,616
	1951-52	8,35,000	28,04,925	2,51,831
	1952-53	20,00,000	28,88,542	2,26,260
Total House Building Loans ..		1,03,49,000	1,03,27,219	5,45,46,707
Total Housing Loans		6,10,42,000	5,67,89,937	1,27,51,598

Kind of loan	Year	Loans re- received from the Government of India	Expenditure incurred	Recoveries made from displaced persons
1	2	3	4	5
II. URBAN LOANS				
1. Loans for Industrial Rehabilitation	1947-48	..	5,82,000	..
	1948-49	1,20,00,000	1,04,16,747	25,597
	1949-50	66,86,000	68,98,198	4,03,443
	1950-51	20,00,000	41,25,273	6,68,770
	1951-52	8,50,000	4,69,645	14,18,930
	1952-53	..	4,76,950	14,47,606
Total Industrial Rehabilitation Loans	..	2,15,36,000	2,29,68,813	39,64,346
2. Educational Loans	1947-48	..	18,850	..
	1948-49	20,00,000	16,75,036	200
	1949-50	33,00,000	7,30,932	14,248
	1950-51	..	70,563	65,934
	1951-52	..	20,088	1,24,563
	1952-53	..	10,075	1,12,694
Total Educational Loans	..	53,00,000	25,25,544	3,17,639
3. Loans to Gujrat-Train Tragedy Sufferers	.. 1949-50	1,00,000	1,00,000	..
4. Loan to Punjab University	1949-50	2,19,000	2,19,000	2,19,000
	1952-53	..	..
Total Loan to Punjab University	..	2,19,000	2,19,000	2,19,000
5. Work Centres Scheme	1949-50	46,66,000	20,95,000	Terms not yet settled
	1950-51	..	25,20,000	
	1951-52	..	3,02,000	
	1952-53	..	..
Total Work Centres Scheme	..	46,66,000	49,17,000	..
Total Urban Loans including Educational Loans	..	3,18,21,000	3,07,30,357	45,00,985
III. RURAL LOANS				
	1947-48	..	72,60,075	3,234
	1948-49	1,60,00,000	1,42,90,920	1,67,511
	1949-50	85,20,000	53,60,029	2,08,967
	1950-51	90,00,000	91,06,111	8,46,268
	1951-52	50,00,000	20,91,493	30,35,485
	1952-53	..	13,36,503	39,15,772
Total Rural Loans	..	3,85,20,000	3,94,45,136	81,77,237
Grand Total	..	13,13,83,000	12,69,65,430	2,54,29,820

ANNEXURE XIX

Note regarding printing of forms by the Rehabilitation Department

Serial No.	Page	Sub-head paragraph	Remarks in the Audit Report	Observations made by the Public Accounts Committee	Replies
	21 of the Audit Report 1952	35	<p><i>Avoidable expenditure—Rs 70,086</i></p> <p>In a Department, an expenditure of Rs 1,43,346 was incurred on the local printing of certain forms during the period March to August 1948, without obtaining the sanction of the Govt. either to the rates payable or to the printing being arranged locally with a prior reference to the Controller, Printing and Stationery, Punjab. In according sanction to regularize this expenditure government observed that the job would have cost only Rs 43,980 if carried out in the Govt. Press or Rs 73,260 if entrusted to outside presses through the agency of the Controller, Printing and Stationery, in normal times</p>	<p>(a) The names of presses which were entrusted with the work;</p> <p>(b) The amount paid to each.</p> <p>(c) Were the orders placed after calling tenders if not why the system of calling tenders was dispensed with ;</p> <p>(d) Why the Controller of Printing & Stationery was not consulted before the orders were placed with the private presses, especially in regard to the reasonableness of the rates quoted by the presses and their ability to execute the work</p>	<p>(a) & (b). A separate statement showing the names of presses and amount paid to each is given below. The total expenditure of Rs 1,43,346 consisted of two items viz (i) Cost of printing Rs 93,696 and (ii) cost of paper Rs 49,650. The alleged excess figure of expenditure thus works out to Rs 20,436 (93,696(-) 73,260) and not Rs 70,086 as shown in the audit report</p> <p>(c) Orders were placed after calling tenders</p> <p>(d) Due to abnormal times the Controller of Printing and Stationery expressed his inability to get the required number of forms printed within the required time when consulted on telephone. With a view to save huge government expenditure on the maintenance of displaced persons in large camps all over the State immediate action was necessary to disperse them. Telephonic requests were made to all the known Printing presses in the Punjab State and at Delhi to give quotations for the printing jobs and to send their representatives for accepting printing orders. All the quotations were carefully examined in a meeting of the officers of this Department and the representatives of the</p>

Serial No	Page	Sub-head Paragraph	Remarks in the Audit Report	Observations made by the Public Accounts Committee	Replies
21 of the Audit Report 1952— <i>concl'd</i>					<p>presses held in February, 1948. The printing capacity of various presses was also assessed simultaneously and uniform rates of various kinds of printing were fixed at rates lower than the lowest quoted by any firm. The volume of work to be done was so heavy that it had to be distributed to several presses according to the facilities available with them. With a view to get the work with the greatest possible speed and before the scheduled date for inviting claims from displaced persons print orders of a very large number of essential forms was given to the various presses according to their capacity. Had special arrangements for printing not been made by employing all the resources at command at the time, a corresponding delay must have occurred in dispersing the displaced persons from the Relief Camps and this would have involved comparatively a very heavy expenditure in maintaining them in those camps. Every single day of suspense in tackling the resettlement problem mattered much both to displaced persons and to Government, in those extraordinary days, when no less than Rs 1 crore were being spent per month on the maintenance of the displaced persons in the various Refugee Camps. This meant a huge daily expenditure of more than Rs 3,30,000. Each day's delay in removing the displaced persons from Relief Camps thus involved a very heavy recurring expenditure as against the comparatively insignificant excess expenditure of Rs 20,436 alleged to have been spent on the printing job</p>

Statement showing the names of presses and the amount paid to each

Serial No.	Name of the Press	Total amount paid		
		Rs	A	P.
1	Seth Coker & Co. Delhi	9,704	5	0
2	M/S Imperial Printing Press, Jullundur	120	0	0
3	M/S Public Steam Press, Jullundur	6,128	4	0
4	M/S Amrit Electric Press, Ambala	5,754	13	0
5	M/S Super Press, Delhi	10,720	6	0
6	M/S Laxmi Art Press, Ferozepore	7,282	13	0
7	M/S Gulab Chand & Sons, Delhi	9,174	2	0
8	M/S Gulab Singh & Sons, Delhi	15,247	13	0
9	M/S Rai's Art Press, Ambala Cantt.	4,088	9	0
10	M/s Kishan Steam Press, Jullundur	33,725	2	0
11	M/S Handa, Electric Press, Jullundur	9,651	12	0
12	M/S Jai Hind Press, Jullundur	2,612	0	0
13	M/S Mahanbir Printing Press, Kapurthala	1,710	0	0
14	M/S Sanatan Dharam Printing Press, Amritsar	7,911	7	0
15	M/S Rana Art Press, Amritsar	2,188	14	0
16	M/S Bharat Press, Jullundur	427	14	0
17	M/S Chopra Printing Press, Jullundur	10,492	14	0
18	M/S Model Press, Delhi	6,250	0	0
19	M/S New Krishna Press, Jullundur	155	0	0
Total		1,43,346	0	0
		Rs		
		Cost of paper	49,650	
		Printing Charges	93,696	
		Total	1,43,346	

In the interest of the rural economy of the State, which had been shattered by partition of the country, it was most important to disperse the displaced agriculturists from the refugee camps by allotting them land on a temporary basis and that was possible only after collecting necessary data regarding their holdings in Pakistan as the land records were not at all available at that time. It was accordingly decided in the first half of February, 1948, that claims for land abandoned in Western Pakistan should be invited from displaced persons and an attempt should be made to carry out the quasi permanent allotment by Kharif 1948. In the press note which was issued, as the outer limit for carrying out the allotment, Kharif 1949, was mentioned, but the intention was to hasten the settlement to the greatest extent possible. The decision was taken in consultation with the Government of India at a meeting of the Joint Rehabilitation Board. It became necessary immediately to take steps to set up a new land claims organization and to make a great many other arrangements. The period from the middle of February to the middle of June was consequently one of the extreme pressure of work for all concerned.

2. In order to collect the necessary data, printing of forms in English, Urdu and Punjabi was most essential and had to be arranged as speedily as possible as a single day's delay in the dispersal of displaced persons from the refugee camps meant an enormous expenditure on their maintenance in camps. From such enquiries as Shri Tarlok Singh (then D.G.R.R.) was able to make at the time regarding printing of land claims forms, there was an extreme shortage of paper. The Punjab Government were not in a position to supply the paper or to arrange, within a week or 10 days, for the printing of several hundred thousands of forms which were needed.

3. In order to carry out this work with the greatest possible speed, D.G.R.R. called for quotations from a large number of presses in Delhi and in the Punjab. Presses were asked to quote rates both on the basis that paper would be supplied to them and on the basis that they had to provide their own paper, which meant, in effect, that they obtained their paper at such prices as they had to pay in the market and charged accordingly for any orders that they accepted. The speed with which the various operations had to be conducted made such an arrangement quite inevitable. The meeting held with the representatives of the various presses, which was presumably also attended by a representative of the Finance Department, was an informal one and as such no minutes of the same were recorded. After receiving the quotations, D.G.R.R. proposed a uniform rate which was lower than any rates which had been quoted. The volume of work to be done was so heavy that it had to be distributed to several presses according to facilities available to them. In this way the entire printing job was arranged by Director-General Rehabilitation, Rural, as economically as possible in the circumstances then prevailing.

4. The Controller of Printing and Stationery, Punjab, had admitted in his U.O. No. 849-O.P., dated the 7th June, 1952, that the stock of paper was quite inadequate during the days when the forms in question had to be printed and that it would not have been possible for him to get the work done with the requisite speed. He has, further, admitted that no rates of printing had been fixed after the partition of Punjab up to the 27th February, 1948, the date on which this printing job was entrusted to the various presses.

5. To sum up, the points to be noted in the present case are—

- (1) The Punjab Government were not in a position to supply paper;
- (2) No arrangement other than printing by private presses was practicable in the circumstances in which print orders had to be given;

- (3) There was no alternative to presses which printed the land claim forms being also asked to provide paper for printing.
- (4) Paper was in very short supply at the time and there was no doubt that printing presses would charge inclusive rates for paper and printing, the printing portion of which taken by itself, would be in excess of the rates ordinarily applicable to printing in normal time.

In view of the above it is clear that keeping in view the abnormal conditions then prevailing and the urgent necessity of getting the job executed with the utmost speed no avoidable expenditure was incurred by this Department

Statement showing quotations, etc. for the printing job ordered by the Rehabilitation Department in 1943 in connection with quasi-permanent allotment of land

Serial No.	Name of Press	10 Receipt Books of 100 leaves each		1000 Claim forms 2 pages	
		Quotation	Capacity	Quotation	Capacity with paper
		Rs A. P.	Books	Rs A. P.	
1	Rai Art Press, Ludhiana ..	12 6 0	1,000	29 0 0	50,000 English
2	Kishan Steam Press, Jullundur	12 4 0	1,000	27 10 0	2,00,000 "
3	Handa Electric Press, Jullundur	12 12 0	100	27 8 0	10,000 "
4	Lakshmi Art Electric Press, Ambala	12 0 0	5,000	27 8 0	50,000 Urdu
5	The Public Steam Press, Ferozepur City	12 0 0	10,000	30 0 0 40 0 0	50,000 Urdu 25,000 English
6	The Amrit Electric Press, Ferozepore City	12 0 0	1,000	30 0 0 40 0 0	50,000 Urdu 25,000 Punjabi
7	Munshi Gulab Singh & Sons, Delhi	..	1,000	..	50,000 Urdu
8	Gulab Chand Kapur and Sons, Delhi	..	2,000	..	1,00,000 Urdu
9	Seth Caker & Co., Delhi ..	12 4 0	1,000	27 10 0	2,00,000 "
10	The Super Press, New Delhi	12 0 0	1,000	27 12 0	2,00,000
11	The Model Press, Delhi ..	12 8 0	500	27 8 0	50,000 English

Uniform rate finally decided in the meeting of Officers of the Rehabilitation Department concerned and the representatives of the Presses—

Rs. 27 per thousand forms

Rs. 12 per 10 receipts of 100 each.

ANNEXURE XX

Note on the Working of State Transport Services

Serial No.	Page	Sub-head/ Paragraph	Observations made by the Committee.
1	2	3	4
2	399-416	Appendix I to the Audit Report	2. There are 3 units, namely, Amritsar Omnibus Service, Jullundur Omnibus Service, Ambala Roadways. Why are three separate units instead of being merged as one ?

Reply:—

At present nearly 67 routes are under operation by Government Transport Services as below:—

Amritsar Omnibus Service	28
Jullundur Omnibus Service	11
Ambala Roadways	28

Majority of the routes are far flung extending up to Pathankot, Fazilka, Thanedar, Saharanpur and Alwar. These cover not only the Punjab State but also Pepsu, Himachal Pradesh, Delhi, U.P. and Rajasthan. Constant vigilance and strict administrative control is required for successful operation. It would not be prudent to place them under the control of one General Manager as it would be unwieldy and would result in laxity of control and supervision which would hamper efficiency, and adversely affect revenue. There is also no link between the routes of Ambala Roadways and other two services. It will also be inopportune as we are considering further expansion of our existing services.

