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HARYANA VIDHAN SABHA
PUBLIC ACCOUNTS COMMITTEE
(1972-73)

(FOURTH REPORT)

REPORT

ON THE

**Appropriation Accounts of the Composite Punjab Government
for the year 1964-65 and the Audit Report, 1966, in so far
as these relate to areas now forming part of Haryana
State and Appropriation Accounts of the Haryana
Government for the year 1967-68 and the Audit
Report, 1969.**

Presented to the House on... 18th August, 1972



VIDHAN SABHA SECRETARIAT
CHANDIGARH

August, 1972

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REPORT

1. The Public Accounts Committee for the year 1971-72 was constituted by the Haryana Vidhan Sabha by election *vide* Notification No. CB-EC-3/71/37, dated the 13th March, 1971. It held 21 meetings at Chandigarh.

2. The Committee for the year 1972-73 was constituted by election *vide* Notification No. PAC-EC-3/72/14, dated the 14th April, 1972.

GENERAL

3. The Committee have made observations earlier that a number of departmental representatives who appeared before the Committee for examination were not fully prepared with facts and figures although sufficient notice was given in advance and answers given by them were vague or incomplete/evasive. However, while the Committee found no ostensible improvement in the situation, some of the departmental representatives frequently asked for more time to supply information or reply to the questions asked during oral examination. In certain cases, the promised information was also either submitted late or was not furnished by the departments concerned by the time of drafting the Report, as in the case of P.W.D. (Public Health), Industries, Irrigation, Excise and Taxation, etc.

IRRIGATION

4. Paragraph 84 of the Audit Report, 1966—Rewari Lift Irrigation Scheme

In view of the near drought conditions in Jhajjar, Gurgaon and Rewari Tehsils during pre-monsoon months, Rewari Lift Irrigation Scheme was taken up in 1959 at an estimated cost of Rs 1,07.28 lakhs and was expected to be completed by March, 1963. The scheme had been sanctioned as unproductive; against the annual working expenses of Rs 19.32 lakhs, revenue of about Rs 10.81 lakhs was expected to be realised. An expenditure of Rs 43.74 lakhs had been incurred on the scheme up to July, 1965.

After the commencement of the work in 1959, the scheme was revised but in May, 1962, it was decided to execute it in accordance with the original scheme of 1959 and the three additional lifts provided in the revised scheme were to be taken up according to the availability of funds. The work on the scheme was suspended in December, 1962 due to National Emergency; it was resumed in April, 1963 and was in progress in Haryana Division, W.J.C., Rohtak.

The area irrigated up to March, 1965 was only 4 to 15 per cent of the phased targets, as indicated below :—

Name of the System	Year	Estimated area to be irrigated Acres	Area actually irrigated Acres	Percent age to the estimate
Salawas and Dubaldhan system	Rabi 1962	6,101	969	13
		to 8,134		
Salawas Lift Scheme	1964-65	34,195	2,491	7
Dubaldhan Scheme	1962-63	8,125	329	4
	1963-64	8,125	420	5
	1964-65	9,125	1,268	15

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It was noticed in 1964 that due to shortage of water in the parent channel, the channels constructed could be run only by rotation for a period of about 8 days in a month.

The Superintending Engineer, West Circle, suggested in October, 1964, a re-examination of the entire scheme, particularly the provision of the 3 additional lifts and the connected works. The execution of these works had almost been stopped. Due to stoppage of work on these lifts, earth-work costing about Rs 1.99 lakhs was lying exposed to rains, floods, storms etc. (September, 1965).

The department stated in a written memorandum that the scheme of Rewari Lift Irrigation was originally sponsored in the year 1956. However, when the work was started in 1959, i.e., after a lapse of three years, the extension of the scheme was contemplated with a view to extending benefit of irrigation to 61 villages of Gurgaon and Rewari Tehsils. This was also aimed to cater to the needs of drinking water supply. In May, 1962, as the potential had been built on the first two lifts under the original scheme, it was decided that this should be fully utilised and the work on three additional lifts should proceed according to the availability of funds without detriment to the potential on the first two lifts. The programme of construction was to be phased according to the availability of funds and the shortage of funds was primarily responsible for the non-completion of the channels for the pump houses to be provided under the revised scheme.

It was brought to the notice of the Committee by Audit that the Superintending Engineer had made a report to the Chief Engineer that the department did not see any prospects of increase in the supply of water in the channels till a dam was constructed on the river Jamuna. It was, however, stated in the written memorandum that the question of extension of supply to Rewari Lift Irrigation Scheme as a result of construction of a dam on river Jamuna was hardly relevant as it had been clearly mentioned in the original report of the project that such supply would be available on transference of the whole Sirsa Branch System on Bhakra Canals, thereby making a surplus passage of 1,794 cusecs which was much more than the demand of 550 cusecs on the entire system of Rewari Lift Scheme. But what happened on the whole irrigation system fed by river Jamuna was that the rotation period culminating into a supply of 8 days a month was enforced. This was inescapable because the supplies in river Jamuna abruptly fell and were hardly sufficient to meet the requirements. However, in the Kharif season when supplies were abundant in river Jamuna, the entire system including the Rewari Lift Irrigation Scheme got full share of supply of water. The rotation period in the lean period of river Jamuna would be narrowed down as soon as stored Bhakra supplies were linked with river Jamuna.

It was also brought to the notice of the Committee that the department had informed Audit in February, 1966 that the channel of Pump Houses 1 and 2 had almost been completed except for a few drainage crossings considered necessary to avert the onslaught of Sahibi Nadi. The department stated in its reply that while formulating the original scheme, enough data was not available to make a realistic assessment of onslaught of Sahibi Nadi and that in the absence of adequate data, it would have been erratic to have schemes of cross drainage works. It was after 1962 that on scientific assessment and on the basis of experience of the incidence of floods, the proposals for cross drainage works were formulated and the construction started accordingly. It was added that the re-examination of the scheme necessitated provision of cross drainage works in order to provide clear passage in the

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**COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
1971-72**

CHAIRMAN

1. Chaudhri Raj Singh Dalal

MEMBERS

2. Shri Banarsi Dass Gupta
3. Chaudhri Chanda Singh
4. Shri Daya Krishan
5. Shri Ganpat Rai
6. Chaudhri Harikshan Lal Kamboj
7. Chaudhri Kartar Singh Chhokar
8. Chaudhri Lal Singh
9. Shri Shyam Chand

SECRETARIAT

1. Shri Raj Kumar Malhotra, Secretary
2. Shri R. C. Mehta, Accounts Officer

COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE 1972-73

CHAIRMAN

1. Principal Ishwar Singh

MEMBERS

2. Shri Amar Singh
3. Shri Bihari Lal Balmiki
4. Shri Ganpat Rai
5. Shri Girish Chander Joshi
6. Chaudhri Harkishan Lal Kamboj
7. Shri Nihal Singh
8. Shri Om Parkash Garg
9. Lala Rulia Ram

SECRETARIAT

1. Shri Raj Kumar Malhotra, Secretary
2. Shri R. C. Mehta, Accounts Officer

INTRODUCTION

I, the Chairman of the Public Accounts Committee having been authorised by the Committee in this behalf present this their Fourth Report on the Appropriation Accounts of the Composite Punjab Government for the year 1964-65 and the Audit Report, 1966, in so far as these relate to the areas now comprising Haryana State and Appropriation Accounts of the Haryana Government for the year 1967-68 and the Audit Report, 1969.

2. The previous Committee for the year 1971-72 had done the scrutiny of the various paragraphs relating to Audit Report, 1969. However, that Committee could not finalize the Report for want of time.

3. A brief record of the proceedings of each meeting of the Committee for the year 1971-72 has been kept in the Haryana Vidhan Sabha Secretariat.

4. The previous Committee also framed questionnaires in respect of the material appearing in the Appropriation Accounts 1968-69, Finance Accounts 1968-69 and Audit Report, 1970 relating to the following departments :—

Serial No.	Name of department	No. of Paragraph or Grant and No. of Page of the Finance Accounts
1.	Food and Supplies	40, 44 and 98 Grant No. 49 and 38
2.	Colonization	43
3.	Agriculture	2(c) 12, 18, 29, 30, 31, 44, 98, 100 and 101 Grants No. 19, 49, 50 and Appendix Page 33-34 of the Finance Accounts
4.	Animal Husbandry	12, 32, 33, 34, 98 and 101 Grants No. 20 and 42 Explanatory Note 2 under Statement No. 2 regarding Proforma Accounts of the Government Livestock Farm, Hissar.
5.	Medical and Health	12, 14, 34, 35, 36, 44, 56, 98, 100 and 101 Grants No. 17, 18 and Appendix Recoveries in arrears— (Loans to poor and deserving students of Medical Institutions)
6.	Education	2(c), 12, 14, 37, 38, 44, 98, 100 and 101 Grants No. 15, 16 and 50

Serial No.	Name of department	No. of Paragraph or Grant and No. of Page of the Finance Accounts
7	Excise and Taxation	2 (c), 44, 63 (i), 63 (ii) (a), (b), (c) and (d), 64, 65, 66, 67, 98 and 101 Grants No. 2, 4 and 5
8	Co-operative	44, 87, 88, 93, 94, 95, 96, 97, 98, 100 and 101 Grants No. 21, 43, 49 and 50 Page 33-34 of the Finance Accounts
9	Prisons	42, 98, 100 and 101 Grant No. 11
10	Forest	2(c), 39, 44, 68, 98 and 100 Grant No. 37
11	Welfare of Scheduled Castes and Backward Classes	41 and 100
12	Haryana State Electricity Board	72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83 and 100
13	Finance Department	12, 13, 22, 35, 86 and 98 Grant No. 50

5. This Report also includes recommendations of the Committee in regard to paragraph Nos. 47, 50, 51 and 52 of the Audit Report, 1966 relating to certain Flood Control and Drainage Schemes under taken by the Irrigation Department which were examined by the Public Accounts Committee of Composite Punjab Vidhan Sabha but that Committee could not frame recommendations on these paragraphs before reorganisation. The recommendations are based on the evidence tendered before the Composite Punjab Public Accounts Committee.

6. In order to review the progress in regard to the implementation of the recommendations/observations contained in the Reports of the Public Accounts Committee, a Sub-Committee known as the 'Implementation Sub-Committee, consisting of five Members was constituted during 1971-72. The Heads of Departments concerned were called, along with the representative of the Finance Department to explain the action taken to implement the outstanding recommendations/observations. In all, the Sub-Committee held seven sittings and further observations were conveyed to the Finance Department as well as the departments concerned, where necessary.

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

ISHWAR SINGH,
CHAIRMAN

The 18th May, 1972.

Sahibi Nadi project, and estimate for cross-drainage works was framed for an amount of Rs 6.43 lakhs. Three cross drainage works had been completed against the total number of 22 provided in the project.