- (3) The Committee would like to have a statement showing the receipts and expenditure of all the three units year by year since their inception to end of 1952-53, and also the receipts and expenditure per mile since inception.

The requisite statements are given below.

- (4) The cost on replacement of vehicles has increased considerably since the vehicles were acquired for these transport services. Has any provision been made in the Accounts for meeting the additional cost of replacing these vehicles when the time comes, if not, is it not necessary to do so?

The cost of the new vehicle is met from the Capital expenditure and as soon as it is purchased and put on the road a provision equal to 25 per cent of its cost is made in the budget estimates as depreciation under account head "Depreciation Reserve Fund" taking the life of a vehicle as 4 years. After a vehicle has completed its normal life, it is replaced by a new one, cost of which is met from the Depreciation Reserve Fund and in case the replacement is not like by like and the market rate

is higher than the amount deposited in Depreciation Reserve Fund in respect of vehicle(s) to be replaced the additional cost is met from the Capital expenditure as decided in consultation with the Finance Department/Accountant General, Punjab

- (5) The capital investment according to the account relates only to the expenditure incurred on the acquisition of vehicles, land, buildings, furniture fittings, tools and plant, etc. Would it not be necessary for presenting true Commercial Accounts to make an allowance for working capital necessary e.g. stocks and stores and cash balance necessary for the day to day operations ?

The capital investment in respect of Government Transport Services includes only the non-recurring expenditure. Interest is paid thereon at the rate prescribed from time to time. The position of the Government Transport Services is quite different from the private commercial concerns. In private commercial concerns, a portion of the profit is set apart as Sinking Fund or other reserve for expenditure of capital nature, and at times shares are raised or money borrowed at market rate for such investment. In the case of Government Transport Services profits are credited directly into the Government Treasury and when any amount is required for capital investment the same is obtained from the Government and interest paid thereon. The question of making allowance for working capital can only be considered if a joint stock company or corporation is floated. It may be pointed out that Government do not stand to lose with the existing practice as the receipts are much more than the working expenditure. It is, therefore, evident that in case of Government Transport Services it hardly seems necessary to open a separate fund for working capital.

The provision for the recurring nature of stocks and stores to meet day to day expenditure is made under the head, i.e. "57—Miscellaneous-Expenditure on Bus Services". Daily cash account is being maintained in the same way as in other Government Departments, with a limit prescribed by the Finance Department. However, while preparing balance sheets at the close of the year stores and stocks and cash in hand are taken into account to present true picture of accounts.

- (ii) In making up the Trading and Profit and Loss Accounts, have the taxes, and other charges which were levied on private buses or bus owners been taken into account. In other words for purposes of presenting Commercial Accounts is the Transport Department placed on the same basis as a private operator in regard to the levy of Taxes, charges, etc.

The Government Transport Services are exempt from paying the following taxes :—

1. Permit fee.
2. Road Tax.
3. Income-Tax.

The other taxes such as Registration Fee, Passengers and Goods Tax, Sales Tax, Terminal Taxes, etc., are actually paid as by the private operators. The statement No. 3 given below would indicate the position of the Government Transport Services after paying the taxes referred to above. For the purpose of presenting commercial accounts, Government Transport Services are not placed on the same basis as private concerns even if the above taxes would have been fixed for this year which work out to :—

	Rs.
Road Tax	60,125
Permit Fee	5,033
Income-Tax	2,32,389

The financial position of the Government Transport Services would have been quite solvent showing a profit of Rs. 2,74,489. It may, however, be pointed out that if the taxes, which are paid by private operators, are taken into account, it would be inappropriate if such items of expenditure, as not incurred by them, are not taken into consideration. Without taking into account these items of expenditure, a proper assessment of the financial position of Government Services could not be made. These items of expenditure are mentioned below:—

- (i) Direction Charges to the tune of Rs. 93,000, per annum, which is at the rate of 4 per cent per annum.
- (ii) Interest on capital at the rate of 4 per cent per annum, charges on account of leave and pension contributions, Motor Transport Reserve Fund and Depreciation Reserve Fund.
- (iii) Extra expenditure incurred by Government Services in consequence of the departmental operation under the following items :—
 - (a) Departmental charges up to 17 per cent of the cost of works executed by the P.W.D.
 - (b) Higher rates of pay and allowances for the staff as compared with private transport companies.
 - (c) Expenditure on the provision of uniforms and other amenities for the Staff.

If the figures of interest charges are only taken into account, the net Profit for a loan year like 1952-53 would work out as follows :—

Jullundur Omnibus Service	.. (—7,241) + (53,111) = 45,870
Amritsar Omnibus Service	.. (—48,491) + (65,059) = 16,568
Ambala Roadways	.. 104,178 + 45,186 = 1,49,364.

- (iii) If provision is made for Working Capital, the appropriation necessary to cover increased cost or replacement, and the charges payable by private owners, what would be the financial picture ?

The position regarding working capital has been explained in the preceding paragraphs. The financial results would have been still better, as the working expenses are much less than the Gross income. It may, however, be stated that the increased cost for replacement is met from the head "82-Capital Account of other State Works Outside the Revenue Account" by making a provision to that extent in the budget estimates. Even after paying the taxes etc. from which Government Transport Services are exempt the financial position of the services would have been quite solvent as stated under item 5 (ii) and statement No. 3 given below. In this connection, attention is invited to 2 above.

- (iv) Has an Insurance Fund been created by appropriation from the Trading and Profit and Loss accounts? Has a Depreciation Reserve Fund also been set up or is the depreciation only shown *pro forma* in the accounts?

Motor Transport Insurance Reserve Fund has already been created. Provision at the rate of Rs. 200 per vehicle is made under this Fund in the Budget Estimates. The contribution to the fund ceases after the prescribed limit of Rs. 800 in respect of each vehicle is reached. There was a sum of Rs. 1,13,400 to the credit

of Government Transport Services at the close of the year 1952-53. Similarly, the Depreciation Reserve Fund has also been created under which provision is made in the ordinary budget estimates at the following rates duly approved by the Finance Department :—

	Per cent
Vehicles	25
Lands and Buildings	2
Electric Installation and Furniture Fittings	8
Tools and Plant	10
Suspense and Miscellaneous	10

The provision made in the Budget Estimates under these Funds reduce the profit proportionately. The total amount to the credit of Government Transport Service at the close of the year 1952-53 was Rs. 16,59,978.

Comparative statement showing the working and financial results of three services for 1948-49 to 1952-53 as they stood on 31st March of each year and up to 30th June 1953

	1948-49 (as it stood on 31st March 1949)				1949-50 (as it stood on 31st March 1950)			
	Jullundur Omnibus Service 20-5-48	Amritsar Omnibus Service 14-12-48	Ambala Roadways	Total	Jullundur Omnibus Service	Amritsar Omnibus Service	Ambala Roadways	Total
Strength of fleet	18	24	..	42	38	38	..	76
Number of routes	8	12	..	20	14	14	..	28
Mileage operated	435,852	139,517	..	575,369	988,491	1,146,963	..	21,35,454
Number of passengers carried	4,611,434	1,207,058	..	5,818,492	6,381,336	5,704,360	..	1,20,85,696
Average receipts per mile	Rs. 1/1/05	1/1/07 gross	..	..	As. 15.6	As. 15.9	..	..
Operating cost per mile	As. 13.4	As. 15.2	..	..	As. 14.2	As. 13.9	..	..
Net profit	Rs. 1,05,674 net	Rs. 9,392 net	..	Rs. 1,15,966	Rs. 63,486 net	Rs. 1,00,583	..	1,64,069
Capital Outlay and percentage of profit thereon	Rs. 3,68,924 28.8 per cent	Rs. 4,10,849 2.3 per cent	..	Rs. 7,79,773 14.8 per cent	Rs. 7,24,429 8.8 per cent	Rs. 7,41,084 14.2 per cent	..	Rs. 14,65,513 11.2 per cent

Indicate date of commencement of services.
 Number was 38 in June. Increase in the strength of the fleet started from July.
 Per cent Figures of expenditure and profit for 1952-53 are yet subject to final audit

Comparative statement showing the working and financial results of three services for 1948—49 to 1952-53 as they stood on 31st March of each year and up to 30th June 1953—contd

	1952-53				1953-54 (as it stood on 31st September 1953)			
	Jullundur Omnibus Service	Amritsar Omnibus Service	Ambala Roadways	Total	Jullundur Omnibus Service	Amritsar Omnibus Service	Ambala Roadways	Total
Strength of fleet ..	58	95	73 + 6 trucks	226 + 6 trucks	62	92	75 + 6 trucks	259 + 6 truck
Number of routes ..	12	21	23	56	11	20	24	55
Mileage operated ..	2,070,522	3,894,166	2,417,798	8,382,486	1,112,757	1,869,498	14,89,341	44,71,596
Number of passengers carried ..	5,575,079	7,716,512	2,855,243	16,146,834	2,362,748	3,526,840	2,402,621	8,492,209
Average receipts per mile	As. 14.24	As. 13.25	As. 13.77	..	As. 14.75	As. 14.78	As. 14.07	..
Operating cost per mile	As. 13.05	As. 12.76	As. 11.77	..	As. 13.81	As. 13.20	As. 12.77	..
Net profit ..	Rs. 37,809	Rs. 18,025	Rs. 2,32,683	2,88,517	64,784	Rs. 1,84,709	Rs. 1,28,675	Rs. 3,77,568
Capital Outlay and percentage of profit thereon ..	Rs. 19,18,094 1.97 per cent	Rs. 20,88,520 0.85 per cent	Rs. 20,07,521 11.6 per cent	Rs. 8,07,530	Rs. 19,37,010	Rs. 20,91,035	Rs. 20,08,197	Rs. 60,36,242
								Rs. 23,28,164
								Rs. 770,34,285
								..
								..

Indicate date of commencement of service.
Number was 38 in June.. Increase in the strength of the fleet started from July.
Per cent Figures of expenditure and profit for 1952-53 are yet subject to final audit.

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Comparative statement showing the working and financial results of three services for 1948-49 to 1952-53 as they stood on 31st March of each year and up to 30th June 1953—Concid

	1950-51 (as it stood on 31st March 1951)				1951-52			
	Jullundur Omnibus Service	Amritsar Omnibus Service	Ambala Roadways	Total	Jullundur Omnibus Service	Amritsar Omnibus Service	Ambala Roadways	Total
Strength of fleet	..	52	34	29	175	55	97	37+6 trucks / 189+6 trucks
Number of routes	..	13	21	9	43	12	24	13
Mileage operated	..	1,806,752	2,608,953	637,645	4,053,350	21,73,905	3,558,686	1,452,337
Number of passengers carried	..	7,021,026	7,624,860	1,168,509	15,754,395	6,740,099	9,141,317	2,855,243
Average receipts per mile	..	As. 14.9	As. 14.9	As. 14.8	..	As. 15	As. 14.5	As. 15.2
Operating cost per mile	..	As. 12.4	As. 12.3	As. 10	..	As. 13.3	As. 13	..
Net profit	..	Rs. 1,85,126	Rs. 2,32,077	Rs. 1,54,833	Rs. 6,72,036	Rs. 2,24,540	Rs. 2,97,519	Rs. 2,87,945
Capital Outlay and percentage of profit thereon	..	Rs. 10,53,126 16.2 per cent	Rs. 18,38,319 12.7 per cent	Rs. 5,78,903 24.3 per cent	Rs. 34,71,023 16.5 per cent	Rs. 10,96,541 20.47 per cent	Rs. 19,19,680 15.49 per cent	Rs. 7,39,937 38.91 per cent
								Rs. 8,10,008 21.6 per cent

Indicate date of commencement of services.
 Number was 38 in June. Increase in the strength of the fleet started from July.
 Per cent Figures of expenditure and profit 1952-53 are yet subject to final audit.

Serial No. 2.. (Pages 399 and 416 of the Appropriation Accounts for the year 1950-51).

1. The proposal regarding amalgamation of the Jullundur and Amritsar Omnibus Services was discussed in a meeting of the General Managers and Headquarters Officers recently and it was felt that it would be impracticable to amalgamate the two services in view of the administrative difficulties. This question was also raised in the year 1950 but after careful consideration was dropped. The jurisdiction of the Amritsar Omnibus Service extends from Amritsar to Harike, Ferozepore, Fazilka, Moga, Chandigarh, Dera Baba Nanak and Wagha. Jullundur Omnibus Service runs up to Pathankot, Amritsar, Nakodar and Chandigarh. Apparently, it would be extremely difficult to have effective control over this vast area of operation if the Services are amalgamated. The Government have sanctioned a development plan of the existing three services at a cost Rs. 50 lakhs for which a provision has been made in next year's budget through Schedule of New Expenditure. The question of amalgamation of the two services consequently has become all the more impracticable. In the development scheme 12 more routes are being added to Jullundur Omnibus Service and 14 to Amritsar Omnibus Service resulting in the increase in their fleet strength from 63 and 94 respectively to 145 each. It would be well nigh impossible to manage operations successfully by amalgamation. In the interest of efficiency, proper supervision and effective control, the proposal cannot be implemented keeping in view the unending further expansion.

2. The existing route mileage in respect of the each Government Transport service is given in Annexure 'A'.

3. The revised figures of net profit in respect of each Government Transport Service after deducting the permit fee, road tax and Income tax are given in Annexure 'B'.

4. The reasons for the fall in the profits of the Government Transport Services during 1952-53 are given below:—

- (1) General truck slump.
- (2) Imposition of Passengers Tax with effect from the 1st September 1952.
- (3) Abnormal increase in the number of cycle rickshaws in Jullundur and Amritsar.
- (4) Running of shuttle train services between Jullundur and Amritsar.
- (5) Closing down of Wagah border and general tension as a result of strained relations between Pakistan and India during that period.
- (6) Increased cost of labour, enhancement of rates of dearness allowance, payment of arrears in thousands of rupees as a result of benefit of war service given to ex-servicemen employed in the Government Transport Services, free issue of uniforms.
- (7) Increase in the rate of interest on Capital from 3 to 3½ per cent.

From the comparative statement given below it would be observed that although the fleet strength had increased and the mileage operated was also greater than that of the previous years, yet the figures of the passengers carried declined substantially during the year 1952-53.

Name of the year	Strength of fleet	Mileage operated	Passengers carried
1951-52	186+6 trucks	71,94, 923	1,87,36,659
1952-53	226+6 trucks	83,82,486	1,73,13,551

The decline in figures of profit was not due to higher expenditure but because of poorer receipts. The gross receipts of Amritsar Omnibus Service were Rs. 32,25,248-8-5 in 1952-53, as against Rs. 32,47,106-2-2 in 1951-52, despite the increase in mileage from 35,58,686 to 38,94,166. Similarly, in case of Jullundur Omnibus Service the gross receipts were only Rs. 20,20,518-1-2 on the mileage of 20,70,522 in 1952-53 as against Rs. 20,37,468-15-9 on the mileage of 21,73,905 in 1951-52. In case of Ambala Roadways, the gross receipts were Rs. 20,80,057-5-2 on the mileage of 24,17,798 in 1952-53 as against Rs. 13,45,222-9-9, on the mileage of 14,52,337 in 1951-52. The average receipt per mile in all the three services declined substantially. In Jullundur Omnibus Service it had gone down from annas 15 to annas 14.24; in Amritsar Omnibus Service from annas 14.5 to annas 13.5 and in Ambala Roadways from annas 15.2 to annas 13.77. The financial results during the year 1952-53 were not so encouraging as during the previous years which was mainly due to severe trade slump.

The trade depression was so acute that the returns of transport concerns all over the country including railways showed a steep decline in 1952-53 as compared with that of 1951-52.

The average number of passengers carried per mile in Jullundur Omnibus Service was 3.1, in Amritsar Omnibus Service 2.57 and in Ambala Roadways 1.97 in 1951-52, whereas this average declined to 2.69, 1.98 and 1.66, respectively, in 1952-53. This led to poorer receipts.

To meet the situation, however, stricter control was kept over Government Transport Services by observing strictest economy in the expenditure. The average expenditure per mile in Jullundur Omnibus Service was reduced from annas 13.3 to annas 13.05 and in Amritsar Omnibus Service from annas 13 to annas 12.7.

Grant No. 37 (Page 29 of Audit Report).

No further comments called for.

ANNEXURE A/1

Statement showing the route mileage

Jullundur Omnibus Service

Serial No.	Name of the route	Date on which it was introduced	Length of the route	
			Pucca	Katcha
			Miles	Miles
1	City Railway Station to Cantt. Railway Station ..	20-5-48	6	..
2	Sadar to Civil Secretariat ..	20-5-48	5.7	..
3	Sadar to D.A.V. College ..	17-4-49	6	..
4	City Railway Station to Basti Guzan ..	20-5-48	3	..
5	City Railway Station to Kartarpur. ..	20-5-48	10.3	..
6	Adda Nakodar to Nakodar (trips increased from 12 to 15 on 23rd November, 1953)	23-8-50	14.7	..
7	City Railway Station to Model Town ..	4-3-50	3.3	..
8	Adda Kapurthala to Kapurthala ..	16-6-49	11.4	..
9	Amritsar-Jullundur ..	23-8-50	49	..
10	Jullundur-Beas Bridge-Pathankot (trips increased from 7 to 9 on 3rd September, 1953)	1-8-52	86	..
11	Jullundur-Chandigarh ..	12-10-53	115	..
	Total	310.4	..

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ANNEXURE A/2

Statement showing the route mileage

Amritsar Omnibus Service

Serial No.	Name of the route	Date on which it was introduced	Length of the route	
			Pucca	Katcha
			Miles	Miles
1	Gandhi Gate to Verka	24-1-49	5.3	..
2	Gandhi Gate to Jandiala	13-2-49	12.2	..
3	Railway Station to Raja Sansi	25-2-49	7.3	..
4	Hall Gate to Ajnala	1-4-50	19	..
5	Hall Gate to Wagha Border	16-3-49	18.7	..
6	Ram Bagh to Kapurthala	23-8-50	43	..
7	Chatiwind Gate to Tarn Taran	27-4-49	12.4	..
8	Tarn Taran to Sirhali	7-8-50	11.3	..
9	Tarn Taran to Phaggal	5-10-50	3	7
10	Ram Bagh to Majitha	1-4-50	10.5	..
11	Railway Station to Chagaon	2-9-50	14.3	..
12	Amritsar-Lopoki	..	14	..
13	Railway Station to Manjh	1-4-51	20.5	1.8
14	Tarn Taran to Jandiala	1-4-51	..	10
15	Amritsar-Sirhali-Harika	1-2-52	35	..
16	Amritsar to Ferozepore (trips increased from 8 to 10 on 23rd September, 1953)	1-8-52	85	..
17	Amritsar-Khalra	1-8-52	29	..
18	Ferozepore-Fazilka	19-8-52	54	..
19	Khalra-Harika via Patti	22-6-53 for six months	28	..
20	Amritsar-Patti via Sirhali	1-9-53	31	..
21	Amritsar-Moga	29-9-53 (started on 6-10-53)	66	..
22	Amritsar-Chandigarh	12-10-53	165	..
23	Amritsar-Dera Baba Nanak	Nov. 1953	30	..
	Total	..	719.8	

cdx

ANNEXURE A/3

Statement showing the route mileage

Ambala Roadways

Serial No.	Name of the route	Date on which it was introduced	Length of the route	
			Pucca	Katcha
			Miles	Miles
1	City Tonga Stand to Cantt Tonga Stand	7-9-50	5.9	..
2	City Railway Station to Sadar Bazar	7-9-50	7.4	..
3	Jamna Nagar to Chhachrauli	24-4-51	11.5	..
4	Thanesar to Karnal	17-1-51	24	..
5	Ambala City to Karnal	7-9-50	52	..
6	Ambala City to Jagadhari	7-9-50	62	..
7	Ambala Cantt to Patiala	29-9-50	35	..
8	Ambala Cantt. to Kalka via Ambala City & Ghaggar	14-9-50	42	..
9	Ambala City to Pehowa	7-9-50	50	..
10	Kalka to Simla	14-9-50	56	..
11	Kalka to Chandigarh (Capital)	27-12-51	11	..
12	Ambala-Rupar	1-8-52	60	..
13	Delhi-Alwar (one trip increased on 1st June 1953)	1-8-52	101	..
14	Rupar-Sarhind	1-8-52	31	..
15	Kalka-Rupar	1-8-52	44	..
16	Rohtak-Delhi	1-8-52	45	..
17	Simla-Kasauli	9-8-52	47.9	..
18	Ambala-Sohna via Kharar	25-9-52	48	..
19	Jagadhari-Buria	3-5-53	6.25	..
		(for 4 months for the present)		..
20	Karnal-Kurukeshatra via Pehowa	21st August, 1953 (one service)	20	..
21	Panchkula-Chandigarh	3-9-53	9	..
22	Ambala-Jagadhari-Saharanpur	5-8-53	73	..
23	Simla-Chandigarh Capital	28-9-53	75	..
		(for 6 months)		..
24	Chandigarh Capital-Railway Station, Chandigarh	28-9-53	11	..
25	Chandigarh Capital-Kalka	28-9-50	19	..
26	Chandigarh Capital-Ambala	28-9-53	35	..
27	Local Service Chandigarh (Bajwara-Secretariat via Nagla via Sector 16)	23-9-53	7	..
28	Simla-Local	..	3	..
29	Ludhiana-Chandigarh	17-10-53	80	..
30	Delhi-Chandigarh	15-5-53	160	..
31	Karnal-Delhi	1-6-52	75	..
	Total	..	1331.70	

Statement showing net profit, permit fee, road tax and income-tax in respect of Government Transport Services

Net profit as per audited account (1)					Permit fee (2)					Road tax (3)																																												
1948-49	1949-50	1950-51	1951-52	1952-53	1948-49	1949-50	1950-51	1951-52	1952-53	1948-49	1949-50	1950-51	1951-52	1952-53																																								
Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs																																								
Jullundur Omnibus Service ..	1,06,574	63,486	1,82,126	2,24,544	37,809	583	1,131	1,300	1,199	2,850	8,291	16,658	26,341	35,051																																								
Amritsar Omnibus Service ..	9,392	1,00,583	2,32,077	2,97,519	18,025	269	1,223	2,507	3,230	5,325	1,049	5,430	23,379	39,940																																								
Ambala Roadways	..	..	1,54,833	2,87,945	2,33,373	..	..	726	1,440	3,915	..	..	10,405	39,108																																		
					Income-tax (4)					Balance after deductions as mentioned in columns 2, 3 and 4 (5)																																												
1948-49					1949-50					1950-51					1951-52					1952-53																																		
Rs					Rs					Rs					Rs					Rs																																		
Jullundur Omnibus Service ..					42,438					19,693					67,104					81,779					Nil					55,263					26,007					87,381					1,06,506					— 536				
Amritsar Omnibus Service ..					2,963					40,800					89,564					1,10,479					..					5,111					53,130					1,16,627					1,43,870					— 46,520				
Ambala Roadways									62,420					1,15,660					82,682					..					81,282					1,50,610					1,07,688									

Note. Figures of profit for 1952-53 are subject to audit.

ANNEXURE X.II

NOTE ON THE WORKING OF LAND RECLAMATION
AND MECHANICAL CULTIVATION SCHEME

2. (a) *Was not the high cost of establishment and maintenance foreseen earlier or were any new factors introduced during the year which accounted for the high cost of establishment and maintenance, and which could not have been foreseen*

Originally staff was sanctioned for 126 tractors transferred to this Department from the Central Tractor Organisation with effect from 1st August, 1949. During 1950-51, 55 more tractors were obtained and accordingly the staff was sanctioned for 181 tractors. As a matter of fact the Scheme was started without planning as a Grow-More-Food measure in order to satisfy the refugee problem and to meet the food crisis created by the partition of the country. The reclamation work was originally taken up by the Central Tractor Organisation of the Government of India, but suddenly it was transferred to this State. Not only the facilities were not available but also the staff recruited and put in charge of this new enterprise was inexperienced. Further, the majority of tractors received from the Central Tractor Organisation were unsuitable and had already been badly damaged after use with unmatching implements. This resulted in high cost of maintenance and low output. Thus the high cost of establishment and maintenance of tractors could not be foreseen. As the Scheme was running into a loss a Committee consisting of representatives of Accountant-General, Punjab, Finance Department and Development Department and Director of Agriculture was constituted by the Government to look into the financial aspect of the scheme. The Punjab Government is still looking into the matter of fixing responsibilities for the heavy losses.

(b) *What exactly were the reasons for the unusually large breakdowns in the tractors ?*

The reasons are stated below:—

- (i) The majority of the tractors received from the Central Tractor Organisation were unsuitable for land reclamation and had already been badly damaged by use with unmatching implements.
 - (ii) the staff employed was new and inexperienced.
 - (iii) Hard sandy and *sarkanda*-infested lands were offered by Zamindars for tractor cultivation.
 - (iv) There was no fully equipped workshop for repairs.
- (c) *Why was the use of the tractors found uneconomical ?*

The reasons are given below:—

- (1) Due to damaged tractors with unmatching implements cost of maintenance was high and output low. This also resulted in ruination of tractors needing heavy repairs. Thus, though the number of working tractors was low, the staff continued to be employed for the full year.
- (2) In view of emergency, a large variety of tractors had to be purchased and this resulted in heavy investments in the purchase of spare parts. Again, most of the spare parts to match the tractors received from the Central Tractor Organisation were not available in the market and these had to be obtained from foreign countries.
- (3) Land was not available in big blocks to keep a unit of five or more tractors fully and economically employed. The machines had to be worked in ones or twos in different villages, scattered over distant areas which made effective supervision and control extremely difficult.

- (4) Being a new enterprise and due to lack of experience, in the reclamation and mechanical cultivation of the supervisory authorities, the high cost of establishment and maintenance of tractors could not be foreseen.
- (5) The land offered for cultivation had to be cultivated in a limited time when there was enough moisture in the soil. The establishment had to be engaged for full year, whereas the number of working days were few. Further, the tractors which were meant for undertaking tractor cultivation on private lands had to do a lot of walking. The plots offered were uneconomical and a great deal of P.O.L. used to be consumed in the tractors going about from one place to another. Mostly hard, sandy and *sarkanda*-infested lands were offered for cultivation. In the sandy and muddy lands, the slippage and sticking of tractors was abnormally high and many a time a second tractor had to be used to pull out a tractor. This type of work was given up after the 31st March, 1952.
- (6) Some heavy machinery such as Harvester combines were transferred by the Central Tractor Organisation to this State which were of no use to this Department.
- (7) There was no fully-equipped workshop and sometimes the tractors had to be sent to Delhi for repairs.

(d) Financial results of the Scheme during 1951-52, 1952-53 are given below:—

Year.	Losses.
	Rs.
1951-52	.. 11,18,238
1952-53	.. 10,47,268 (Unaudited figures).

3. Information regarding the area reclaimed, which were subsequently cultivated under the direct management of this Department, is given in the statement attached.