It was further stated that if the incomplete state of the scheme had resulted into exposure of the works to rains, floods and storms, it was beyond the control of the department due to non-availability of funds.

During the course of oral examination the departmental representative stated that the course of Sahibi Nadi has been changing as a result of which instead of confining itself to one stream it had been bifurcating and trifurcating. The area was considered vulnerable and feeling discouraged they did not expand irrigation in the tail reaches as fast as it was contemplated. With more of emphasis on the need for irrigation the whole proposal was being reviewed and they might also take a carrier channel for the southern area using the Rewari Main Channel near Rewari and Narnaul. So, all the channels which had been constructed would be fully utilised under the new scheme. All the old channels, and small minors coming into the Sahibi Nadi would be reconditioned and put into operation as soon as arrangements to control the Sahibi Nadi were made for which inter-State meetings between Rajasthan, Delhi and Haryana were being held.

It was also stated that the present irrigation was 25 per cent against the projected figure of 42 per cent. In this area also there was certain spill from the floods for which syphons have been recently constructed and the irrigation was improving.

The Committee notice that the whole scheme was formulated in a haphazard manner without proper planning as a result of which frequent deviations had to be made in the programme of construction. The Committee do not feel satisfied with the reasoning given for the revision of the scheme in the same year, viz., 1959 in which the work on it was started. The department came to realise only in 1966 that construction of drainage crossings was necessary in order to avert the onslaught of Sahibi Nadi. Further, it is not understood as to how the scheme was considered successful if the supply of water to the channel was expected to be available by rotation only for about 8 days in a month during the period when supplies of water are most essential for irrigation purposes.

The frequent changes in the execution of the scheme attributed to shortage of funds is not at all a convincing reason as the availability of funds has always to be reckoned in advance while formulating such schemes. It is strange that the department has shown helplessness at the loss resulting from the exposure to rains, floods and storms etc. of the earthwork already done at a cost of Rs. 1.99 lakhs.

The Committee view with concern the apathy with which the entire scheme has been handled and would like responsibility to be fixed for its unimaginative and faulty planning/execution.

The Committee would further like to be informed whether the remaining Pump Houses and the connected works have since been completed and, if so, at what cost and how far the targets fixed for irrigation have been achieved.

5. Paragraph 32(i) of the Audit Report, 1969-Excess payments to Contractors

Audit had pointed out that in Gaunchi Division, Faridabad, execution of earthwork in two reaches of Ferozepur-Jhirka Distributary was allotted

to a contractor in August/December, 1966. During inspection of the distributary in March, 1968 the Executive Engineer noticed that excessive quantities of earthwork had been measured and paid for to the contractor by the Sub-Divisional Officer. The work was got check-measured through two independent Sub-Divisional Officers in April, 1968, and it was found that whereas 9.52 lakh cubic feet of earthwork had been actually executed, the contractor had been paid for 21.62 lakh cubic feet of earthwork resulting in excess payment of Rs. 29,146. The contractor left the work incomplete in December 1967. In June 1968 the Executive Engineer reported to the Superintending Engineer that the Sub-Divisional Officer was personally responsible for the excess payment.

The matter was reported to Government in July 1968. Intimation of the action taken against the Sub-Divisional Officer was awaited till February, 1969.

The Chief Engineer was stated to have informed Audit in June, 1969 that fresh cross sections for the two reaches were observed by the Executive Engineer, Gaunchi Division personally and it was found that overpayment of Rs. 18,203 (and not Rs. 29,146 as indicated in the Audit paragraph) had been made to the contractor. The department proposed to adjust a sum of Rs. 3,733 due to the contractor against the amount overpaid. It was also stated during evidence that replies to the show-cause notices served upon the Sub-Divisional Officer and the Sectional Officer concerned had been received and were under examination.

In reply to an enquiry from the Committee as to the detailed reasons for which the Executive Engineer could not inspect the works before March, 1968, it was stated by the department that the available record did not indicate the reasons as to why he could not inspect the work. However, his successor inspected the work in November, 1967. The Executive Engineer who did not inspect the work retired in 1970. It was further stated that no useful purpose would be served by initiating any action against him.

During oral examination the departmental representative was asked as to whether any departmental instructions existed whereby the Executive Engineer was required to check measure a portion of the work before making the payment. The departmental representative stated that this was a very old case and previously the Executive Engineer was not required to check measure the work. However, it was stated by the department that instructions had since been issued for 100% check measurements by the Sub-Divisional Officers and 10 per cent by the Executive Engineers. The attention of the departmental representative was invited to rule 1.12(i)(f) of the Manual of Irrigation according to which a Divisional Officer was expected to keep in close touch with such measurements in order to see that the Sub-Divisional Officers did them efficiently and promptly and was also required to check measure a portion of the work of the Sub-Divisional Officers and Overseers to the extent considered necessary by him. The departmental representative stated that these provisions only said that the Executive Engineer was expected to keep in touch with such measurements but did not require that he must check the measurements taken by the Sub-Divisional Officers. It was pointed out to the departmental representative that the rule enjoined upon the Divisional Officer a duty to see that the measurements were correct and this duty could not be performed unless he checked a certain portion of the measurements. The departmental



representative replied that clear instructions had since been issued for check measurements in respect of Flood Control and Drainage Works and for other works, similar instructions were being issued.

The Committee enquired why the overpayment could not be recovered from the contractor. The departmental representative stated that the case was pending with the arbitrator whose decision was awaited. The Committee desired that the department should go in for arbitration on the point that overpayment had been made to the contractor and he should refund the money. The departmental representative promised to look into this.

The Committee are constrained to observe that although the overpayments came to notice in March/April, 1968, the department was yet to finalise the disciplinary action against the delinquent officers/officials. The Committee strongly feel that this case should have been kept in view before the defaulting Executive Engineer was allowed to retire from service in 1970. The Committee recommend that :—

- (1) the disciplinary proceedings against the Sub-Divisional Officer and the Sectional Officer, should be finalised as quickly as possible;
- (2) the decision of the arbitrator on the case may be got expedited and intimated to the Committee, along with the action taken on the suggestion of the Committee during oral examination ;
- (3) the fact whether the amount of Rs. 3,733 had been adjusted against the overpayments involved may be intimated to the Committee;
- (4) the circumstances in which this case was not kept in view before the then Executive Engineer was allowed to retire in 1970 may be investigated and the Committee informed ; and
- (5) in view of the instructions now issued for 100 per cent check-measurement by the Sub Divisional Officers and 10 per cent by the Executive Engineers the existing provisions in rule 1-12 of the Irrigation Manual may be suitably amended so as to avoid any ambiguity in future.

6. Paragraph 32(ii) of the Audit Report, 1969-Excess payments to Contractors.

Audit had pointed out that in Rohtak Division, Western Jamuna Canal, stone pitching on the spill bund of Krishnawati nadi was done during March, 1965 to February, 1966 through two contractors to whom Rs. 87,415 were paid on the basis of measurements recorded by the Sectional Officer and check-measured by the Sub-Divisional Officer. In April, 1967 a complaint was received to the effect that—

- (i) the stone paid for was 10 per cent in excess of that actually used in the work ; and
- (ii) the entire work done was below the prescribed specifications.

Preliminary investigations conducted in July, 1967 by the Superintending Engineer confirmed the above allegations and it was found that the actual depth of stone pitching was 1'-7" to 1'-10" against the designed thickness of

2 feet. Detailed measurements subsequently carried out by two independent Sub-Divisional Officers in October, 1967 disclosed excess measurements resulting in overpayment of Rs. 14,623 to the contractors.

The Chief Engineer intimated in July, 1968 and again in December, 1968 that a Sectional Officer and two Sub-Divisional Officers had been considered responsible for the overpayment and show-cause notices were being issued to them. Intimation of actual recovery was awaited till February, 1969.

The department stated in evidence that recovery order for Rs. 5,129 against the Sectional Officer in addition to stoppage of one increment with future effect had been issued. The explanations of the two Sub-Divisional Officers concerned had also been considered and warning issued to them. The Committee were also informed that the department had intimated to Audit in August, 1968 that excess payment to the extent of Rs. 4,394 was proposed to be recovered from the final bill of the contractor but it had not so far been prepared. The balance amount of Rs. 5,100 was proposed to be written off.

The Committee regret to note that although the department had informed Audit in August, 1968 about the proposal to adjust a sum of Rs. 4,394 against the final bill of the contractor, the same had not been finalised despite lapse of a period of more than 3 years. The reasons for such inordinate delay are not clear. The Committee would recommend that the amount be adjusted expeditiously and reasons for delay investigated and responsibility fixed. The Committee would further like to be informed whether the recovery of Rs. 5,129 has been made from the Sectional Officer concerned. The Committee are of the view that warning is no punishment. They would recommend that the desirability of recovering the balance amount of Rs. 5,100 from the S.D.O.s concerned may be considered before any decision is taken on the question of writing off of this amount.

7. Paragraph 32(iii) of the Audit Report, 1969—Excess payments to Contractors.

Audit had pointed out that in Rohtak Drainage Division and Gaunchi Division, Faridabad, execution of earthwork in certain reaches of Drain No. 8 and Gurgaon canal was allotted to five contractors during November to December, 1961 and August to September, 1964 respectively. The final bills of the contractors passed in March, 1965/January, 1966 and January-March, 1968 on the basis of final measurements recorded in December, 1962 and January-February, 1968, disclosed that the contractors had been overpaid Rs. 38,131 in running account bills due to excess measurements (Rs. 28,336) and payments at rates higher than those admissible (Rs. 9,795). Out of that Rs. 28,338 awaited recovery till July, 1968.

The Chief Engineer informed Audit in January, 1969 that show-cause notices had been served on Sub-Divisional Officer and Sectional Officer in March, 1968. Final action in the matter was awaited till February, 1969.

The department stated in evidence that the excess payment involved in this case could be split into two parts; one for the work done in Rohtak Drainage Division and the other in Gaunchi Division. Action had been finalised in the case of excess in Rohtak Drainage Division and the Sub-Divisional Officer had been punished by Government. In the case of Gaunchi Division, the case was taken to arbitration and the Arbitrator gave the award in favour

of Government for the recovery of about Rs. 21,000 from the contractor against the amount of Rs. 27,000 demanded by Government. The award had been made a rule of the court. The contractor's appeal to the court had been rejected. Further action was being taken by the District Attorney to get the amount recovered from the contractor. Apart from the above contractor there was another firm against which a recovery of Rs. 4,779 was being processed. As regards action against the concerned Officer/Official, it was stated that one increment of the Sectional Officer had been stopped with future effect and the explanation of the Sub-Divisional Officer had been received which was under examination.

It was also stated by the department that to avoid overpayment as a result of excess measurements it had since been decided, that 100 per cent check measurements should be carried out by the Sub-Divisional Officers and 10 per cent by the Executive Engineers.

The Committee would like to know whether the amount of Rs. 21,000 awarded by the Arbitrator in favour of Government in respect of Gaunchi Division had since been recovered and what has been the outcome of the recovery proceedings for a sum of Rs. 4,779 against the other firm. The Committee would further like to be informed about the action taken against the Sub-Divisional Officer concerned.

As suggested in para 5 of this Report, the Committee would urge suitable amendment of rule 1-12 of the Irrigation Manual leaving no room for doubt that the check-measurement according to the prescribed quantum was obligatory on the Executive Engineer and not discretionary.

8. Paragraph 32(iv) of the Audit Report, 1969—Excess payments to Contractors

Audit had pointed out that in Rohtak Western Jamuna Canal Division construction of the Qadma bund was allotted to a labour and construction society in December, 1966. On the basis of measurements recorded by the Sectional Officer and checked by the Sub-Divisional Officer Rs. 41,053 were paid to the society upto September, 1967 for executing 17.47 lakh cubic feet of earthwork. Check measurement of the work subsequently made by the Executive Engineer, in December, 1967 disclosed that the society had actually executed only 9.20 lakh cubic feet of earthwork for which Rs. 19,431 only were due to it. The society had, thus, been paid Rs. 21,622 in excess i.e. 111 per cent in excess of the amount actually due. Only Rs. 2,094 were with the department as the security deposit of the society. The Superintending Engineer held the Sectional Officer and the Sub-Divisional Officer responsible for the excess payment. The Chief Engineer informed Audit in December, 1968 that show-cause notices had been issued to the Officers at fault for taking disciplinary action and for making good the loss sustained by Government.

The department stated in evidence that the show-cause notices had been served on the Sectional Officer and the Sub-Divisional Officer held responsible for the loss involved in this case. Their explanations had been received and further action was being taken on them.

The Committee regret to observe the delay in calling for the explanations and finalising action against the Sub-Divisional Officer and the Sectional Officer concerned and would recommend that necessary action in this behalf may be finalised quickly. The manner in which the loss involved in this case was now proposed to be recovered/adjusted may also be intimated to the Committee.

9. Paragraph 34 of the Audit Report, 1969—Diversion of Dohan, Krishnawati and Sahibi nadies.

Audit had pointed out that for flood control, irrigation etc., diversion of the waters of Dohan, Krishnawati and Sahibi nadies was undertaken in July, 1963, July, 1964 and September, 1962 respectively at an estimated cost of Rs. 22.24 lakhs. The works were mainly completed during 1964-65. Parts of the bunds constructed in 1964-65 for those works were frequently damaged by floods. When those damages occurred and the amount spent on, or the estimated amounts required for, their repairs are shown below :—

Serial No.	Name of the bund and nadi	When damaged	Amount spent/estimated for repair of the damage
1.	Dohan	(i) July, 1964	Rs 13,600
		(ii) July, 1965	93,700
		(iii) June, 1967	10,800*
			*(damage not yet repaired)
2	Krishnawati	(i) August, 1965	16,100
		(ii) July, 1967	20,500*
			*(damage not yet repaired)
3	Sahibi	In monsoon season of 1964	48,100

Rs. 19.64 lakhs (including cost of restoration of damages) were spent on the works.

After inspection, the Chief Engineer reported to Government in July, 1965 that the damages to the Dohan and Krishnawati bunds were attributable to defective design and planning. Orders were subsequently issued by him in June, 1966 that all the three works be stopped and no further expenditure incurred thereagainst till the design for pucca weirs had been prepared.

In order to examine how best the existing works at Dohan and Krishnawati nadies could be utilised, an Expert Committee was set up by Government in August, 1967. The recommendations of the committee, accepted by Government in January, 1968, were —

- The abutments of the bunds should be reconstructed according to standard design.
- The spillway of the Krishnawati bund should be increased to 350 feet from the existing 150 feet which was considered too inadequate.
- The head regulators of the channels should be according to standard design and practice.

The Chief Engineer reported to Government in January, 1968, that Rs. 4.50 lakhs per bund would be required to implement the above recommendations ; final decision was awaited till February, 1969.

The Chief Engineer observed after inspection of the Sahibi bund in October, 1966 that the expenditure on that work as then built at a cost of Rs. 5.02 lakhs was practically infructuous. A fresh proposal for constructing, at an estimated cost of Rs. 94.06 lakhs, a barrage on the Sahibi nadi about 4,000 feet down stream from the site of the existing bund was afoot (July 1968).

The matter was referred to Government in January, 1968; their reply was awaited till February, 1969.

The department stated in evidence that the Expert Committee appointed by Government in 1967 to go into the matter of damages suffered repeatedly on Dohan and Krishnawati nadies was of the opinion that these were experimental schemes which were approved by Government and the designs of work were of a temporary nature in the interest of economy. The Expert Committee further observed that the object had been achieved to a fair degree and recommended that the experiment should be continued as the construction of these bunds and experimental channels had been quite useful and helpful in surcharging the sub-soil and improving the quality of water. The scheme of Sahibi nadi was also of similar nature. Government had suggested that these schemes be incorporated in the plan for chronically drought affected areas. The project estimate in this behalf was stated to be under preparation.

During oral examination, the departmental representative maintained that although Government did suffer some loss due to damages to the bunds yet the experiment was partially successful inasmuch as in the Mohindergarh area, it helped detaining of water for longer time and thereby charging brackish water. However, the design of bunds was faulty and on that account these were washed away. It was added that the design for these works was devised by the Director of Irrigation and Power Research Institute, Amritsar and his Engineers. The department was not now using that kind of design and the spill-ways were not washed away.

In order to enable the Committee to arrive at a definite conclusion in the matter, the Committee had desired that departmental files on the subject along with a copy of the report submitted by the Expert Committee should be made available to them. However, these files were awaited till the writing of this Report.

Although the Committee could form their final opinion in the case only after going through the departmental files they fail to understand the divergent opinion held by the Chief Engineer, after inspection of the works as reported to Government in July, 1965 and the views now attributed to the Departmental Expert Committee appointed in August, 1967. The plea that these works were of an experimental nature and had resulted in some benefit by converting the brackish water into sweet water to some extent is hardly acceptable as the bunds generally got washed away with the first rains every year and repairs were carried out after the rainy season. The Committee feel that had the designs of the works been carefully planned *ab initio* it would have been possible to achieve the desired results without Government being put to unnecessary loss.

The Committee would like to know whether the additional works as suggested by the Departmental Expert Committee have since been undertaken and if so, what is the amount of expenditure involved and whether these works have been able to improve upon the original faulty execution of the works. The Committee are pained to note that despite assurance by the departmental representative the department has not submitted the required files and information. The Committee desire that submission of the departmental files on the subject and copy of report of the Expert Committee already asked for be expedited and responsibility fixed for the delay. The Committee would further like the department to submit a note justifying its arguments quantitatively and indicating how the benefits said to have been derived from the temporary works can be regarded as commensurate with the expenditure incurred thereupon.

10. Paragraph 42(i) of the Audit Report 1969—Delay in investigation and fixing responsibility involving shortages and loss of stores.

Audit pointed out that in Tubewell Division No. 1, Karnal, physical verification of stores of Tubewell Workshop, Karnal, was not conducted during the incumbency of a storekeeper from April, 1961 to July, 1965. He was compulsorily retired from service in August, 1965. Shortages in stores of Rs. 23,168 came to notice subsequently.

Matter was reported to the Police in November, 1966. The results of investigation were awaited. The Chief Engineer intimated Audit in October, 1968, that it was proposed to recover Rs. 2,673 from the gratuity of the official and to issue show-cause notices on those Sub-Divisional Officers who did not conduct physical verifications of stores during the incumbency of the storekeeper.

The department stated during evidence that the Sub-Divisional Officer-in-charge under whom the storekeeper was working reported to the higher authorities that stock registers maintained by the storekeeper were incomplete and there was confusion in store accounts. In order to find out the exact amount of shortage, an Enquiry Committee was appointed which went into all the details. In the first stage, a shortage of Rs. 3,73,000 was apprehended but after further investigation and adjustments the shortages were brought down to Rs. 23,168. It was stated that there might be some more accounting errors and it was necessary to enquire into the matter further. Every possible effort was stated to have been made to set right the accounts before permitting the storekeeper to retire. Extra staff was also posted but even then it was thought fit to retire him to avoid further loss and deterioration in accounts. The case regarding grant of pension and gratuity to the storekeeper had not yet been finalised. The entire gratuity of Rs. 2,673 due to him was proposed to be withheld for adjustment against the loss. It was further stated that 5 Sub-Divisional Officers were involved in this case. Of these, 3 were allocated to Haryana, one to Punjab and one to Himachal Pradesh. The explanations of all of them had been called for. One of the Sub-Divisional Officers had since been promoted as Executive Engineer.

As regards the outcome of the case reported to the Police, it was stated that the Superintendent of Police had reported that no such case was traceable in the police records.

On a specific enquiry by the Committee as to whether adequate security was taken from the storekeeper, the departmental representative promised to check up the position. The Accountant-General apprised the Committee, that the irregularity of not obtaining security deposits from officials handling cash/store was noticed in 42 offices during 1970-71.

The Committee are alarmed at the extent of shortages involved in this case, which after certain adjustments still stood at Rs. 23,168. It appears that no effective control was exercised over the work of the store-keeper who was allowed to commit irregularities in the store accounts for a long time. The shortages and irregularities in the store accounts were *prima-facie* facilitated by non-observance of rules regarding physical verification of stores. Although the store-keeper was retired from service in August, 1965, further enquiries to determine the final shortages are stated to be still under way and action had yet to be finalised against the Sub-Divisional Officers concerned due to whose laxity of control the shortages were facilitated. The Committee are also unhappy to note that the case which was initially reported to the police in November, 1966 was not pursued properly. The Superintendent of Police has now reported the case to be not traceable in police records. The Committee would urge that action against the Sub-Divisional Officers may be finalised quickly and the final shortages worked out and intimated to the Committee. The Committee would further like that responsibility for not pursuing the case with the Police may also be fixed under advice to them.

The Committee also recommend that Government may take suitable steps to ensure that adequate security is taken from all officials handling cash or stores.

FLOOD CONTROL AND DRAINAGE SCHEMES

The following paragraphs relating to Flood Control and Drainage Schemes appearing in the Audit Report, 1966, were examined by the Public Accounts Committee of the composite Punjab Vidhan Sabha in May, 1966. However that Committee could not frame recommendations/observations on these paragraphs before the re-organisation of the State. Initially, the Public Accounts Committee of the Haryana Vidhan Sabha decided to examine the department in respect of those paragraphs *denovo* to arrive at definite conclusions and to make suitable recommendations in this behalf. The department stated that these schemes were undertaken in the composite Punjab and efforts made to locate the relevant records both in Haryana and Punjab offices did not prove fruitful. The department, therefore, requested that the observations of the Committee on these cases may be based on the examination done by the Public Accounts Committee of the composite Punjab Vidhan Sabha. Accordingly, the Public Accounts Committee of Haryana Vidhan Sabha reviewed their earlier decision and decided to frame their observations by taking into account the evidence tendered before the composite Punjab Public Accounts Committee. These paragraphs are discussed as under :—

11. Paragraph 47 of the Audit Report, 1966—Scheme for diverting water of Drain No. 8 through a channel from Bakra and utilising the same in the parched area of Dadri.