In addition to the areas reclaimed as shown in the statement the figures of (i) area which was reclaimed only, and (ii) mechanically cultivated, year-wise, were as under :—

Year	Area reclaimed (Acres)	Area mechanically cultivated in different operations (Acres)
(Agricultural Year from July to June)		
1949-50	.. 10,840	77,060
1950-51	.. 8,160	91,050
1951-52	.. 4,440	76,230
Total	.. 23,440	2,44,340

4. As a result of the findings of the Enquiry Committee, the Cabinet Sub-Committee in its meeting held on 7th August, 1952, decided that the Scheme should be restricted to the follow-up cultivation of the four nucleus seed farms only, and that these farms should be used for the multiplication of improved seeds for supplying to the cultivators of this State. These farms are situated as under :—

Name of Farm	Area (Acres)
1. Nagla (District Karnal)	2,500
2. Talwandi Butian (District Jullundur)	2,600
3. Jokhopur (District Jullundur)	2,600
4. Mallanwala (District Ferozepur)	2,223
Total ...	9,923

The Government has already decided that areas of Nagla and Mallanwala Farms should be surrendered to the Rehabilitation Department after Rabi 1954. It is, however, still under consideration whether or not this Scheme should be continued in any form or shape.

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Information required in para 3 in the Questionnaire made by Public Accounts Committee is given below:

Year	Area reclaimed	Cost of reclamation	Reclamation charges per acre	Area cultivated and sown	Cultivation charges	Cultivation charges per acre
	Acres	Rs	Rs	Acres	Rs	Rs
1948-49 ..	6,459	3,55,245	55	No cultivation work was done on farms hence cultivation charges per acre cannot be given		
1949-50 ..	2,523	1,38,765	55	8,995	3,07,312	34.1
1950-51 ..	3,173	1,96,726	62	10,873	16,03,270	147.4
1951-52 ..	2,436	1,51,032	62	7,631	12,50,360	163.8
1952-53 ..	84	8,208	98	8,516	14,98,094	175.9

ANNEXURE XXII

Explanatory Note on the points relating to Food and Civil Supplies Department

Grant No. 37. Capital Outlay on Provincial Schemes of State Trading,
Pages 382—84 and 28 of the Audit Report.

Sub-head/Paragraphs: Notes at pages 381—84 and paragraph 47(a) of the Audit Report.

Serial No.	Observations made by the Committee	Reply furnished by the Department
1	<p>The Committee would like to know what steps have been taken by the Department to verify the balances actually in stock and reconcile them with the accounts and if arrangements for physical verification have been made, at what intervals are such verifications made? Unless arrangements are made to effect a reconciliation between the ground and book balances there would be no means of detecting shortages and losses then and there and taking appropriate measures to either write them off or have them investigated.</p>	<p>Adequate machinery has since been provided for the physical verification of stocks at regular intervals. The verification is conducted by Food Supply Officer/Assistant Food Controller twice a year while the District Food Controller also verifies 10 per cent of the godowns at each Centre in his Circle in each financial year. Moreover in the last month of the financial year the physical verification of stocks is arranged by Headquarters office by deputing officials of one district to verify stocks in another. The results of these verifications are duly investigated and brought to account. Certain details regarding procedure of accounting have not yet been finally approved by the Accountant-General/Finance Department and correspondence is going on with them.</p>
2	<p>It has been mentioned in para 2 of the Audit Notes at page 382 that the department ordered an arbitrary reduction in the value of the closing balance as on 31st March, 1951, by a lump sum figure of 10 lakhs. On what basis was this fixed? Have the shortages against which the lump sum reduction of 10 lakhs was made, been ascertained and investigated?</p>	<p>The reduction of Rs. 10 lakhs in the value of closing balances was proposed by A.G., Punjab, and accepted by the Department. This reduction was based on an impression gathered by the Resident Senior Auditor (a representative of the Accountant-General, Punjab) after visiting certain circle offices, that some old shortages had not been adjusted in the centre accounts. The individual cases of shortages actually noticed have been investigated and necessary action taken as warranted by the facts and merits of each case.</p>
	<p>What adjustments, if any, have been made in the accounts for 1951-52 and 1952-53 for possible shortages?</p>	<p>No <i>ad hoc</i> adjustments for possible shortages have been made in the accounts for 1951-52 and 1952-53, as all the shortages had since then been duly accounted for and the book balance represented the true state of affairs.</p>

Serial No.	Observations made by the Committee	Reply furnished by the Department																														
3	Have the limits of normal shortages been approved by the competent authority and, if so, how do the actual shortages noticed in 1950-51 and subsequent years compare with the limits fixed by Government?	<p>The limits of normal shortages proposed by the department have not been approved by the Finance Department who have instead advised that each case should be examined on its own merits. No limits of normal shortage, therefore, exist at present and the question of comparing the actual shortages noticed in 1950-51 and subsequent years with such limits does not arise. Overall results of storage and transit have, however, been as follows :—</p> <table> <tr> <th>Year</th><th>Storage</th><th>Transit</th></tr> <tr> <td></td><td>Per cent excess</td><td>Per cent shortage</td></tr> <tr> <td>1950-51</td><td>0.005</td><td>0.575</td></tr> <tr> <td>1951-52</td><td>0.09</td><td>0.07</td></tr> <tr> <td>1952-53</td><td>0.156</td><td>0.05</td></tr> </table>	Year	Storage	Transit		Per cent excess	Per cent shortage	1950-51	0.005	0.575	1951-52	0.09	0.07	1952-53	0.156	0.05															
Year	Storage	Transit																														
	Per cent excess	Per cent shortage																														
1950-51	0.005	0.575																														
1951-52	0.09	0.07																														
1952-53	0.156	0.05																														
4	It has been mentioned in paragraph 4 at page 383 that receipts and despatches of food-grains valued at Rs. 227.80 lakhs have not been properly accounted for. Have these now been accounted for properly and what discrepancies or shortages have been noticed in the course of such accounting?	<p>A fairly large number of unlinked items pertaining to the scheme have since been linked. The latest position in respect of the unlinked receipts and despatches pertaining to 1950-51 Scheme is as under:—</p> <table> <tr> <th colspan="3">RECEIPTS</th></tr> <tr> <th></th><th>Quantity</th><th>Value</th></tr> <tr> <td></td><td>Mds.</td><td>Rs.</td></tr> <tr> <td>Rice ..</td><td>22,380</td><td>4,06,606</td></tr> <tr> <td>Wheat ..</td><td>216,943</td><td>29,98,785</td></tr> <tr> <td>Barley ..</td><td>819</td><td>7,380</td></tr> <tr> <td>Gram ..</td><td>8,509</td><td>81,988</td></tr> <tr> <td>Jowar ..</td><td>197</td><td>1,627</td></tr> <tr> <td>Maize ..</td><td>2,127</td><td>18,102</td></tr> <tr> <td>Total ..</td><td>250,975</td><td>35,14,488</td></tr> </table>	RECEIPTS				Quantity	Value		Mds.	Rs.	Rice ..	22,380	4,06,606	Wheat ..	216,943	29,98,785	Barley ..	819	7,380	Gram ..	8,509	81,988	Jowar ..	197	1,627	Maize ..	2,127	18,102	Total ..	250,975	35,14,488
RECEIPTS																																
	Quantity	Value																														
	Mds.	Rs.																														
Rice ..	22,380	4,06,606																														
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Maize ..	2,127	18,102																														
Total ..	250,975	35,14,488																														

Serial No.	Observations made by the Committee	Reply furnished by the Department		
		DESPATCHES		
			<i>Quantity</i> Mds.	<i>Value</i> Rs
		Rice ..	15,931	3,06,406
		Wheat ..	234,303	32,38,751
		Barley ..	1,590	14,327
		Gram ..	9,608	92,577
		Jowar ..	1	8
		Maize ..	1,787	15,208
		Paddy ..	204	2,272
		Total ..	263,424	36,69,549

This work could not be brought more up to date due to the fact that these transactions pertain to a scheme which came to a close about 3 years back and the relevant record is not forthcoming speedily enough. The value of the net quantity unlinked, however, amounts to only Rs. 1,55,061. Efforts are being made to finalise this work as soon as possible.

The quantity linked in the meanwhile has been accounted for properly and shortages wherever noticed have been investigated and necessary action taken by the competent authority.

- 5 It is mentioned in the Audit Report at page 28 that the profit of a little over 27 lakhs made in 1950-51, was due to the disposal of previous years stocks which had been taken over at cost price in 1950-51 at higher price. Does this mean that taking the purchases of foodgrains during the year and their sale there would have been a loss of about 2 lacs? The Committee would like to have a clear exposition of the position.

The closing balances of stocks, pertaining to 1947-48 (post-partition) 1948-49 and 1949-50 Schemes as they stood on 31st March, 1950, were brought over to 1950-51 as opening balance. As the cost price of these stocks was much below the market rate on 31st March, 1950, these were evaluated at the cost price. Since, however, the market rates generally prevalent during 1950-51 were higher as compared to previous years the Government could not possibly issue the old stocks brought over at price below the market rates, particularly when the distinction between the old and the new stocks no longer existed, so far as the issue price was concerned.

Serial No.	Observations made by the Committee	Reply furnished by the Department
6	<p>It is said that the pay of certain officers and establishment employed on the Scheme and charged to the major head "25—General Administration" has not been debited to the account and if it had been done there would have been a loss of about Rs. 17 lakhs. What are the reasons for not taking into account this expenditure in fixing price on a 'no profit, no loss basis'.</p>	<p>The old stocks were, therefore, issued at the rates worked out for the new purchases of 1950-51. This naturally resulted in some profit. The hypothetical statement that if the previous year's stocks had not been disposed of at higher rates there would have been a loss of about 2 lakhs is not correct. If it had been decided to sell old stocks at their cost price, the issue rate of the new stocks would have been fixed slightly higher as its actual cost was higher) so as to preclude the possibility of any loss. In this connection it may be pointed out that the Provincial Reserve Scheme is run on a "no profit, no loss basis" and the issue rates were reviewed from time to time. While making the aforesaid hypothetical statement, this principle seems to have been ignored.</p> <p>According to the original allocation of cost of establishment to the Provincial Reserve Food Scheme it was considered sufficient to charge the entire cost booked under '85-A—etc., Provincial Reserve Food Scheme' which included a part of the cost of establishment booked under "25—General Administration" as well. This position had in the past been duly accepted by the Audit Department. Cost debited to the scheme on account of establishment was in accordance with the apportionment already approved. Unless the apportionment was modified higher or additional cost could not be debited to the scheme. Recently, however, it was suggested by that Department that the cost of the establishment working wholly or partly for the P.R. Food Scheme should be debited to the Scheme in proportion to the work done by them on food side and from 1953-54 it is proposed to debit the entire cost to the Scheme. It may, however, be stated here that the Government of India is very much averse to the decision of the State Government as it has inevitably resulted in an increase in the incidental charges included in the issue rates of different commodities.</p>

Serial No.	Observations made by the Committee	Reply furnished by the Department
7	Is the scheme also charged with interest on the capital invested and if the charge is made, at what rate is interest charged? If no charge has been made what would the interest charges amount to in 1950-51 and the subsequent years?	Incidentally it may be stated here that even if the entire cost of staff for the year under report had been debited to the Scheme, it would have still revealed a profit of Rs. 2 lakhs (round). The interest was duly charged on the capital invested on the Food Scheme during 1950-51. It was calculated at 2 per cent per annum on Rs. 5 crores borrowed from Government of India and at 3 per cent per annum on the balance amount made available by the State Government out of its own balances. The total amount for the year 1950-51 worked out to Rs. 27,13,565.
8	There have been fluctuations in prices since 1950-51. How have these fluctuations affected the results of the Scheme in 1951-52 and 1952-53? The Committee would like to have a clear note showing the expenditure incurred on the operation of the Scheme (including the cost of establishment and all other charges properly debitable to the Scheme, as well as interest charges on the capital locked in the Scheme), the receipts realised, the profit and loss accruing from the Scheme during 1950-51, 1951-52 and 1952-53.	The fluctuations in prices of different foodgrains did not have any appreciable effect on the results of the Food Scheme as the issue rates were fixed in conformity with the principle of "no profit no loss", keeping in view the quantities actually purchased, expenditure incurred thereon as per actuals available at the time of review. There has been price control on all foodgrains and major grains handled by the Provincial Reserve were procured at fixed prices under monopoly and for these grains there were no fluctuations in the market. In fact there were no market prices for these major grains. The profits as revealed by the Scheme in different years have been due to the periodical changes in the average purchase cost which formed a basis for the fixation of issue rates and the anxiety of the Department to save Government from any loss which took the shape of including an almost imperceptible safety margin. The expenditure and realisation position in respect of 1950-51, 1951-52 and 1952-53 Schemes after including all charges properly debitable to it and the cost of opening balance has been as under:—

Scheme	Expenditure	Receipts	Profit
1950-51	Rs.	Rs.	Rs.
1951-52 ..	24,03,06,774	24,30,19,027	27,12,253
1952-53 ..	20,83,02,391	20,98,09,670	15,07,279
	18,45,27,302	18,61,57,301	16,29,999

Appropriation Accounts, 1948-49 and the Audit Report, 1950

Serial No. 3, page 11 para 14 and page 225 para 8
Loss of foodgrains Rs. 3,552.

In the middle of 1947 barley was urgently needed at Gurgaon and to meet this requirement District Food Controller, Amritsar, was asked to despatch 1,000 bags of imported barley to Gurgaon out of the stocks available with him. The consignment was accordingly despatched under R.R. No 404901, dated 26th September 1947.