The main objects of the scheme were avoiding floods in Drain No. 8, providing irrigation facilities in Tehsil Dadri and charging brackish water in that area. The estimated cost of the scheme was Rs. 34.6 lakhs and the expenditure incurred was Rs. 10.84 lakhs up to March, 1965.

The work on the scheme was started in March, 1964, without examination by the Technical Committee and approval of the Flood Control Board and

in anticipation of the sanction of the project estimate. While examining the scheme in April, 1964, the Technical Committee observed that :—

- (i) no attempt had been made to integrate this scheme with the existing canal irrigation scheme ;
- (ii) if it was to supply water to the same area that was being commanded by the existing irrigation scheme, there was every possibility of water logging conditions materialising in future ;
- (iii) after the completion of Diversion Drain No. 8, the prospects of receiving adequate supply via main Drain No. 8 would be problematic ; and
- (iv) unless it was clearly demonstrated that the scheme would irrigate additional areas in Dadri Tehsil, the advisability of spending so much money on the scheme would have to be considered.

The Director, Irrigation and Power Research Institute, maintained in June, 1964, that a detailed study and the data collected had shown that the fears expressed about the scheme were unfounded, the scheme was sound, technically feasible and extremely beneficial for the drought-stricken area of Dadri Tehsil.

Government observed in July 1964 and October, 1964, that it was irregular to carry on with the scheme unless all the doubts were cleared. The work on the scheme was continued till November, 1964, when it was suspended due to financial stringency.

The Director, Land Reclamation, Irrigation and Power Research Institute, had stated in August, 1965, that before undertaking the work Government had accorded an "anticipatory sanction" and that a revised and integrated scheme was being prepared for being put up to the Technical Committee.

During oral examination the departmental representative accepted that the work was started without the approval of the Technical Committee and the State Flood Control Board. The scheme was considered by Government at the highest level and the work was taken up in view of the possibility of making water available in the arid area and the consequential advantages which could have accrued. It was pointed out by the composite Punjab Public Accounts Committee that there was a particular procedure laid down for the execution of these schemes according to which the scheme was first to be examined by the Technical Committee/State Flood Control Board and then the scheme was to be sanctioned by Government before the work was taken in hand. Asked as to why this procedure was by-passed, the departmental representative stated that Government in this case considered that the work could be taken up straight-away. However, no specific reasons for not following the normal procedure were placed on record but the scheme at that time was considered to be really good. In reply to another enquiry from the Committee as to whether any of the Members of the Technical Committee or any Engineer was heard by the authorities while taking the decision about this scheme at the highest level, the departmental representative stated that the Director, Irrigation and Power Research, who prepared the scheme gave his assessment when the decision in regard to the implementation of the scheme was taken. The departmental representative was also asked as to why expenditure was incurred on this scheme.

from July to November, 1964, when the Government had issued orders in July, 1964, that no expenditure should be incurred on this work till all doubts were cleared. However, the departmental representative stated that he had no definite information at that stage and it would have to be ascertained by him.

The Committee also wanted to know as to what precisely was the scope of the revised estimates, what fresh proposals had been made therein in order to meet the objections raised by the Technical Committee and what was the resultant infructuous expenditure as also the revised estimated outlay on the scheme and whether it would irrigate additional areas in Dadri tehsil, etc. The departmental representative stated that the entire matter was still under consideration of the Technical Committee.

The Committee see no obvious justification for undertaking the scheme without examination by the Technical Committee and approval of the Flood Control Board. The Committee also fail to understand the emergency for undertaking the project in anticipation of the sanction of the project estimates particularly when the scheme had various technical lacunae as would be apparent from the observations of the Technical Committee and the fact that it had to be subsequently suspended without achieving any useful purpose. The Committee understand that for claiming central assistance (100 per cent in the case of flood control schemes) for such schemes it was obligatory to get the prior approval of the Technical Committee. The Committee would therefore like to know whether the objections raised by the Technical Committee have since been settled and, whether Central assistance on the scheme has been received and, if so, to what extent. The Committee would also like to know the decision on the revised and integrated schemes and whether the work which was suspended in November, 1964, has since been completed. If so, the amount of infructuous expenditure entailed by the original scheme and the expenditure arising out of the revised scheme may be intimated to the Committee. The Committee would further like that the circumstances in which there was a delay of about 4 months in stopping the work on the scheme after orders to this effect were issued by Government in July, 1964, may be thoroughly investigated and the findings submitted to the Committee.

12. Paragraph 50 of the Audit Report, 1966, Strengthening the banks of Drain No. 8.

The scheme was intended to check the overflow of the drain and to protect the areas on both sides. It was estimated to cost Rs. 25.40 lakhs, the expenditure booked up to March, 1965 was Rs. 24.02 lakhs.

The work was taken up in March, 1961 and had not been completed till February, 1966.

The estimate for the work had not been sanctioned till February, 1966. The approval of the Government of India had also not been obtained.

According to the decision of the Technical Committee and the Flood Control Board the right bank of the drain was to be kept lower than the left bank by about two feet in order to permit spilling in the event of high flood, on the right side, the country slope on this side was mostly from right to left and any spillover would return quickly to the drain as soon as the flood waters receded.

On complaints from the villagers on the right side of the drain the Technical Committee in December, 1961 advised that the difference in the height of the banks be removed in the reach down-stream of Rohtak town RD 135-275, no change being made in the reach up-stream of Rohtak (from Gohana to Rohtak) RD 0-135, as it might adversely affect the district headquarters.

In May, 1962 Government ordered that the right bank of the drain up-stream of Rohtak should also be raised to the same level as the left bank as the villages should not be flooded to save the towns. In August, 1962, the State Flood Control Board also desired the Technical Committee to review the matter. This had not been done till October, 1965.

In July, 1965, the Chief Engineer (Drainage) stated that in view of the complete diversion of the drain up-stream Gohana to river Yamuna the raising of the right bank might not be necessary and in normal conditions there was no danger of damage on the right side of the drain.

The Chief Engineer stated in February, 1966 that Government had accorded "anticipatory sanction" in January, 1961 for starting the work in anticipation of sanction to the Project Estimate. He had further stated that the completion of a scheme depended upon a number of factors, the major being the financial resources.

During the course of oral evidence the departmental representative stated that after Government orders of May, 1962, a major development took place and the waters of Drain No. 8 were diverted from Gohana through Diversion Drain No. 8 with the result that very little discharge was likely to pass through Drain No. 8. The necessity for raising the right bank of the Drain, therefore, disappeared. It was further stated that this work was started in 1960 and an essential part of it was completed by the year 1965-66. It was also mentioned that there was now no necessity of the scheme being reviewed by the Technical Committee as desired by the State Flood Control Board in August, 1962. Moreover, the scheme of diversion of Drain No. 8 had been approved by the Technical Committee. In regard to the work which was taken up in March, 1961 and was stated to be incomplete till February, 1966, it was stated that the major operative and essential parts of the scheme were completed in June, 1962 while only a few Village road bridges required re-modelling. These had been given the lowest priority. It was due to the completion of this scheme that in 1963 when the intensity of floods was severer than in 1960 the city of Rohtak remained quite safe. The project estimate for the scheme was also stated to have been sanctioned in 1962.

The Committee view with concern the tendency to undertake such big schemes involving substantial amount of expenditure without or in anticipation of proper sanction and approval to the project estimates. It is imperative that all such schemes which have great impact on the flood situation affecting the people at large, should be subjected to thorough scrutiny and considered in every detail so that these have not to be abandoned or suspended in the mid-way involving unnecessary and infructuous expenditure besides depriving the people of the benefit anticipated therefrom.

The Committee are not clear as to what precise advantages had been derived from the original scheme for the strengthening of the banks of Drain No. 8 and what were the reasons due to which the scheme for the complete diversion of the

drain up-stream Gohana to river Yamuna could not be thought of when the original scheme was initiated. The Committee would like to be enlightened on this aspect and also whether the flood situation has been resolved as a result of the diversion of the drain up-stream Gohana to river Yamuna. The Committee would further like to know the up to date expenditure incurred on the original scheme as also on the revised scheme.

13. Paragraph 51 of the Audit Report 1966—Reconditioning Saraswati Drain.

The scheme provided for increasing the capacity of the drain from 4,000 to 16,000 cusecs. It was estimated to cost Rs. 77.02 lakhs; the expenditure booked up to August, 1965 was Rs. 30.64 lakhs.

The scheme was taken up in February, 1963 without (i) examination by the Technical Committee and approval by the State Flood Control Board, (ii) approval of the Government of India and (iii) a sanctioned Project Estimate (which was sanctioned in September, 1965).

The scheme was examined by the Technical Committee after the work had been taken up; it was approved by the Flood Control Board in December, 1963.

The Government of India who were approached for approval of the scheme in August, 1964, after an expenditure of Rs. 18.31 lakhs had been incurred, advised in September and November, 1964, that, as the scheme would tend to increase the flow in the Ghaggar it should be deferred till the Ghaggar Flood Control Scheme had been substantially completed to take care of the additional waters.

The work on the scheme continued till September, 1965.

The Chief Engineer stated in January, 1966 that the matter was under correspondence with the Central Water and Power Commission for its final acceptance by the Government of India.

The departmental representative stated during oral evidence that it was not correct that the scheme was taken up without the approval of the Technical Committee and State Flood Control Board. According to him, the scheme was originally envisaged to raise the capacity from 4,000 to 7,000 cusecs and subsequently it was decided to raise the capacity to 16,000 cusecs. The original scheme was recommended and approved by the Technical Committee and the State Flood Control Board in November, 1961 and September 1961, respectively. The revised scheme was, however, recommended and approved by the Technical Committee and State Flood Control Board in December, 1963 and December, 1964, respectively. The representatives of the Central Water and Power Commission, Government of India were represented on the Technical Committee and all the details of the scheme were broadly discussed by that Committee. Therefore, the scheme when approved by the Technical Committee could be broadly termed as having the approval of the Central Water and Power Commission and the Government of India's representatives attending the meeting.

The departmental representative also stated that the unprecedented floods of 1962 brought the necessity of immediate execution of the scheme and the Council of Ministers in emergency meetings held on 3rd and 31st October, 1962, declared the scheme as one of the emergent ones. Accordingly, the State

Government with the concurrence of the Finance Department, conveyed the anticipatory sanction under paragraph 2.89 of the P.W.D. Code, to start the work in anticipation of the sanction of the project estimates. The anticipatory sanction for the original scheme was stated to have been issued on the 14th/23rd June, 1962 and that for the revised scheme in July, 1963. The later anticipatory sanction carried the approval of the Chief Minister as Chairman of the State Flood Control Board. The work was, therefore, taken up in February, 1963 in pursuance of the financial sanction. However, as a result of further discussions and documents produced by the Accountant-General before the Committee the departmental representative admitted that the scheme had not been finally cleared by the Central Water and Power Commission. Asked as to what were the reasons for which the approval of Government of India was sought only in August, 1964, i.e., nearly 1½ years after the commencement of the scheme in February, 1963 and whether any Central assistance had been obtained from Government of India for this scheme, the departmental representative stated that a very large number of flood control schemes were taken up on an emergency basis in view of the extremely difficult situation created in the year, 1962. There was inevitable time lag in preparing and forwarding the scheme to the Government of India. It was further explained that the Central assistance was obtained in respect of all the flood control and drainage works which were executed during a particular year. The Committee further understood that the work of Saraswati Drain had considerably slowed down due to paucity of funds. The Committee, therefore, wanted to know when the scheme would be completed and how the floods in the area would be tackled in the meanwhile. To this, the departmental representative stated that the position was generally reviewed from time to time and the question of completing the entire scheme would be decided at the appropriate time. It was also mentioned that the work had not been abandoned but it had been suspended for want of funds.

The Committee were further informed by Audit that the Deputy Commissioner, Karnal, informed the Superintending Engineer (Drainage), Karnal in May, 1965 that the area in which the Saraswati River over-flowed at that time was 'Barani' (unirrigated) and flooding by river made possible Kharif sowing in the area. He had held that but for this flooding no paddy could be grown in this area and that the controlling of floods through the scheme was, therefore, likely to cause more hardship to the people than that caused by the floods. The departmental representative stated that floods in a particular area could sometime be extremely beneficial and they could also cause considerable havoc. The position in the case of each area had to be considered in all possible aspects to decide as to where the balance of advantage lay. It was, however, stated that there was no immediate plan to take up the construction of the bund on the right bank of the drain. It was of course correct that this bund should not be constructed if the people of the affected area were not interested in its construction. It was also mentioned that any decision regarding further execution of the work on the right bank would be taken keeping in view all the relevant factors.

The Committee do not feel satisfied that the scheme was taken up with due approval of the Technical Committee and State Flood Control Board. In fact, it was only the original scheme to raise the capacity of drain from 4,000 to 7000 cusecs which was approved by the Technical Committee and the State Flood Control Board in September and November, 1961, but the larger scheme to increase its capacity further to 16,000 cusecs was approved by the Technical Committee and the State Flood Control Board only in December, 1963 and

December, 1964, although the scheme was actually taken up in February, 1963. Moreover, the scheme had not been finally cleared by the Government of India till the time of examination of the departmental representatives in May, 1966.

The Committee are also unhappy to note that a scheme of this magnitude, as also other similar schemes involving heavy expenditure, were undertaken without proper examination by the Technical Committee and the approval of the State Flood Control Board as well as of the Government of India. The project estimates were also not sanctioned before the scheme was actually taken up. The Committee would like to know as to when the scheme was ultimately approved by the Government of India and whether the work on the scheme has since been completed as also the total expenditure incurred thereon. The Committee would further like to know as to how the problem posed by the Deputy Commissioner, Karnal was resolved and whether bund on the right bank of the drain was ultimately constructed or the *status quo ante* was maintained in order to allow overflowing of the Saraswati river as desired by the Deputy Commissioner.

The Committee recommend that steps be taken to ensure that such schemes are not undertaken without adequate technical examination and approval of the competent authorities concerned.

14. Paragraph 52 of the Audit Report 1966—Construction of a diversion channel for diverting a part of the water of Drain No. 8 from Gohana to river Yamuna.

The work was taken up in November, 1960, without a sanctioned project estimate and without the approval of the Government of India. In January, 1961, the alignment of the diversion channel in the reach from Rasoi Village to the Yamuna via Kundli was objected to by the people of Delhi on the ground that, as the diversion passed through very low lying depressions in this reach the bunds would have to be very high and liable to breaches which would inundate the adjoining areas in Delhi. The State Government were, therefore, advised (January-February 1961) by the Government of India that work on this reach should be stopped forthwith pending further examination. After a detailed examination by an expert of the Planning Commission, the original alignment near village Kundli was changed (July, 1961) from R.D. 16,625 to R.D. 30 266. Meanwhile, the work on the original alignment was continued and the pilot section of the drain completed before the monsoon of 1961. The expenditure incurred on the portion of the drain abandoned as a result of change in the alignment worked out to Rs. 1.69 lakhs.

The Chief Engineer stated in January, 1966 that there were heavy floods in 1960 and with a view to provide relief before the flood season of 1961 the State Government accorded sanction to start the work in anticipation of the sanction to the project estimate. In regard to the cost of the abandoned work, he had stated that the expenditure was "not infructuous firstly because it is to serve as a link drain and secondly it served a purpose to protect large areas during the floods of 1961 and its cost is almost negligible as compared to the reduction in losses which otherwise would have been there as has been experienced in the previous years prior to the construction of Pilot Section".

During oral examination the departmental representative stated that the scheme was taken up in November, 1960 in view of the fact that heavy damage was being caused in the affected area. The scheme stood approved

by the Technical Committee and the State Flood Control Board and had also been vetted by the Central Water and Power Commission. They had recommended the scheme to the Planning Commission for final acceptance.

In reply to an enquiry as to whether any assistance was claimed from the Government of India for the execution of the scheme, it was stated that loan assistance was claimed from the Government of India for the entire expenditure on flood control and drainage schemes incurred from year to year.

It was pointed out to the departmental representative that the Government of India had advised in January/February, 1961, that the work on the reach from Rasoi Village to the Yamuna should be stopped forthwith pending further examination. Despite the above advice the work on the pilot section of the drain was continued and completed before the monsoons of 1961. The Committee, therefore, wanted to know the reasons for which the execution of work on the pilot section was continued contrary to the advice of the Government of India, resulting in the avoidable expenditure of Rs. 1.69 lakhs. The departmental representative explained that immediately on receipt of the orders of the Government of India the matter was discussed by the Superintending Engineer, Western Jamuna Canal, East Circle, with the expert of the Planning Commission and it was decided that during the year 1961 the pilot section should continue to function. There were no orders from the Government of India for stopping the pilot section of the drain from Gohana to Rasoi. The work of pilot section in this portion having been done it was absolutely essential to connect it with the river. The consequences of not connecting it with the River would have been horrible.

The Committee would like to know whether the scheme has since been approved by the Government of India and, if so, when. In regard to the question of undertaking the work on the scheme without getting the project estimates sanctioned the Committee would like to invite attention to their observations made in para 12 of this Report. While the Committee recognise the paramount need for the urgent execution of flood control measures they cannot view favourably the execution of large schemes involving substantial expenditure without observing the prescribed procedure and requirements, more so where the areas falling in the territory of other States are also affected. The Committee feel that if the scheme had been originally got cleared from the Government of India the subsequent predicament in which the State Government was placed and the heavy expenditure of Rs. 1.69 lakhs going waste as a result of the change in the alignment would have been avoided. The Committee would recommend that in future all these schemes should be undertaken with due care and thought so as to avoid such situations at a later stage. The Committee would also like to be informed as to whether the State Government had received central assistance for the execution of this scheme and, if so, when and how much?

BHAKRA CANALS ADMINISTRATION

15. Paragraph 36 of the Audit Report, 1969—Excessive Earthwork.

Audit had pointed out that in Fatehabad Division, Hissar, remodelling of the Barwala Branch in various reaches was started in September, 1965, without sanctioned estimates and without approval of the competent authority. The estimates were submitted in March, 1966 and August, 1966 and

were finally approved by the Superintending Engineer in August, 1966 and January, 1967. The work was finally measured by October, 1966. The final bills for certain reaches of the work, received for pre-audit in the Divisional Office in February, 1967 indicated excess of 9.08 lakh cubic feet of earthwork, costing Rs. 25,044 over that provided in the sanctioned estimate. According to the report of the Superintending Engineer, the work was also not executed according to specifications. In November, 1967 the Superintending Engineer reported the matter to the Chief Engineer, who appointed a departmental enquiry committee in April, 1968. Report submitted by the committee in October, 1968 revealed that :—

- (a) the excess over the estimates had taken place because the work was executed without sanctioned estimates;
- (b) the closures of Barwala branch for repair were not for adequate periods, which made it difficult for labour to excavate the bed to the designed levels.
- (c) taking into account the work still to be executed excess over the sanctioned estimates would be Rs. 1.93 lakhs.

Intimation about the final action taken on the report of the enquiry committee was awaited till February, 1969.

The department stated in a written memorandum that Barwala Branch had to be re-modelled to a capacity of 1,108 cusecs to supply water to Government Livestock Farm, Hissar. As the work was of a very urgent nature it was started in anticipation of the sanction of the estimates.

It was stated during oral examination that the matter had also been investigated by the Vigilance Department on receipt of a complaint alleging over-payment in a particular reach. The Vigilance Department had come to the conclusion that actually there was no overpayment involved and it was only an arithmetical error in preparing the estimates. It was also stated that the Vigilance Department had given their report in September, 1968 and it was submitted to the Irrigation Department in 1970.

The Accountant General brought to the notice of the Committee a letter written by the Superintending Engineer, Bhak a Canal Circle, Hissar on the 22nd March, 1967 which read, as follows :—

“I notice that the various Officers/officials have failed in their duties. The responsible persons are S.O., S.D.O., Xen. I see that there is a heavy excess to the tune of 51½ per cent on the reach R.D. 45—48000 Barwala Branch Remodelling. I inspected the measurement books. The S.D.O. has enhanced the quantities generally. It was his duty that revised estimate is got sanctioned in time. He did not send the work slips when the excess came to notice of S.O. and S.D.O. as informed by the Divisional Accountant.”

However, the departmental representative maintained that the Superintending Engineer had depended on the estimates he had sanctioned and found that excess work had been done. But it came to light during the enquiry by the Vigilance Department that there was no excess as stated by the Superintending Engineer.

About the constitution of the departmental enquiry committee which enquired into the case, it was stated that it comprised of a Superintending Engineer and two Executive Engineers. The relevant measurement books were stated to have been made available to the Superintending Engineer and also the departmental enquiry committee. It was subsequently explained by the department that the fact that the Superintending Engineer had approved the reaches for execution of the work in 1965 would show that the starting of the work had the approval of the authority competent to sanction the estimates. No firm sanction was applied for or obtained by the Executive Engineer, who started the work under separate estimate and intended to write back the whole amount to this unsanctioned estimate. This was a procedure which might not be very regular in accounts and the department could warn the Executive Engineer not to repeat it.