2. While the normal practice in this Department is to book consignments at railway risk, this consignment was booked by the District Food Controller, Amritsar, at owner's risk due to the following reasons:—

- (a) The District Food Controller had placed the stocks at the railway station where they remained for a long time due to non-supply of wagons by the Railway Department on account of the extraordinary rush on railways, immediately following the partition. During the period the stocks remained on the railway station platform, they became wet due to heavy rains and had to be dried and refilled into the bags.
- (b) The railway authorities did not agree to book the consignment at railway risk on the ground that the stocks were not contained in new bags. It was not possible to replace the rain-affected bags with new bags as no gunnies were available with the District Food Controller, Amritsar, nor were they available in the market at Amritsar due to the disturbed conditions prevailing at that time.

Appropriation Accounts 1948—50 and the Audit Report, 1951

Serial No. 3, Para 4, page 371 and para 14 (xv), page (19).
Loss on account of damage to Government Foodgrains due to heavy rains and floods Rs. 4,72,305.

Stocks of the book value of Rs. 7,30,979-13-6 were damaged in the Provincial Reserve godowns at various P.R. Centres in the State during the year under report. These stocks were ultimately disposed of through public auction/private negotiations at reduced rates, thereby resulting in a net loss of Rs. 4,73,873 against the original estimate of Rs. 4,72,305. The stocks in question were not disposed of godown-wise, but the entire quantity damaged at a particular P.R. centre was collected and subsequently disposed of through public auction or private negotiations, keeping in view the best interests of the Government.

Serial No. 150, page 363, paragraph 1(4)(6).
Saving in respect of standard cloth scheme.

The saving is mainly due to an unanticipated amount of Rs. 4,28,111 received from the Government of India out of its Equalisation Fund. The claim out of this fund was to be made jointly with West Punjab Government to Government of India, and for this purpose this department repeatedly requested the West Punjab Government to supply their figures of losses under Standard Cloth Scheme. Ultimately West Punjab Government refused to participate in this claim and Government of India decided to pay our share of 40% amounting to Rs. 4,28,111 out of the Equalisation Fund. Hence the large saving under the head could not be foreseen.

Serial No. 150, page 364, paragraph II A. (3) (b) .
"Suspense (Personal Deposits) (b) Debits".

Wrong debits amounting to Rs. 29, 76,234 which related to the year 1948-49 were withdrawn by the Government of India in March 1950 Final Accounts, thereby reducing the total expenditure by that amount. As until late in March, 1950, this department was not very hopeful about the withdrawal of this debit, the requisite provision on this account could not be made.

Towards the close of the calendar year 1949 the Ways and Means position of the Punjab Government became extremely critical and a very great difficulty was experienced by Finance Department in arranging funds for the proper financing of the P.R. Food Scheme. The additional funds to the extent of Rs. 323 lacs required by this Department were made available in paltry instalments of Rs. 10 lacs or so with the result that the District Food Controllers had to conduct procurement operations with very meagre balances. This reacted unfavourably on the purchases with the result that the procurement of country foodgrains fell short of the estimated target figure, thereby contributing to a saving of about Rs. 29 lacs.

Serial No. 150, page 365, paragraph II A4 (a)
"Provincial Reserve Food Scheme" "Repayment of Advances".

The reasons for the excess receipts were as under:—

(i) *Larger realisations due to the increased issue of stocks in rural areas to the extent of Rs. 46,68,400.* The larger issues were unexpected due to local conditions prevailing in rural areas.

(ii) *Excess recoveries made from other Governments, etc., amounting to Rs. 10,73,730.* Provision for these recoveries was made at the usual export rate, while actual recoveries were made at a rate including estimated incidental charges in respect of imported wheat to be received from the Government of India in exchange for seed wheat exported to the other administrations, as a result of decision arrived at a later stage. The amount was eventually refunded during 1950-51.

(iii) *Write back of erroneous debits amounting to Rs. 40,18,700.* Since the position in respect of supplies of imported foodgrains made by the Government of India and debits raised there against became clear after discussion with the Central Government at a personal level towards the close of the year, the withdrawal of debits could not be anticipated and hence remained unprovided for.

(iv) *Recoveries made from Kurukshetra Camp to the tune of Rs. 50,66,252.* The outstandings against the Kurukshetra Camp had been evading successful settlement for a pretty long time and till the last moment this department was not sanguine about their timely adjustment. It was as a result of the strenuous efforts of the department that necessary credit was got adjusted in March 1950 Final Accounts. In the circumstances provision for this could not be made in time.

ANNEXURE XXIII

Copy of a D.O. No.6103-B-53/6607, dated the 13th August, 1953 from Shri Badri Nath Chopra, Deputy Secretary, Finance Department, to Dr. Kuldip Chand Bedi, Secretary, Punjab Legislative Assembly.

I spoke to you today on the telephone in regard to the procedure which we should follow in dealing with the reports of the Public Accounts Committee. It is proposed that we should take action on the reports of the Public Accounts Committee on the following lines:—

- (i) Copies of the reports of the Public Accounts Committee should be forwarded by the Secretary, Public Accounts Committee to the Secretary to Government, Punjab, Finance Department and not directly to the Administrative Secretaries;
- (ii) Further action on the reports of the Public Accounts Committee should be initiated by the Finance Department and the Heads of Departments asked to consider the recommendations of the Public Accounts Committee; a copy of the letter being endorsed to the Administrative Secretaries simultaneously. General recommendations will be dealt with in the Finance Department Branches and orders issued by them;
- (iii) Heads of Departments should obtain orders from Government in the Administrative Department who will consult the Finance Department, where necessary and then issue orders on the basis of the decision taken to Secretary, Public Accounts Committee, the Accountant-General, Punjab and Secretary to Government, Punjab, Finance Department;
- (iv) Secretary, Public Accounts Committee will prepare a statement showing action taken on the report of the Public Accounts Committee and lay it before the Public Accounts Committee. Further comments of the Public Accounts Committee, if any, will be communicated to the Finance Department for further action.

Any comments which the Accountant-General has to make on the action taken will be communicated to the Secretary, Public Accounts Committee, for consideration of the Public Accounts Committee, a copy being simultaneously endorsed to the Finance Department, for their information.

I shall be grateful if you kindly confirm whether this procedure is suitable from the point of view of the Public Accounts Committee.

ANNEXURE XXIV

A note giving information regarding savings in pay of establishment—Government Arts Colleges and Adult and Social Education Schemes mentioned in the Secretary, Punjab Legislative Assembly Secretariat's letter No. 3964/CB/PAC-M(50-51)53/4383, dated the 20th August, 1953, in connection with the Appropriation Accounts for the year 1950-51 and the Audit Report, 1952, "37.—Education".

1. B-2—Government Arts College—Pay of Establishment. The saving of Rs. 10,854 against the provision of Rs. 6,21,580 under this sub-head occurred mainly due to the following factors:—

	Rs.
(a) Undrawn arrear claims ..	3,400
(b) Unfilled vacancies ..	3,000
(c) Overestimation ..	2,000

The saving of Rs. 3,000 due to unfilled vacancies was on account of the fact that the posts of Lecturers mentioned below remained vacant and could not be filled as anticipated.

In Government College, Hissar, the post of Lecturer in Economics remained vacant throughout the year, as in the beginning of the academic session no student offered to take up this subject and when later some students took up this subject and it was decided to fill this post, no first rate candidate was available. The post was offered to several candidates who refused to accept the same on one plea or the other. Ultimately the post was accepted by one Shri K.L. Gupta who joined the institution as late as 7th June, 1951.

Similarly two posts of Lecturers in Physics and Chemistry in Government College, Rohtak, remained vacant during the year. The selection of candidates took a good deal of time as first rate candidates were not willing to accept the initial salary of the grade, viz., 150. The two candidates who were finally selected joined their posts after the close of the year.

2. The saving under the head E—General—R—(2) Adult and Social Education Scheme, Pay of Establishment amounting to Rs 10,450 was also due to certain posts of volunteers and teachers having remained vacant for a major part of the year. The particulars of centres and the period for which the posts remained vacant are given below:—

District	Name of Centre	Period
Ferozepore ..	Jalalabad West ..	2nd February, 1951 to 31st March, 1951.
Ludhiana ..	Jamalpur ..	2nd August, 1950 to 23rd February 1951.
Karnal ..	Taroari Fort ..	19th December, 1950 to 28th February 1951.

District	Name of Centre	Period
Kangra ..	Kand Bari ..	2nd October, 1950 to 7th October, 1950 and 13th November, 1950, to 18th November, 1950.
Kangra ..	Katrain ..	12th January, 1951 to 26th January, 1951.
Kangra ..	Rait ..	27th January, 1951 to 12th April, 1951.
Ferozepore ..	Bagha Purana ..	8th November, 1950 to 30th November, 1950.
Amritsar ..	Jagdev Kalan ..	14th September, 1950 to 12th October, 1950.
Amritsar ..	Nagoke ..	1st June, 1950 to 31st July, 1950 and 13th November 1950, to 23rd January, 1951.
Amritsar ..	Sur Singh ..	26th April, 1950 to 20th August, 1950 and 8th September 1950, to 21st October, 1950.
Gurdaspur ..	Kahnuwan ..	11th December, 1950 to 31st December, 1950.

The posts could not be filled due to the following reasons:—

- (i) Closure of certain centres towards the close of the year.
- (ii) Non-availability of suitable women volunteers.
- (iii) Resignations without notice and delay in the appointment of the substitutes.
- (iv) Leave without pay sanctioned to certain volunteers without appointing any substitute.
- (v) Delay in the submission of resignations of certain volunteers by the subordinate offices and time required for the acceptance of the same and appointment of their substitutes of joining of newly-appointed candidates.

3. Government Special and Model Schools.

The information required by the Committee is given below:—

(a) Government Junior Model School, Jullundur—

	Rs.
Expenditure in 1952-53 ..	31,957
Income in 1952-53 ..	18,401

	Rs.
Expenditure in 1951-52 ..	22,590
Income in 1951-52 ..	16,282
Expenditure in 1950-51 ..	22,820
Income in 1950-51 ..	13,533

(b) Government Special School for Children at Nangal—

	Rs.
Expenditure in 1952-53 ..	1,312
Income in 1952-53 ..	1,602

4. Scholarships for Europeans.

The required information is given below:—

Serial No.	Kinds of Scholarships	No. of scholarships	Value of scholarships
1	Primary School scholarship ..	10	Rs. 10 per mensem each.
2	Middle School scholarship ..	10	Rs. 12 per mensem each.
3	High School scholarship ..	5	2 scholarships of the value of Rs 40 per mensem each and 3 of the value of Rs. 20 per mensem each.
4	Stipends at the St. Bede's College, Simla..	10	Rs. 60 per mensem each.

ANNEXURE XXV

Statement showing the particulars of the meetings of the Public Accounts Committee, attendance of members, subjects discussed etc.

Serial No.	Date of the meeting	No. of Members attending the meeting	Business transacted
1	2	3	4
1	23rd May, 1953 ..	6	Talk by the A.G., Punjab, on the functions and scope of the Committee and discussion of the Rules of Procedure and Conduct of Business in the Punjab Legislative Assembly relating to Public Accounts Committee
2	16th June, 1953 ..	6	Selection of points for examination from the Audit Report, 1953
3	17th June, 1953 ..	6	Framing of questionnaire regarding grants 7, 8 and 9 after scrutiny of items relating to Excesses and Surrenders
4	6th July, 1953 ..	5	Scrutiny of Grants 1, 2, 3, 4, 5, 6 and 10 and framing of questionnaire in respect of Grants 1, 2 and 4 only
5	7th July, 1953 ..	6	Scrutiny of Grants Nos. 11—17 and framing of questionnaire in their respect except Grant No. 12 in regard to which no information was required
6	21st July, 1953 ..	6	An on-the-spot study of Bhakra Dam site before taking up the scrutiny of accounts in respect of Bhakra-Nangal Project
7	22nd July, 1953 ..	7	Discussion on matters relating to Bhakra Dam construction and an on-the-spot study of the Nangal Dam
8	23rd July, 1953 ..	7	Scrutiny of Appropriation Accounts and framing of questionnaire regarding Bhakra-Nangal Project
9	31st July, 1953 ..	7	Discussion regarding addition in the Punjab Legislative Assembly Rules so that a day is automatically secured for discussion of Public Accounts Committee report with a provision for the Chairman to move for its adoption by the House
10	1st August, 1953 ..	7	Scrutiny of items of excesses and surrenders of Grants Nos. 18, 19, 20, 21, 22, 23, 25, 29, 32, 33, 35, 37 and 39 with the portion of Audit Report and drawing up of questionnaire in respect of each of them
11	17th August, 1953 ..	7	Scrutiny of material supplied by— (1) Director of Public Instruction; (2) Excise and Taxation Commissioner ; and (3) Inspector-General of Prisons.

Serial No	Date of the meeting	No. of members attending the meeting	Business transacted
1	2	3	4
12	18th August, 1953..	6	Scrutiny of material of the Government Central Workshops, Amritsar, supplied by the Irrigation Department
13	28th December, 1953.	4	Scrutiny of material furnished by— (1) the Revenue Department in support of Grant No. 4—Forests (2) the Transport Department
14	7th January, 1954 ..	7	Scrutiny of material furnished by— (1) Electricity Department (2) Stationery and Printing
15	8th January, 1954 ..	7	Scrutiny of material furnished in respect of— (1) Grant No. 39—Loans and Advances Bearing Interest (2) Grant No. 35—Capital Outlay on Schemes of Agricultural Improvement and Research (3) Grant No. 14—Police (4) Grant No. 17—Medical and Public Health Department (5) Grow-More-Food Scheme (6) Finance Department (7) Civil Supplies Department (8) Grant No. 15—Scientific and Miscellaneous Departments (9) Grant No. 21—Industries (10) Grant No. 22—Industrial Capital Expenditure (continued)
16	9th January, 1954...	6	Resumption of scrutiny of material of Grant No. 22—Industrial Capital Expenditure Scrutiny of material furnished in support of— (1) Grant No. 33—Miscellaneous (2) Grant No. 37—Capital Outlay on Provincial Schemes of State Trading (3) Grant No. 7—Irrigation (Works) (4) Grant No. 8—Charges on Irrigation Establishment
17	16th January, 1954	5	Visual Inspection and an on-the-spot study of the Government Central Workshops, Amritsar and Stores
18	16th January, 1954	3	Oral examination of the Superintendent, Government Central Workshops, Amritsar

Serial No	Date of the meeting	No. of Members attending the meeting	Business transacted.
1	2	3	4
19	1st February, 1954	4	<p>Oral Examination of—</p> <p><i>Grant No. 4—Forests</i></p> <ol style="list-style-type: none"> 1. Financial Commissioner (Revenue), Punjab 2. Chief Conservator of Forests <p><i>Grant No. 35—Capital Outlay on Schemes of Agricultural Improvement and Research</i></p> <ol style="list-style-type: none"> 3. Development Commissioner, Punjab 4. Deputy Secretary, Development Department 5. Director of Agriculture 6. Deputy Director of Agriculture (Tractor Cultivation).
20	2nd February, 1954	4	<p>Oral examination of—</p> <p><i>Grant No. 32—Stationery and Printing</i></p> <ol style="list-style-type: none"> 1. Secretary to Government, Punjab Home Department 2. Under-Secretary, Labour and Printing 3. Controller, Printing and Stationery Punjab 4. Deputy Controller, Printing and Stationery, Punjab <p><i>Grant No. 21—Industries. Grant No. 22—Industrial Capital Expenditure</i></p> <ol style="list-style-type: none"> 5. Director of Industries 6. Technical Officer, Rehabilitation
21	24th February, 1954	4	<p>Oral examination of—</p> <p><i>Grant No. 1—Land Revenue</i></p> <ol style="list-style-type: none"> 1. Deputy Secretary (Revenue) 2. Director of Consolidation of Holdings <p><i>Grant No. 2—State Excise</i></p> <ol style="list-style-type: none"> 3. Excise and Taxation Commissioner <p><i>Grant No. 18—Agriculture</i></p> <ol style="list-style-type: none"> 4. Deputy Secretary, Development <p><i>Grant No. 37 Capital Outlay on Schemes of Government Trading</i></p> <ol style="list-style-type: none"> 5. P.A. to Director of Agriculture

Serial No.	Date of the meeting	No. of Members attending the meeting	Business transacted
1	2	3	4
22	25th February, 1954	4	<p>Oral Examination of— <i>Grants Nos. 18 and 37—Agriculture</i></p> <ol style="list-style-type: none"> 1. Deputy Secretary, Development 2. Assistant Director of Agriculture <p><i>Grant No. 23—Veterinary</i></p> <ol style="list-style-type: none"> 3. Director of Animal Husbandry <p><i>Grant No. 14—Police</i></p> <ol style="list-style-type: none"> 4. Inspector-General of Police 5. Director, Food and Civil Supplies <p><i>Grant No. 17—Medical and Public Health</i></p> <ol style="list-style-type: none"> 6. Secretary to Government Health and Local Government Departments 7. Deputy Director of Health Services
23	26th February, 1954	4	<p>Oral Examination of— <i>Grant No. 37—Capital Outlay on Schemes of Government Trading</i></p> <ol style="list-style-type: none"> 1. Director, Food and Civil Supplies <p><i>Grant No. 16—Education and Grant No. 33—Miscellaneous</i></p> <ol style="list-style-type: none"> 2. Deputy Director, Public Instruction 3. Director of Industries <p><i>Grant No. 33—Miscellaneous—(contd)</i></p> <ol style="list-style-type: none"> 4. Under-Secretary, Relief and Rehabilitation Department 5. Assistant Secretary, Relief and Rehabilitation Department.
24	27th February, 1954	6	<p>Resumption of Oral Examination of— <i>Grant No. 33—Miscellaneous</i></p> <ol style="list-style-type: none"> 1. Assistant Secretary, Relief and Rehabilitation Department. <p><i>Grant No. 29—Famine</i></p> <ol style="list-style-type: none"> 2. Financial Commissioner (Revenue) <p><i>Grant No. 11—General Administration and Grow-More-Food Scheme</i></p> <ol style="list-style-type: none"> 3. Deputy Development Commissioner <p><i>Grant No. 13—Jails and Convict Settlement</i></p> <ol style="list-style-type: none"> 4. I. G. Prisons

Serial No.	Date of the meeting	No. of Members attending the meeting	Business transacted
1	2	3	4
25	28th February, 1954	5	Drafting of programme for oral examination of Heads of Departments
26	9th March, 1954 ..	5	Oral examination of— <i>Grant No. 23—Civil Works. Grant No. 27—Civil Works (Capital) (continued)</i> 1. Chief Secretary to Government, Punjab 2. Chief Engineer, Capital Project, and P.W.D., B. and R. Branch 3. Financial Adviser and Chief Accounts Officer, Chandigarh Capital Project 4. Superintending Engineer and <i>Ex Officio</i> Deputy Secretary, P. W. D., B. and R. Branch 5. Administrator, Capital Project
27	10th March, 1954 ..	7	Resumption of oral examination of— <i>Grant No. 27—Civil Works (Capital,</i> 1. Secretary to Government, Punjab, P.W.D., B. and R. Branch. <i>Grant No. 33—Services. Grant No. 37—Transport</i> 1. Secretary to Government, Punjab, Transport Department 2. Provincial Transport Controller <i>Grants Nos. 7, 8 and 9—Irrigation</i> Secretary— 1. Running Canals; 2. Bhakra Canals 3. Project Administrator; and 4. Superintendent, Government, Central Workshops, Amritsar
28	11th March, 1954 ..	6	Oral Examination of— <i>Regarding information asked for in the Proceedings of 8th January 1954</i> 1. Secretary, Finance Department 2. Secretary, Health and Local Govt. Departments 3. Deputy Director, Public Instruction <i>Grants Nos. 25 and 28—Electricity</i> 4. Chief Engineer, P.W.D., Electricity Branch
29	12th March, 1954 ..	6	Consideration and drafting of the Report on the Appropriation Accounts for the year 1950-51 and Audit Report, 1952
30	24th March, 1954..	8	Ditto ditto

Note. The number of members attending the meeting is given according to the members present at the commencement of each sitting.

ANNEXURE XXVI

Summary of the observations/recommendations made in the 2nd Report of the Public Accounts Committee on the Appropriation Accounts for the year 1950-51 and Audit Report 1952.

Serial No.	Date of the meeting.	Para of the Report.	Department concerned.	Observations/Recommendations.
1	2	3	4	5
				<i>Introduction</i>
1		4	All Departments	The submission of material for consideration by the Committee should be given the utmost importance and personally attended to by the Secretaries and Heads of Departments.
2		13	Ditto ..	<i>Financial Results of year 1950-51.</i> The excesses over grants may be regularised as required in Articles 205 (1) (b) of the Constitution.
3		14	Ditto ..	The Departments are advised to evolve a better procedure of estimating and control, and ensure that expenditure is incurred within the limit of the sanctioned Grant. Any excesses in future will be viewed very seriously.
4		17	Ditto ..	<i>General laxity in Budgeting and control over expenditure.</i> There has been a deplorable laxity of control over budgeting and/or control on actual expenditure. The Departments seem to be unmindful of the necessity of observing close control over their financial affairs. Some of the officers and Departments appear to be ignorant of the fundamental principles of parliamentary control correct budgeting and accounting. There is absolutely no co-ordination between the Departments responsible for controlling expenditure and those executing works, acquiring land, etc., on their behalf. The Departments

Serial No.	Date of the meeting.	Para of the Report.	Department concerned.	Observations/Recommendations
1	2	3	4	5
4— concl'd		17— concl'd	All Departments—cont'd	have asked for budget allotments, supplementary grants and even incurred expenditure over the sanctioned grant without caring for the consequences. The Departments have not taken adequate steps to watch and ensure the accountal of relevant debits and credits in the year's account in respect of stores purchased or services rendered. The planning and preparation of estimates for works and correlating them with allotment of grants and incurring of expenditure is far from satisfactory.
5		19	Ditto	<p><i>Need for tightening financial control.</i></p> <p>The Finance Department should not only lay down the measures for lightening financial control adequately, but that it should impress upon the Departments at all levels that they should closely estimate the requirements properly on a planned basis and also that they should rigidly control the progress of expenditure from time to time. The Departmental Heads and all officials responsible for estimating, spending and accounting should be made to realise their responsibility for the proper budgeting, spending and accountal.</p> <p>It is not enough that the reasons for variations and other defects should be merely explained to us, but action should be taken by all Departments and the Government to take stringent action against officials responsible for any irregularity. During the course of our examination we have been given explanations for erroneous provisions, wrong conceptions on the part of officials and other irregularities. We, therefore, suggest</p>

Serial No.	Date of the meeting.	Para of the Report.	Department concerned.	Observations/Recommendations.
1	2	3	4	5
5— <i>concl'd</i>	..	19— <i>concl'd</i>	All Departments— <i>cont'd</i>	that the cases should be investigated and the responsibility fixed on offending officials and suitable disciplinary action taken to avoid similar irregularities in future.
6	..	20	Ditto	<i>Reconciliation of Accounts by Departments.</i> All Departments incurring expenditure should realise that they are primarily responsible for the estimating, budgeting and incurrence of expenditure. Therefore we attach great importance to the periodical reconciliation of expenditure incurred and booked by the spending Departments concerned with those of the Accounts Office. The reconciliation of figures of expenditure should be promptly and properly done. In this connection, we also invite attention to para 61 at page 41 of the Audit Report which indicates a general laxity in the reconciliation of figures adjusted in the Divisional Accounts and the Treasury Books. The Accountant-General has also expressed his difficulties in the matter of reconciliation of the expenditure incurred because of non-submission or imperfect submission of accounts and schedules. Immediate steps should be taken to improve the position and all offending officials warned to be more careful on pain of disciplinary action.
7	..	21	Ditto	<i>Other grave financial irregularities.</i> The Committee felt that the withdrawal of monies not required for immediate disbursement on the last days of the Financial Year in order to utilise the Budget Grants or to have irregular adjustments effected with a view to avoiding excesses over sanctioned appropriations or avoiding savings reflects a sad state of affairs.

Serial No.	Date of the meeting.	Para of the Report.	Department concerned.	Observations/Recommendations.
1	2	3	4	5
7— <i>concl'd</i>	..	21	All Departments— <i>concl'd</i>	The Committee observed that in this connection Finance Department's circulars to all Heads of Departments asking them to draw the attention of all drawing and disbursing officers working under them that withdrawal of money not required for immediate disbursement or to avoid lapse of funds will be viewed very seriously and may compel Government to take suitable disciplinary action against defaulting officers should be scrupulously followed and strict action taken against the officials who commit similar irregularities in future.
8	12-3-54	..	All Departments	The Central Government Workshops, Amritsar, should receive preference from all Government Departments while purchasing their requirements of stores.
9	..	50	Ditto ..	<i>Disposal of audit objections and inspection reports.</i> The Heads of Departments should take more personal interest in this regard. If it is not already there, we suggest that each Department should organise, at the highest level, a section for exercising control over expenditure in accordance with grants as well as for the prompt and satisfactory disposal of audit objections and the implementation of the recommendations of the Public Accounts Committee. If— (i) the Heads of Departments and other senior officers take personal interest in these matters and bring home to their subordinate officials, the importance of financial control and dealing with audit objections, (ii) the Finance Department also exercise strict watch over the prompt disposal of audit objections and reports and remedy irregularities brought to notice,

Serial No.	Date of the meeting.	Para of the Report.	Department concerned.	Observation/Recommendations.
1	2	3	4	5
9— <i>concl'd</i>	—	50	All Departments— <i>concl'd</i>	<p>(iii) Government take prompt and strict action against those responsible for irregularities,</p> <p>we are sure that very soon a marked improvement will be achieved in the administration of the finances of the State as a whole.</p>
10		22	Public Works Department (Chandigarh Capital Project)	<p>(i) We are unable to appreciate the very large number of works being executed without agreements or contracts which are likely to result in various irregularities, overpayments and disputed claims later on. We also take serious notice of the fact that no proper accounts of materials purchased, and charged to works were being rendered and checked. The Chief Engineer was requested during oral examination to pay particular attention to Public Health Divisions in which matters were far from satisfactory.</p> <p>(ii) The sum of Rs. 5 lakhs which is understood to be recoverable out of the amount of Rs. 35 lakhs paid as an advance to the Custodian, Evacuee Property without deciding the actual compensation payable should be immediately recovered.</p> <p>(iii) The style of architecture adopted and the cost incurred on various types of Buildings should be critically reviewed by a Committee of the Assembly.</p>

Serial No.	Date of the meeting.	Para of the Report.	Department concerned.	Observations/Recommendations.
1	2	3	4	5
11	..	23	P.W.D., Chandigarh (Capital Project) (Para 24 of the Audit Report)	Immediate step should be taken to examine all cases in which low paid Government servants are in occupation of accommodation, the assessed rent of which is appreciably in excess of that recoverable from them under Rules and <i>vice versa</i> and also in respect of quarters occupied by all Government Servants with a view to reduce the recurring loss to Government in rent and desired that immediate action should be taken in this connection and a note on the action taken submitted to the Committee very early.
11-a	9-3-54	..	P. W. D., Buildings and Roads Branch	(i) Instructions be issued that it is for the Departments to take all suitable measures to exercise rigid financial control, and strict observance of Rules and procedure laid down. There could be no laxity on any account.
12	10-3-54	..	Ditto	(i) <i>Items 48 and 56 on pages 298—303.</i> Action should be taken against the Executive Engineer concerned. The Chief Engineer also should exercise at all levels greater and more effective control over expenditure. It is for the Chief Engineer, Buildings and Roads, to arrange for adequate organisation, for this purpose. (ii) A Schedule of Rates based on detailed specifications and an analysis of Rates to accord with current market rates of labour, materials, etc., should be made out very early. (iii) The recommendations of Ishar Dayal Committee as accepted should be implemented immediately and a three-man Committee be appointed to dispose of minor objections on the spot.