Further it was stated that the estimates were framed on a basis which adopted most economical section for the re-modelling and provided cutting the inner bank for widening the section and utilising the earth work for raising of the banks. In this way the rise in the bank height would become the minimum and the amount of earth work involved would also be the minimum but this would be possible only if there were adequate canal closures which would enable the inside earth work to be done. The situation existing in 1965 and earlier years as far as the department knew, was that there used to be canal closures for a period of 15 to 20 days every year and with some manipulation in regulation the officers in the field considered that they would be able to close the canal for sufficiently long period to do the excavation and thus achieve the results with minimum of expenditure. With the development of irrigation, the demand for water on Bhakra Canal increased tremendously and the expected closures of the canal could not be arranged with the result that the officers in the field did not have the opportunity to excavate the canal from inside. This fact has been borne out by the Committee set up by the department. For making out the bank, the earthwork that was meant to come from inside the canal was taken from the borrowpits from outside. As the size of the cross section from inside was not increased, it naturally became necessary to raise the banks still further so that the channel had the equivalent capacity for carrying this increased discharge. This fact would account for the amount of excess work that was now required to be done for making up the capacity of the channel for the stipulated discharge. Thus, to the department it did not appear to be an excess but was a change in design on account of change in the circumstance. This was a technical point and even the departmental committee did not appear to have paid sufficient attention to it otherwise they would not have expressed their opinion as has been done in their report.

The Committee are unhappy to understand the contradictory position as stated by the Superintending Engineer-in-charge of the circle as well as by the departmental enquiry committee on the one hand and the Vigilance Department on the other. There seems no reasons to believe that the Superintending Engineer or the departmental enquiry committee consisting of such high technical officers as the Superintending Engineer and the Executive Engineers had based their findings without going into the basic records and other relevant facts now explained by the department. In fact, the Superintending Engineer had based his conclusions reflected in his letter, dated the 22nd March, 1967, after visiting the site of the work and examining the measurement books. The Committee also presume that the departmental enquiry committee must also have submitted its report after inspecting the sites etc. The Committee do not feel convinced that the excess

payments were merely due to error of calculations and that there has been no faulty planning. In case the conclusions arrived at by the Superintending Engineer or the departmental enquiry committee were not correct, as now argued, the Committee would recommend that the circumstances in which the incorrect conclusions were arrived at without investigating into all the relevant aspects of the matter by such high officers may be enquired into and responsibility fixed under intimation to the Committee. The Committee feel that if important works are taken up without sanctioned estimates and if designs and specifications are changed significantly without prior approval of competent authority, then anything that is said later in justification of such a course can at best be described as an after-thought and of a doubtful validity. The Committee recommend that such things should be strictly avoided in future.

The Committee also are constrained to observe the abnormal delay of about two years in the submission of the report of the Vigilance Department. The reasons for this may also be investigated and the Committee informed.

PUBLIC WORKS DEPARTMENT (BUILDINGS AND ROADS)

16. Paragraph 33 of the Audit Report, 1969—Barwala-Daulatpur road.

Audit had pointed out that the Barwala-Daulatpur road was constructed during January, 1965 to March, 1967 at a cost of Rs. 2.33 lakhs. According to the departmental orders, renewal of the surface coat of this road was due after five years. However, as the road became wavy and developed cracks (attributed in March, 1967 by the Superintending Engineer to heavy traffic) soon after it was completed, an additional crust had to be laid on the road during March—December, 1967 at a cost of Rs. 1.54 lakhs. Laying of the additional crust necessitated relaying of the wearing and surface coats; the expenditure of Rs. 1.32 lakhs originally incurred on this account was, thus, infructuous.

The matter was reported to Department/Government in January and October, 1968; responsibility for the infructuous expenditure had not been fixed till January, 1969.

The departmental representative stated in evidence that the specifications of this road were somewhat different from those normally followed on village roads inasmuch as while in the case of village roads either brick sole or stone sole of four inches thickness was laid and then the road was metalled or tarred; in this particular case bricks were not used. But the soil stabilized base crust was laid, i.e. soil mixed with proper proportion of lime was laid as the base. So, soil stabilization with brick ballast one inch deep was laid instead of the normal four inches. Then one half inch layer of stone was grafted. They had been trying these specifications in other places also. This sort of experiment was meant to bring down the cost of construction. The Government of India was also giving encouragement to try various specifications in the States in particular areas so as to bring down the cost of construction. In this particular case when the road was put to traffic, immediately thereafter village road programme started and this road had to be extended to Uklana and Daulatpur Railway Station. The result was that very heavy traffic passed on this road. The traffic was much more than the department had anticipated and the road started breaking. It was argued that the capacity of road to bear load depended on the thickness of the base that was laid down. As the load on the road went up the thickness of the road crust had to be kept accordingly.

It was further stated that this road was constructed on experimental-basis and the department benefited by such experiments. To an enquiry whether any other road of this specification had been constructed, the departmental representative stated that this was the only road which had been constructed as per this specification. In reply to another enquiry from the Committee, the departmental representative also stated that no survey of potential traffic had been made by the department although a large number of roads were being constructed by the department.

The Committee are not able to appreciate the arguments advanced for the necessity of heavy repairs to the Barwala-Daulatpur Road immediately after it was completed and opened to traffic.

While the Committee have no objection to the carrying out of research and experiments with the idea of developing new techniques of road construction; the Committee feel that such experimental measures should be adopted after due thought and careful planning so that Government is not put to unnecessary loss or extra expense. The Committee feel that in order to avoid the possibility of sub-standard work being retrospectively described as experimental, prior approval of Government should be obtained for conducting such experiments and, if possible, provision also should be made distinctly in the Budget Estimates. Besides, the Committee consider that a proper survey of the area should have been undertaken to assess the necessity of the length of road, places to be connected and the extent of traffic to be borne by it. Had this been done there would have obviously been no occasion for heavy repairs to the road in this case to the extent of Rs. 1.54 lakhs soon after its completion. Considering the heavy traffic, this road was not a happy choice for experimentation.

The Committee would urge that in future all such plans should be given careful thought and their technical feasibility properly examined before they are undertaken.

The Committee also suggest that a proper survey of potential traffic should be conducted by the department and reviewed periodically in view of large number of roads being constructed by them.

17. Paragraph 42(2) of the Audit Report, 1969—Gurgaon/Faridabad Provincial Division.

Audit had pointed out that at the time of transfer of charge of Ballabgarh and Faridabad sections of the Special Sub-division, Faridabad in July, 1962 a Sectional Officer handed over 2124 bags of set/partially-set cement valued at Rs. 16,412 (including storage charges) to his successor. The Executive Engineer stated in January, 1963 that the cement bags had been purchased during September, 1960 to September, 1961 for a work which was later on abandoned. He further attributed the loss to non-availability of proper storage accommodation. Government, however, did not accept that view and ordered in March, 1965 that responsibility for the loss should be fixed. The Executive Engineer then recommended in May, 1968 that a token recovery at one per cent of the value of cement set might be effected from the Sectional Officers. Final decision as also the progress in fixation of responsibility against the supervisory staff was awaited till February, 1969.

The department stated in evidence that in February, 1960, the Government of India decided to provide cement for concrete pavement on Delhi

Mathura Road and desired that the preliminary arrangements for the work should be made immediately in anticipation of sanction of estimates. The total estimated requirement of cement for this work was approximately 70,000 bags and during the period from April, 1960 to February, 1962, 42,648 bags of cement were received in the Ballabgarh and Faridabad section. There were no Government built godowns for storage of such a huge quantity of cement purchased and consequently the same had to be stored in 15 private hired godowns at Ballabgarh and Faridabad which were not all damp proof. Subsequently, as a result of Chinese aggression Government suddenly stopped all projects and this project was also given up with the result that the cement stored became surplus. The department made best efforts to give it to other departments as quickly as possible and 16,136 bags were disposed of either by transfer or sale to public. The Government gained Rs. 17,375 out of this sale/transfer. However, 2,124 bags of set/partially-set cement were still left involving a loss of Rs 16,412. It was argued that the net financial loss was, therefore, nil. It was further stated that Government had since written off the loss of Rs 16,412.

The Committee are unable to agree that there was no net loss. Had the department been more alert they could have saved all the cement and used it elsewhere or sold it. The Committee feel that it was particularly saddening that a vital commodity like cement was allowed to go waste at a time of National Emergency.

While the Committee agree that urgent works either undertaken by the State Government or in pursuance of the directions of the Government of India have to be given due priority, they feel that purchase of material should be properly planned and co-ordinated keeping in view the actual requirements and the capacity available for storage, etc. The Committee would like the department to devise suitable measures in this behalf and issue necessary instructions to all concerned to see that material is purchased with utmost care and foresight.

PUBLIC WORKS DEPARTMENT (PUBLIC HEALTH)

18. Paragraph 35 of the Audit report, 1969—Transit Losses.

Audit had pointed out that in the Public Health divisions at Karnal and Faridabad ninety-two claims for Rs. 32,900 on account of cost of stone-ware pipes and connected material received damaged or short in transit were lodged with the Railways during the years 1963—65. These claims were rejected by the Railways in 1964-65 for the reasons given below:—

(i) Claims time-barred	Rs. 4,100 (10 cases)
(ii) Packing not according to Railway specifications and therefore under the Railways Act there was no liability for damages on the carrier (wagons reached destination without interference)	Rs 28,800 (82 cases)

The stone-ware pipes valued at Rs 23,000 were insured against loss, theft, etc. in transit. The claims for Rs 21,000 (63 cases) lodged with insurance companies during January, 1964 to December, 1966 were either not pursued or were not preferred in time; final outcome of these claims was awaited.

by Audit till July, 1968. Claims for Rs. 1,800 (9 cases) were not lodged at all. In the remaining 20 cases, goods were neither sent at Railway risk nor insured as insurance companies did not agree to insurance of stoneware pipes (due to their unhappy claims experience in insuring such material).

Responsibility of the lapses had not been fixed till January, 1969.

The department stated in a written memorandum that actually material worth Rs. 20,169 pertaining to stone ware pipes was only insured against loss, theft, etc. in transit. The remaining items for Rs. 2,818 relating to C.I. Pipes, etc. were not insured. Out of the insured material worth Rs. 20,168 a sum of Rs. 437 had already been recovered from the insurance companies and a further sum of Rs. 3,379 was recoverable from the Sectional Officer. The net recoverable amount worked out to Rs. 16,353 against which the department had to pay the premium of Rs. 17,656 to the insurance companies. Out of the un-insured material worth Rs. 2,818 a sum of Rs. 15 had since been recovered from the Railway authorities and a further amount of Rs. 124 was recoverable from the Sectional Officers at fault. It was also explained that the rate contracts in this case were finalised by the D.G.S. and D, Government of India and therefore, the Public Health Department had no hand in it.