Serial No.	Date of the meeting.	Para of the Report.	Department concerned.	Observations/Recommendations.
1	2	3	4	5
12— <i>concl'd</i>	10-3-54 — <i>concl'd</i>	..	Buildings and Roads Branch — <i>concl'd</i>	<p>(iv) A comprehensive note relating to as many as 6,000 items of the value of Rs. 592 lakhs under objection, should be prepared and submitted to the Committee for information.</p> <p>(v) The situation was alarmingly unsatisfactory and desired the Chief Engineer to take effective steps to remedy and check such irregularities as had been pointed out by Audit. A memorandum may be submitted very early in the matter.</p> <p>(vi) <i>Para 61 (b) of the Audit Report.</i> The non-reconciliation of Divisional Accounts figures and the treasury figures might lead to defalcations. Suitable step be taken at once to see that the figures are reconciled quickly.</p> <p>(vii) <i>Para 28 of the Audit Report.</i> In the interest of economy timber should be purchased from the Forest Department by the Building and Roads Department directly and it should be converted into furniture, etc., under factory conditions under the latter's supervision.</p> <p>(viii) <i>Para 24 of the Audit Report.</i> Note explaining the steps taken to avoid losses on account of excess payments of compensation for buildings requisitioned for occupation by Government servants not drawing sufficient pay, should be sent to the Committee as promised.</p>
13	..	25	Stationery and Printing. (Para.27 of the Audit Report)	<p><i>Para 25 Stationery and Printing.</i> Where a file regarding which a para had been included in the Audit Report had been destroyed by the department the Committee observed that it was a grave irregularity to destroy such files before the considera-</p>

Serial No.	Date of the meeting	Para of the Report	Department concerned	Observations/Recommendations
1	2	3	4	5
13— <i>concl'd</i>		25— <i>concl'd</i>	Stationery and Printing (Para 27 of the Audit Report)— <i>concl'd</i>	tion of the Audit Report by the Committee. They, therefore, recommended that :— (i) The Government should issue strict orders to all Government Departments that whenever a matter concerns the accounts of a year or a subject which the Accountant-General has proposed for inclusion in his Appropriation Accounts or Audit Report, no file, correspondence or relevant documents should be destroyed before the accounts of the year concerned and the Audit Report have been considered by the Public Accounts Committee and also suitable action taken on its recommendations. (ii) The Committee wish to make further enquiry into the method adopted for inspection of Presses, the reasons why certain Presses in Delhi only were selected even though some of them had not got plant and machinery installed at the time and as to why no attempt was made to get rates quoted on a more competitive basis.
13—A		26	Ditto	The procedure to be followed in respect of tenders which the Public Accounts Committee suggested in Paras 7-8 at page 81 of its Report on the accounts of 1948-49 and 1949-50 should be observed by all Departments, regarding the placing of contracts for works, stores or other services.
14		47	Ditto	There should be co-ordination of all demands made by various Departments, and a strict control over the adjustment of cost of paper and Stationery, etc. The Committee, therefore, recommend that suitable steps should be taken to evolve a suitable procedure under which large variations are avoided in future.

Serial No.	Date of the meeting	Para of the Report	Department concerned	Observations/Recommendations
1	2	3	4	5
15		27	Rehabilitation	<p>(i) The actual amount of loss incurred on local printing of forms during the period from March to August 1948, should be worked out and formally sanctioned by the Finance Department.</p> <p>(ii) Admitting that it was a time of stress and strain and the work had to be done urgently, the Committee strongly feels that the work should have been done in a more systematic manner and that in all such cases a correct and full record of the proceedings of all such meetings should be made out and signed by those who attend the meeting and kept on record. Suitable orders may be issued by Government to all Departments.</p>
16		36	Relief and Rehabilitation	In view of the huge amounts involved, speedy action should be taken to have all loans verified and effective action taken to ensure recovery and to avoid loss to the State.
17		48	Ditto	<p>(i) The excess should be withdrawn by the Government and all their future credits restricted within the sanctioned amounts.</p> <p>(ii) The working of the two centres, the Wool Spinning and Weaving Centre at Panipat and the Cotton Spinning and Weaving Centre at Jullundur, should be very carefully reviewed and they should quickly be brought on a commercial basis.</p>
18		28	Police Department (Para 39 of the Audit Report)	(i) The cloth was required by the Police Department and indents placed in December, 1947, when there was control over cloth. Therefore, it requires to be investigated as to why

Serial No.	Date of the meeting	Para of the Report	Department concerned	Observations/Recommendations
1	2	3	4	5
18— <i>concl'd</i>		28— <i>concl'd</i>	Police Department— <i>cont'd</i>	<p>the method of purchase through a Commission Agent and payment of cash was adopted instead of placing a direct indent on the Textile Commissioner and getting the debits adjusted by book transfer.</p> <p>(ii) The Textile Controller of the State at Bombay, who arranged for the despatch of the goods, should have taken proper precautions to see that the cloth actually despatched was correct according to the specifications and indent of the Police Department. The responsibility of the then Textile Controller in regard to the procedure adopted as well as the despatch of wrong goods should be thoroughly investigated and adequate disciplinary action taken against him.</p> <p>(iii) The Police Department also should have checked the contents of the bales before they took delivery and made payments.</p> <p>(iv) The responsibility of Messrs Vishwa Nath and Bros., Jullundur, who took delivery of the goods initially, should also be looked into. The loss could have been avoided and the actual requirements of the Department met more economically at controlled rates through the Textile Commissioner. We direct that the responsibility of all officers concerned responsible in this case should be thoroughly investigated and disciplinary action taken.</p>
19	25-2-54	...	Ditto	<p>(i) Instructions be issued that margin of savings should still be narrowed down.</p> <p>(ii) <i>Para 39 of the Audit Report.</i> Further investigation in the purchase of cloth is needed and responsibility for this whole muddle is required to be fixed.</p>

Serial No.	Date of the meeting	Para of the Report	Department concerned	Observations/Recommendations
1	2	3	4	5
20	25-2-54		Police Department—concl'd	<i>Para 41 of the Audit Report.</i> The amount drawn which was not required for immediate disbursement was an irregularity which should be avoided.
21	12-3-54		Ditto	In the case of Kunjpura Academy the Recommendations of previous Public Accounts Committee has not been implemented that the expenditure shown as incurred on Police Establishment had actually been incurred on education.
22		29	Revenue	<i>Para 42 of the Audit Report.</i> A detailed report showing the further departmental action taken by Government in this case the safeguards introduced for avoidance of similar losses in future should be submitted to the Committee as soon as the Criminal case is finally decided
23		30	Finance, Education and Local Government	The officers responsible for payment of the grants should review the grants paid and expenditure incurred by each of the grantees, and see that no further grants are made unless the grants already paid have been properly spent. The Committee suggested that the Secretary, Health and Local Government Departments, the Education Department and the Finance Secretary should review the position immediately. It should be ensured that the provision for grants -in-aid and payments take fully into account the balance likely to be available with the grantees at the beginning of the year, and only cover approved expenditure expected to arise in the course of the year. The Departments should also ensure that the departmental rules in respect of payment of grants are complied with in future.

Serial No.	Date of the meeting	Para of the Report	Department concerned	Observations/Recommendations
1	2	3	4	5
24		31	Civil Supplies	<p>(i). The linking between the issue from one depot and the receipts from another to ensure proper accountal and prevent loss arising out of non-accountal should be brought up to date as quickly as possible and desired that it should be completed before the next meeting of the Public Accounts Committee.</p> <p>(ii) It also observed that as soon as things are despatched from one place and received at another, they must be taken into account immediately and linking completed to ensure that the accounts are correct and that there is no misappropriation in transit or otherwise. Apart from the completion of the work relating to linking, the Committee directs that the Government should impress upon all Government officers dealing with receipt and despatch of stores the extreme importance of proper accountal and linking of receipts and issues promptly.</p> <p>(iii) It further observed that the correct principle of stock verification is that excesses and shortages noticed must be investigated immediately and the book balances got corrected also immediately, otherwise there is no guarantee that future receipts and issues would not be manipulated to cover up excesses and shortages.</p> <p>(iv) The stores being valued at several lakhs of rupees the Committee desired that the responsibility for non-verification of stores and adjustment of book-balances so far, in accordance with the Financial Rules, should be fixed and disciplinary action taken against the officials at fault.</p>

Serial No.	Date of the meeting	Para of the Report	Department concerned	Observations/Recommendations
1	2	3	4	5
24— <i>concl'd</i>		31— <i>concl'd</i>	Civil Supplies— <i>cont'd</i>	<p>(v) An appreciation of the total receipts, issues and shortages till the end of 1952-53 should be submitted to the Committee for their detailed examination.</p> <p>(vi) The action taken by the Government in relation to the cases noted on page 224 of the Appropriation Accounts 1948-49 and Audit Report 1950 in which wheat and barley valued at Rs. 1½ lakhs remained un-protected without a shelter and were heavily damaged through the failure of a District Food Controller to take adequate steps in the matter, the Committee felt, that the action taken was very lenient and desired that the reasons why prompt and proper action was not taken, should be investigated. It further desired that as soon as any loss or other grave irregularity was noticed, prompt action should be taken against the officials concerned instead of adopting an easy policy of letting the person go without adequate punishment.</p> <p>(vii) <i>Para 14 of the Audit Report 1951.</i> Regarding loss of Food—grains worth 7.31 lakhs damaged in godowns by heavy rains and floods in the 1st and 3rd week of September, 1950, it desired that the loss should be written off by proper sanction, which should be communicated to the Accountant-General and Public Accounts Committee.</p> <p>(viii) <i>Scheme for the sale of improved seeds to cultivators.</i> The entire working of the scheme should be reviewed, so that further losses may be avoided and cultivators supplied with good quality seeds at the proper time.</p>

Serial No.	Date of the meeting	Para of the Report	Department concerned	Observations/Recommendations
1	2	3	4	5
25	26-2-54	..	Civil Supplies <i>concl'd</i>	The Secretary, Civil Supplies Department had sent no intimation about his inability to attend the meeting of the Public Accounts Committee. The Committee were of the view that such an omission was derogatory to the Committee's status and should be avoided in future.
27	..	32	Agriculture	<p><i>Land Reclamation and Mechanical Cultivation Schemes</i></p> <p>(i) The Committee hopes that further loss would be minimised by the remodeling of the scheme by restricting it to the follow up cultivation seed farms, the area of which it was stated had been reduced from 9,923⁰⁰ acres to 5,200 acres. Very early action should be taken to dispose of all surplus material tractors, machinery, implements, etc., to the best advantage of the State.</p> <p>(ii) The Committee did not think that the entire blame could be laid on the Government of India or the Central Tractor Organization. It was also the primary responsibility of the Punjab Government officials to take over the tractors and start a scheme, to have taken adequate care to see that proper tractors and implements were actually received and that work was done on a well-planned basis with an adequately trained staff. In view of the fact that a loss to the extent of nearly 47 lakhs has been incurred up to the end of 1952-53 and the likelihood of further loss in the working and disposal of the tractors and implements, etc., a thorough enquiry should be made at once into the working of the whole scheme and suitable disciplinary action taken</p>

Serial No.	Date of the meeting	Para of the Report	Department concerned	Obsevrations/Recommendations
1	2	3	4	5
27— concl'd		32— concl'd	Agriculture— cont'd	<p>against the officers at fault. The results of the enquiry should also be communicated to the Government of India for a thorough enquiry as to the extent to which the losses incurred by the Punjab and other States, if any, were due to the irregularities and defects of the Central Tractor Organization.</p> <p>(iii) The State Government should make a detailed Official Report to the Government of India.</p> <p>(iv) The State Government should have taken quicker action on the report of the Departmental Committee which enquired into the working of the scheme and submitted the report in July, 1952. In this connection, we have also to impress upon the Government the need for prompt action whenever any losses or serious financial irregularities come to notice.</p> <p>(v) It should be investigated as to who was responsible in the beginning for the fixation of reclamation and cultivation charges per acre resulting in a loss to the State. The responsibility of losses due to heavy repairs to the tractors should also be thoroughly investigated.</p> <p>(vi) Prompt and concerted action should be taken at once to effect recovery of large outstandings amounting to 9 lakhs on account of reclamation and cultivation charges.</p>
GRANT NO. 35—CAPITAL OUTLAY ON SCHEMES OF AGRICULTURAL IMPROVEMENTS AND RESEARCH				
28		49	Agriculture— cont'd	This is a very bad case of defective budgeting and similar defects should be avoided in future.

Serial No.	Date of the meeting	Para of the Report	Department concerned	Observations/Recommendations
1	2	3	4	5
				<i>Grow More Food Schemes</i>
29	24-2-54	..	Agriculture— <i>concl'd</i>	(i) Early steps be taken to finalize the work of completion certificates and subsidies adjusted accordingly. (ii) <i>Seed Operation.</i> The Department should take suitable steps to prevent further losses.
29-A	25-2-54	..	Ditto ..	The reasons for heavy incidental charges for the storage of certain seed, be given.
30	25-2-54	..	Ditto ..	<i>Capex / Outlay on Provincial Schemes of State Trading.</i> The audit objections should be settled within 2 or 3 months.
31	..	33	Industries ..	(i) Strict orders should be issued to all Government offices dealing with Government monies that no money should be placed in a private bank, but only in Government Treasuries. (ii) Regarding conflicting versions given by the Director of Industries about the building of industries on the industrial plots in Jullundur, and the Chief Engineer, Electricity, that the load did not actually develop, the Committee desired that this needed to be examined as to whether there was an incorrect or over-estimate of electric load that would be taken up for work centres and industrialists, or whether the estimates of the Electricity Branch were defective. (iii) A memorandum showing the machinery purchased for the Work Centres and rendered surplus and the loss, if any, involved by disposal, may be submitted to the Committee very early.

Serial No.	Date of the meeting	Para of the Report	Department concerned	Observations/Recommendations
1	2	3	4	5
31— <i>concl'd</i>		33— <i>concl'd</i>	Industries — <i>concl'd</i>	(iv) Committee were inclined to think that the Work Centres were not planned on a proper basis and, therefore, suggested that the working of all Work Centres should now be reviewed carefully by an expert Committee with a view to ensure that all the Work Centres will in future work on an economical basis. Now that the Work Centres have functioned for some years and the workmen have also been trained properly, it might also be considered whether the Work Centres, which the Government decide to run, should not be brought on a commercial basis, and the profit and loss worked out according to the rules of commercial concerns.
31-A	2-2-54	..	Do	(v) The losses incurred in the disposal of surplus plants, machinery and stores, arising out of the working of the Work Centres, should also be written off with the sanction of the competent authority. A memorandum, showing therein the action taken by the Industries Department on the purchase procedure by tenders revised by the Government, on the recommendations of the previous Public Accounts Committee be placed before the Committee.
32	..	34	Irrigation and P.W.D., B and R Branch	(i) In regard to these works which are being executed both by the Irrigation and the B and R Branches of the Public Works Department, the Committee noticed a certain lack of co-ordination and suggested that there should be greater co-ordination between the Departments in executing works in respect of Grow-More-Food Campaign.

Serial No.	Date of the meeting	Para of the Report	Department concerned	Observations/Recommendations
1	2	3	4	5
32— <i>concl'd</i>		34— <i>concl'd</i>	Irrigation and P.W.D., B & R Branch— <i>concl'd</i>	(ii) They also desired that a self-contained memorandum showing the financial results of the various schemes connected with Grow-More-Food Campaign up to end of the year 1952-53 may be submitted to the Committee next year indicating individual schemes and the financial and other results obtained.
33		35	Irrigation	<p>(i) The Committee felt that the workshop should not be treated as a private concern, so far as the State Departments were concerned to quote in competition. On the other hand, all possible stores and articles, which could be manufactured by the shop, should primarily be executed in the workshop and that only where the workshop is unable to execute the orders with the existing plant and machinery, purchases should be made from outside, but the stores and articles should not be manufactured by the shop at very high cost. The Shop should manufacture and produce at costs comparable with the market.</p> <p>(ii) The orders for articles costing Rs. 10,000 or above should be placed with the Government Central Workshops, Amritsar, not only by the Irrigation Branch which, the Committee learnt, had already been done by the Irrigation Department but by all Government Departments of the State, the order should be placed with private firms only, if the workshop is unable to execute it.</p> <p>(iii) An expert survey of the capacity of the workshop should be made and that all Government Departments should anticipate and plan their needs</p>

Serial No.	Date of the meeting.	Para of the Report.	Department concerned.	Observations/Recommendations.
1	2	3	4	5
33— <i>concl'd</i>	..	34— <i>concl'd</i>	Irrigation and P.W.D., B. & R. Branch— <i>concl'd</i>	in advance so that even if the workshop is not, at present, manufacturing any articles or stores they might require, the workshop could plan and develop the capacity for manufacture of the stores required.

GRANT NO. 7—IRRIGATION (WORKS).

34	..	41	Irrigation ..	(i) All factors contributing to variations should be avoided. (ii) The funds should be demanded and appropriated only on the basis of estimated cost of work to be actually spent for execution and not that funds should be allotted first as a leap in the dark.
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GRANT NO. 8—CHARGES ON IRRIGATION ESTABLISHMENT.

35	..	42	Irrigation ..	A self-contained Memorandum may be submitted to the Committee showing the expenditure on bunds incurred so far and the expenditure incurred on their maintenance and also indicating the financial results of the construction of bunds and in particular their effects on revenue realisations. (ii) <i>Non-payment of certain charges for want of sanction.</i> No funds should be provided unless the expenditure has been sanctioned by the proper authorities. (iii) <i>Jagadhri Tube-well Project. Note 8.</i> The accounts of advance payments made to the firm and recoveries which have not yet been made available for audit by the Accountant-General and should be made available immediately and a comprehensive memorandum showing the results of the Jagadhri Tube-well Project and the working
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Serial No.	Date of the meeting.	Para of the Report.	Department concerned.	Observations/Recommendations.
1	2	3	4	5
35— concl'd	..	42— concl'd	Irrigation— cont'd	<p>of the contract for the construction of tube-wells with Messrs Associated Tube well, Ltd., should be submitted to the Committee containing an appreciation about the cost per tube-well as paid to the firm and the cost of a similar tube-well sunk departmentally.</p> <p>(iv) Plant, Machinery and material purchased from abroad and in India for which final payments have been made have not yet been taken on the material at-site accounts of the Works concerned. These are very serious irregularities requiring action against the officials concerned.</p>

GRANT NO. 9—IRRIGATION CAPITAL.

36	..	43	Irrigation ..	There should be greater co-ordination between the Departments and the adjustment of cost of land should be expedited to avoid large variations.
37	10-3-54	..	Irrigation ..	<p>(i) The Chief Engineer, P.W.D., Irrigation Branch should exert pressure upon other Departments such as the P.W.D., Electricity Branch, Agriculture Department, etc., etc., to see that whatever articles they required were manufactured at the Central Workshops, Amritsar.</p> <p>(ii) The method of approach of the Chief Engineer was entirely incorrect and it is strongly emphasised that the Chief Engineer and his officials must realise that they are primarily responsible for the proper execution of works, financial control and accounting.</p>

Serial No.	Date of the meeting.	Para of the Report.	Department concerned.	Observations/Recommendations.
1	2	3	4	5
37— <i>concl'd</i>	10-3-54— <i>concl'd</i>		Irrigation— <i>concl'd</i>	(iii) A note be submitted to the Committee in respect of 1016 items of the value of Rs 63 lakhs relating to Running Canals Administration of which detailed sanctioned Estimates had not been supplied. <i>P.W.D. (Sub-para 2 of para 26 of the Audit Report)</i>
38		37	Electricity	The Committee is not satisfied with the working of Thermo Electric Schemes, and strongly urge that proper survey of all factors should be made and taken into account where such schemes are undertaken.
39		24		The Committee observed that the terms of the contracts with the contractors should be strictly observed and that there should be no question of trying to get the different cases re-considered again by the Finance Department. The Committee desires that recoveries in their particular cases be made from the contractors and disciplinary action taken against the officials responsible and the action thus taken should be reported to the Committee.
40	11-3-54			<i>Electricity Schemes.</i> (i) The matters relating to financial control and Public Accounts Committee work should be dealt with promptly and the Chief Engineer should take personal interest and exercise greater control over his subordinate officials. (ii) Pages 309—12 and 314. The Chief Engineer should take effective steps to avoid such irregularities in future and take disciplinary action against officials responsible for such mistakes.

Serial No.	Date of th meeting.	para of the Re- port.	Department concerned.	Observations/Recommendations.
1	2	3	4	5
41	..	38	Transport ..	The working of the Bus Services Schemes should be carefully scrutinised and the persons responsible for extravagance or leakage of revenues dealt with in an exemplary manner. Before any expansion of the Transport Services is undertaken, it is essential that the position should be reviewed so that all defects of omission and commission should be located and lessons not forgotten in the future.
42	10-3-54	..	Do ..	Report of the enquiry regarding the increase of Bus fare from Rs 1-9-0 to Rs 1-11-0 on Jullundur Amritsar Route should be furnished to the Committee, as promised.
GRANT NO. 1—LAND REVENUE.				
43	..	39	Land Revenue	The omission on the part of the Director of Land Records to provide for expenditure on behalf of Relief and Rehabilitation Department resulting in the excess expenditure is a grave irregularity and it should be avoided in future on pain of disciplinary action against the official at fault.
GRANT NO. 4—FORESTS.				
44	.	40	Forests ..	<p>If the Comptroller and Auditor -General of India agrees to take up the work of Stores Account the Government should make suitable arrangements for a proper audit by the Accountant-General, of the receipts and stores accounts of the Forest Department.</p> <p>(ii) The forests should be departmentally exploited for extraction of timber and other produce to the maximum extent possible.</p>

Serial No.	Date of the meeting	para of the Re- port	Department concerned	Observations/Recommendations.
1	2	3	4	5
44— concl'd	..	40— concl'd	Forest— concl'd	(iii) A suitable procedure may be evolved, so that timber used on Government works especially big works and projects could be obtained at economical rates and to the maximum extent possible, directly from the Forest Department.
GRANT NO. 13—JAILS AND CONVICT SETTLEMENTS.				
45	..	44	Jails ..	The details of the Scheme proposed by the Inspector-General of Prisons to the Government regarding the working of Jails Factories should be examined very carefully. It should be ensured that all expenditure, incurred on the production of goods in the jails factories is taken into account so that the factories should run at least on a no-profit no-loss basis in the case of supply of Jail Factory products to Government Departments. We desire that a memorandum showing the details of the scheme approved by the State Government may be submitted to the Committee in 1954-55.
GRANT NO. 14—POLICE.				
46	..	45	Police ..	Once again the Committee stressed the primary importance of taking prompt action on the recommendations of the Public Accounts Committee, 1953-54. The Committee, therefore, directs that immediate action should be taken to regularise the position and bring it to the notice of the Legislative Assembly without any further delay.
GRANT NO. 19— VETERINARY.				
47	..	46	Veterinary ..	Action taken by Government should be finalised very early and a memorandum submitted to the Committee next year, showing the final action taken by Government.

Serial No	Date of the meeting	Para of the Report	Department concerned	Observations/Recommendations.
1	2	3	4	5
48	25-2-54	..	Veterinary ..	<p>(i) Whether necessary action promised by the Director of Animal Husbandry has been taken against the officials who were responsible for not bringing the reminders for the supply of replies to the questionnaire of the Public Accounts Committee to his notice</p> <p>(ii) A memorandum showing the action taken on the recommendations of the last Public Accounts Committee be submitted to the Committee as promised.</p> <p>(iii) The heavy losses in the Government Cattle Farm, Hissar, should be avoided in all circumstances</p>
49	25-2-54		Do	<p>The Director of Animal Husbandry was advised to follow the instructions laid down in the Punjab Budget Manual and those issued by the Finance Department and see that book adjustments were made within the Financial year.</p>
<i>Expenditure held under objection.</i>				
50		51	Finance-General	<p>(i) It is highly irregular that Departments should incur objectionable expenditure, of a large magnitude as a general practice without detailed estimates, in excess of estimates, and for other reasons. Absolutely no regard is paid to the fundamental rules regulating incurrence of expenditure, nor is any serious attempt made to regularise matters. All branches of the Public Works Departments are primarily responsible for this deplorable state of affairs</p> <p>(ii) Immediate action should be taken at the highest level to look into the matter and effect improvements within</p>

Serial No.	Date of the meeting	Para of the Report	Department concerned	Observations/Recommendations.
1	2	3	4	5
50— <i>concl'd</i>	..	51— <i>concl'd</i>	Finance, General— <i>concl'd</i>	the next 3 months . A special memorandum showing the action taken, and the number of items, and value, of expenditure held under objection, settled and regularised should be submitted to the Committee, by the end of July 1954.
51	..	52	Finance- General	It is urged that the State Government might kindly take suitable action to implement these recommendations, at a very early date. The State Government should finalise the necessary action in respect of all recommendations and a memorandum showing action taken submitted to the next Committee very early for their consideration.
54	10-3-54	..	Punjab Legis- lative Assembly Secretariat	The number of the English Reporters was insufficient and directed the Secretary, Punjab Legislative Assembly to take steps to have at least two more English Reporters for the purpose of recording verbatim proceedings of the meetings of the Committee.
55	11-3-54	..	Health and Education	<i>Para 46, Page 27 of the Audit Report.</i> A complete report showing the action taken in respect of unutilized grants lying with the Local Bodies should be submitted to the Committee.
56	11-3-54	..	Electricity Branch Rehabilitation	<i>Page 323 of the App. Accounts (item 1 and 2).</i> It was observed that there was no co-relation between the Rehabilitation Department and the P. W. D., Electricity Branch.