During oral examination, it was further explained that the rate contract entered into by the D.G.S. and D, Government of India, provided certain package conditions which were not acceptable to the Railways. The result was that when the department asked for breakage certificate from the Railways, they refused to give it saying that the packing of material was not according to their specifications. If the department had asked the firm to conform to the packing specifications prescribed by the railways then the cost would have been prohibitive, say about Rs. 3 to Rs. 4 per crate, i.e., almost equal to the cost of smaller size pipe. The insurance companies did not accept the claim if it was not supported by the breakage certificate from the Railways. Subsequently, the insurance companies association pool refused to insure the stone-ware pipes on the ground that the results were disastrous in the past. It was added that now the whole procedure had been revised and the contractor undertook responsibility for breakages or loss/damage in transit at an extra cost of 5 per cent chargeable on the value of stores plus delivery charges.

It was also stated in the department's written reply that Government had since sanctioned the write off of the loss of Rs. 9,285 on account of breakage of S.W./C.I. pipes during transit pertaining to the Public Health Division, Karnal. The case regarding write off of shortage at Public Health Division, Faridabad was stated to be under examination.

The departmental representative was asked to give information about similar cases which might have occurred after the formation of the State of Haryana indicating the total value of the consignments, loss due to breakage, etc. and the loss recoverable from the insurance companies or Railways or independent agencies. The departmental representative promised to supply the requisite information.

The Committee feel that immediately after the first case rejecting the claim of the department for the issue of breakage certificate by the railway authorities or by the insurance companies came to notice the department should have taken immediate steps to have the terms of the rate contract suitably modified.

or taken other preventive measures to ensure that no unnecessary loss occurred on this account. The Committee are of the opinion that if timely and adequate action had been taken in this behalf the number and amount involved in such cases would not have been so alarming. The Committee recommend that this aspect of the matter may be fully investigated and the reasons for which preventive steps were not taken by the department for a long time intimated to them.

The Committee would further like to know the progress of recovery of the remaining amount from the railway authorities as well as the Sectional Officers held responsible in this behalf. The decision taken in regard to the writing off of the loss relating to Faridabad Public Health Division may also be intimated to the Committee, along with the information regarding similar cases occurring after the formation of Haryana.

TECHNICAL EDUCATION

19. Paragraph 44 of the Audit Report, 1969—Purchase of defective machinery:

Audit has pointed out that a milling machine, complete with accessories, costing Rs. 20,667 was purchased through the Controller of Stores in May, 1961 for use in Government Polytechnic, Jhajjar. As per conditions of the supply order, 80 per cent of the price was to be paid after inspection by a representative of the Controller of Stores and the balance of 20 per cent after ensuring satisfactory performance of the machine. Rs. 16,470 (being 80 per cent of the cost) were paid to the firm by the Executive Engineer, Buildings and Roads Division, Rohtak, in October, 1961 after the Principal of the Polytechnic had generally seen that the machine was actually packed in the container. The machine was tested by the Principal of the Central Polytechnic only in November, 1962, and was found to be defective and not conforming to specifications. A list of defects found in the machine was sent to the firm on 13th December, 1962, but no action has so far (December 1968) been taken by the firm either to replace the machine or to remove the defects. The machine had been lying idle for the last five years.

In a written memorandum the department stated that normally before the goods indented for by various departments and ordered by the Controller of Stores are actually despatched by the supplier to the consignee, the representative of the Controller of Stores inspects them and gets the same packed and sealed in his presence in token of which he records a separate note under his dated signatures. The indenter/consignee makes 80 per cent payment only on seeing this inspection note and R/R indicating that the consignment has been packed at the railway risk. However, this requirement was not followed strictly by the Controller of Stores in this case and it was stipulated in the supply order that 80 per cent payment would be made on inspection of the goods to be carried out at destination by the Controller of Stores or Officers/Officer appointed by him. It was, however, alleged that the Controller of Stores failed to inspect the machine or get it inspected through any of his officers at destinations, but asked the consignee to do so. It was also stated that the Technical Education Department thought it advisable to inspect the machine in the presence of the representative of the suppliers who could not come despite appointments with them. The container in which the machine was packed was, however, seen and found intact and the payment was released on the basis thereof as is normally done.

On the other hand, the Controller of Stores explained in his written reply that the proposal of allowing direct inspection was initiated by the Indenting Department which was approved by the Store Purchase Organisation in its meeting held on the 28th February, 1961 in which the Director of Technical Education was also associated. It was not incumbent on the suppliers to be present at the time of the first inspection of the milling machine at the destination as no such condition was stipulated in the supply order. The inspection was to be carried out on the basis of the prescribed specifications. Apparently the Principal wanted the presence of the representative of the suppliers for the former's convenience in order to avoid any complication arising out of *ex parte* inspection.

During the course of oral examination it was stated by the representative of the Technical Education Department that when the machine was received on the 9th July, 1961 the Government Polytechnic, Jhajjar had no building of its own and it was functioning as guest institution in the Nehru College, Jhajjar. This was a newly established institution without having a Principal with the requisite qualifications as a Civil Engineer was posted as the Principal of the Government Polytechnic. 80 per cent payment towards the price of the machine was stated to have been made on 4th October, 1961 through a cheque although the representative of the firm had not come for the inspection of the machine despite requests of the department. It was further deposed that the Government of India have black-listed the firm and after that re-organisation of Punjab had taken place as a result of which some time lag had occurred in settling the matter. Now a firm has demanded a sum of Rs. 11,000 for carrying out repairs to the machine.

Audit apprised the Committee that Director, Technical Education had stated in August, 1968 that the machines supplied by this very firm to Ambala and Chandigarh Centres were also full of defects.

The Committee are distressed to note that the indent for the machinery was placed although the Polytechnic had no building of its own where the machine could be installed. The Technical Education Department asked for direct inspection of the machine at the destination by the consignee though the Principal of the Polytechnic was not technically qualified to do so (being a Civil Engineer) and the machine was also not actually inspected after its receipt. Further 80 per cent payment towards the price of the machine was made to the firm though its representative failed to respond to the plea of the department for being present for inspection of the machine and also without consulting the Store Purchase Organisation. The payment of the amount by merely looking at the packing of the machine was highly irregular and unwise.

The Committee are also unhappy to note that the machine has been allowed to remain idle for a period of about 10 years and the question of repair has not so far been settled. This has obviously contributed to the heavy estimate of Rs. 11,000 for carrying out repairs to the machine at this stage.

The Committee would recommend that the matter may be thoroughly investigated and responsibility fixed on the Officers/Officials for their lapse at various stages and action taken in this behalf be intimated to the Committee.

The Committee would like to be informed of the final outcome of the case with the supplier and also as to whether the machine has since been got

repaired and, if so, at what cost. The Committee would also like to know whether the defective machine supplied to Ambala Centre is being used and how much has been spent to get its defects removed.

INDUSTRIES

20. Paragraph 24 of the Audit Report, 1969—Heat Treatment Centre, Sonapat.

Audit had pointed out that this Centre was set up in November, 1963 to provide service facilities to small-scale industries in heat treatment of electrical appliances. The total expenditure on the centre from November, 1963 to December, 1967 was Rs. 2.36 lakhs, out of which Rs. 1.06 lakhs were on establishment and maintenance charges.

Machinery worth Rs. 69,300 purchased in 1963-64 could not be commissioned then for want of electric connection. These were energised only in September, 1965. The total amount realised from the beneficiaries from October, 1965 to December, 1967 was Rs. 16,223 against an anticipated revenue of Rs. 56,250 while the running and maintenance charges of the centre during that period were Rs. 66,561. The expenditure during the period thus exceeded the income by Rs. 50,338, although the receipts were supposed to meet the running and maintenance charges of the centre.

The department stated in a written memorandum that these centres were set up in the year 1962-63 for helping small scale industries and to render common facility services for Heat Treatment. The small scale units were not in a position to instal costly and sophisticated equipment for Heat Treatment of their components. The plant for the Heat Treatment Centre, Panipat, was procured partly from foreign suppliers and partly purchased indigenously. The plant was received in the middle of June, 1964, and its installation on proper foundation was completed in July, 1964. The Superintendent, Electrical Circle, Patiala, was approached in July, 1964, to prepare the estimates for its electric installations. The estimates were received in December, 1964 and were sanctioned in March, 1965. The work for electric wiring, etc. was completed in August, 1965 and the electric connection was received in September, 1965.

It was further stated that it was decided at the time of approving the scheme that the actual expenditure involved in the processing be only recovered and accordingly the figures of actual expenditure incurred in the process of Heat Treatment need be compared with the revenue earned. The following figures of actual expenditure incurred and the revenue earned during the years 1967-68, 1968-69 and 1969-70 were quoted in support thereof :—

Year	Raw material, electricity and labour consumed	Income
	Rs.	Rs.
1967-68	7,642	10,189
1968-69	7,170	9,561
1969-70	22,157	29,543

The department also mentioned that the number of cases in which the facility of Heat Treatment was at present being given tallied favourably with the original estimates and the revenue earned by the Centre during the year 1970-71 was Rs 47, 690 and during the first two months of 1971-72, i.e. April and May, 1971, it was Rs. 13,410. Besides commercial aspect of the scheme, it was worthwhile to emphasize that the Centre was rendering technical advice/guidance to the small scale units on Heat Treatment and allied subjects but the extent of achievement could not be measured with any yardstick.

During the course of oral examination the departmental representative stated that the delay in the energisation of the plant ultimately resulted in the delayed commissioning of the plant.

The Committee are unable to understand the reasons for the abnormal fall in the revenue collected, viz. Rs. 16,223 against anticipated revenue of Rs. 56,250 for the period from October, 1965 to December, 1967 which must have been assessed after taking into account the rudiments of the scheme. The argument of the department that the Centre was established with the idea of rendering technical assistance to the small scale industrial units may be correct as far as it goes but the Committee do not see any reasons why the financial forecast drawn up by the department itself should remain unfulfilled. The Committee would like to have a comparative study of the recoveries anticipated during the years 1969-70, 1970-71, and 1971-72 vis-a-vis the recoveries actually made and the actual expenditure on the provision of the facility of Heat Treatment at the Centre.

The Committee were also constrained to observe that action for getting the estimates for electric installations of the plant was initiated only after receipt of the machinery and took more than a year to finalise. The Committee is strongly of the opinion that action for the preparation of the estimates, etc., should have been taken simultaneously when order for the purchase of machinery was placed so that the work of electric installations could have been taken in hand immediately after it was received.

The Committee recommend that the reasons for the delay in this respect may be investigated and suitable remedial steps taken in this behalf. They would further recommend that in the execution of such schemes there should be a close and consistent coordination between the P.W.D. authorities and the departments responsible for their execution so as to avoid unnecessary waste of time and blocking of Government money besides resulting in targets remaining unachieved.

21. Paragraphs 25 and 27 of the Audit Report, 1969—Industrial Estate at Narnaul and Mohindergarh.

(a) Industrial Estate, Narnaul.

Audit had pointed out that for establishment of an industrial estate consisting of forty-two sheds in March, 1962 Government purchased land for Rs. 10,025, at Narnaul. Up to 1964-65 Rs. 3.53 lakhs were spent on construction of fourteen sheds (Rs. 2.10 lakhs) and development of land (Rs. 1.43 lakhs). Government decided not to construct more sheds in view of the backwardness of the district. Possession of the industrial estate was taken by Industries Department in November, 1963. Out of fourteen sheds, nine remained continuously vacant for 6 to 22 months. None of the fourteen sheds was occupied continuously from November, 1963 to December, 1967. The loss of rent on account of non-occupation of

sheds was Rs 0.40-lakh. Government informed Audit in September, 1968, that the industrial estate had been unpopular and most of the sheds remained, and still continue to be, un-occupied. This was attributed to high rent of sheds, non-availability of raw materials, difficulty in procuring trained labour, recession in industry and liberalisation of imports. Twenty-eight vacant plots were proposed to be sold (for construction of factory building) to private parties who would be granted financial assistance under the State Aid to Industries Act.

(b) Industrial Estate, Mohindergarh.

Audit had pointed out that a rural industrial estate consisting of seven sheds was set up at Mohindergarh in 1961-62 at a cost of Rs. 1.50 lakhs. Its possession was taken over by Industries Department in January, 1965. Three sheds had been continuously lying vacant (June, 1968) while three were occupied for only 10 to 31 months. This was attributed to high rent, non-availability of raw materials, difficulty in procuring trained labour, recession in industry and liberalisation of imports. Loss of rent due to non-occupation of the sheds was Rs. 0.13 lakh upto June 1968. In January, 1969 the department intimated that five sheds had since been allotted to the Food and Supplies Department for storage of foodgrains.

The object for which the estate was established had thus largely remained unrealised.

As both these paragraphs were common, these were examined by the Committee together.

The department stated in evidence that in order to promote industrial growth of small industries as also their dispersal in certain areas in the composite Punjab, it was decided to set up Industrial Estates at 64 places during the 3rd Five-Year Plan. Narnaul and Mohindergarh being industrially backward areas, both of these places were included in the scheme. The Industrial Estates were set up in accordance with the Plan Scheme policy of the Government of India. No formal industrial potential survey was, however, conducted before these Industrial Estates were established. In order to make the scheme a success, the local people were given financial assistance and technical guidance. In addition to this, the State Government had recently announced a package of incentives for new units for a specific period such as (i) exemption from payment of electricity duty; (ii) exemption from octroi on capital equipment and building material; (iii) treatment of Inter-State Sales Tax as interest free loan. It was also stated that it had been decided to sell the sheds constructed in these Industrial Estates on hire purchase/outright sale basis according to which the rent realised from the proposed purchasers would be adjusted against the sale price. In case no rent had been realised in the past, full sale price would be recovered in accordance with the terms and conditions of the hire purchase agreement. The total amount which had accrued upto 30th April, 1971 on account of arrears of rent was stated to be Rs. 28,771 in the case of Industrial Estate, Narnaul and Rs. 11,921 in the case of Mohindergarh. The amount which would have accrued as rent up to 30th April, 1971, in respect of unallotted sheds was indicated as Rs. 78,176 in the case of Narnaul and Rs. 24,727 in the case of Mohindergarh.

The departmental representative stated during oral evidence that all the sheds in the Industrial Estate at Narnaul were now occupied and out of the total nine sheds constructed in the Industrial Estate at Mohindergarh, four sheds were still lying vacant.

It was stated in the department's written reply in regard to the Industrial Estate at Narnaul that 42 sheds were planned to be constructed but only 14 sheds were constructed keeping in view the backwardness of the district. Due to non-construction of remaining 28 sheds, land measuring 3.050 acres was lying unutilised. This land was proposed to be utilised for demarcating plots instead of sheds. The plots would be allotted to the interested entrepreneurs who would construct their own factories.

The Committee enquired from the departmental representative as to what action had been taken on the suggestion of the Committee made last year that Government should have some control over the type of industries that might be set up in such Industrial Estates, the departmental representative stated that the point had been examined and the Legal Remembrancer had advised that a provision should be incorporated in the agreement itself. This would be incorporated in the hire-purchase agreement which was yet to be formulated.

The departmental representative further intimated that Government of India pays a subsidy of 10 per cent on capital cost to the industrialists setting up industries in the industrially backward districts. He also stated that in addition to the subsidy given by the Government of India, the State Government also gives certain concessions. To an enquiry by the Committee as to whether with the introduction of certain changes in the scheme the entrepreneurs would be entitled to the subsidy, the departmental representative promised to examine the point.

The Committee also desired that a comparative statement indicating the original objectives fixed for each Industrial Estate established in the State and to what extent these objectives had been achieved so far be supplied to them. The departmental representative promised to supply this information which had, however, not been received till the writing of the Report.

The Committee, in this connection, would like to reiterate their observations made in para 9 of their Third Report in regard to the establishment of Industrial Estate, Hissar. The Committee would particularly like to invite attention to their earlier observations that they did not consider it to be a prudent financial measure to convert the arrangement with the parties occupying the sheds retrospectively into a hire purchase agreement based on the original cost of the sheds and felt that the proper course would be to recover the rent, if possible, as arrears of land revenue and then enter into an agreement with the parties for the future based on the present market value of the sheds (including land). The Committee would further like to be informed in detail about the safeguards incorporated in the hire-purchase agreement to ensure that the sheds were put to industrial use and that Government would continue to have some control over the nature of industry and they would be able to prevent disposal of the sheds to new parties who might use the property for any purpose not contemplated in the scheme. The detailed note desired by the Committee in the aforesaid paragraph may be sent to them as early as possible alongwith the comparative statement indicating the original objectives fixed for each Industrial Estate and the extent to which these have been achieved.

The Committee would also like to know the results of examination of the point regarding subsidy to be paid by the Government of India due to certain changes in the scheme.

22. Paragraph 26 of the Audit Report, 1969—Handicraft Training-cum-Production Centre, Jagadhri.

Audit had pointed out that a centre for imparting advanced training to artisans for manufacturing artistic copper, brassware and metal-in-lay was set up at Jagadhri in March, 1962. The artisans, after completing training, were expected to] form co-operative societies and establish units for production of art metal ware. The centre was converted into a training-cum-production centre in March, 1964, and was ultimately closed in March, 1968; the Joint Director of Industries had reported in June, 1966, that the centre had failed to achieve its object. Rs. 2.44 lakhs including establishment charges (Rs. 1.28 lakhs) and stipends (Rs. 0.37 lakh) were spent up to March, 1968. Audit of this scheme had brought to notice the following points ;—

(i) The capacity of the training programme, the number of persons actually trained and their absorption in the trade were as follows :—

Trade	Training Programme		Absorption of trained men (up to third batch)	
	Intake capacity in four terms (March 1962 to March, 1968)	Actual number of trainees	Available number of trained men	Number actually absorbed
Engraving and colouring	50	37	34	2
Moulding and scraping	30	26	19	7
Shape making	30	20	16	1

The short-fall in the training programme and non-utilisation of trained man power were attributed in April, 1967, by the Assistant District Industries Officer incharge of the centre to non-adoption by the industrialists of the line of production in which training was imparted in the centre.

(ii) The department stated in July, 1968, that training in different sections of the job had been imparted to different trainees and the complete job could not be done unless the trainees of all the sections combined to work together. No co-operative production society had been formed. The original intention of producing art metal wares through co-operative societies of such trainees had, therefore, not been fulfilled.

(iii) Machinery, stock and stores costing Rs. 0.40 lakh were rendered surplus on closure of the centre. They were awaiting disposal till January, 1969.

The department stated in oral evidence that at Jagadhri, there was lot of sheet metal work. This sheet metal work was being done in every house and Jagadhri's production ran into crores of rupees in spite of all the difficulties about stainless steel, brass, copper, etc. A demand was sometime back made to start a centre for doing something of the type which was being done in Moradabad and other places in U.P. Therefore, this engraving centre was set up. The scope for the development of the industry had been fully examined and established before starting the centre. Moreover, the Director, All-India Handicrafts Board, had himself visited the place and suggested the establishment of the centre. The department had thought that the private industrialists would make the whole thing themselves and then come to the centre for engraving. But it was found that this was not very successful. The experiment which was conducted with the full support and backing of the All-India Institution could not work. Accordingly the centre had to be converted into a training-cum-production centre by starting the sections of moulding also. The co-operative society formed by the first batch of trainees from the engraving section was, however, disorganised before the completion of the course by second batch from other sections which would have provided job to them. This resulted in discouragement to the subsequent trainees.

A sum of Rs. 8,983 was stated to be outstanding from various Emporia and other organisations to which finished goods from the centre had been supplied on credit. The Government of Punjab and Himachal Pradesh were approached for the payment of outstanding bills relating to their respective States. No reply was received from them despite repeated reminders, and the matter had been referred to the Government of India for giving directions to them under Section 65 of the Punjab Reorganisation Act to make payment of the outstanding amounts. The decision of the Government of India was stated to be under consideration of the Finance Department.

It was further disclosed that Government had since accorded sanction for the disposal of the machinery, stock and stores of the centre.

From the data supplied to the Committee, they feel that the centre at Jagadhri was established without proper consideration of the potential and chances of success of the scheme. They are unable to understand as to how industrialists who had initially asked for the establishment of the centre subsequently did not utilise the services of the centre. The Committee can see no apparent justification for a change in the attitude of the local industrialists unless there were some compelling reasons for them to do so. The Committee would strongly recommend that a thorough reappraisal of the circumstances leading to the failure of the centre be conducted and responsibility fixed for acts of omission and commission in its working.

The Committee would further like to be informed about the progress in the recovery of the outstanding dues from the various Emporia and other organisations concerned and also whether the machinery, stock and stores of the centre have since been disposed of, if so, the amount realised on this account as also value thereof.

23. Paragraph 43 of the Audit Report, 1969—Unutilised machinery.—Audit had pointed out that an imported blowing machine obtained in February, 1955, at a cost of Rs. 39,534 for the Government Woollen Industries Development Centre, Panipat, could not be commissioned because of (i) non-supply of wrapping cloth by the supplier and (ii) non-availability of finishing cloth of superior quality. The wrapping cloth was purchased in 1961 at a cost of Rs. 1978. The machine, however, could not be put to use due to continued non-availability of finishing cloth of suitable quality.

In April, 1968, the Textile Officer stated that the type of goods including blankets processed at the centre did not need treatment through such a machine and sought orders for its disposal. Orders were, however, not issued till November, 1968.

The department stated in a written memorandum that this scheme originated in composite Punjab and the file containing the details of the scheme had not been transferred by the Director of Industries, Punjab, to the Director of Industries, Haryana, in spite of best efforts. It was also stated that the department was taking steps for the transfer of record and as soon as it was available, information will be supplied to the Committee. It was further mentioned that the State Government had accorded sanction in June, 1969, for the disposal of the machine but had further desired that suitable action should be taken against the officials/officers who might be responsible for the injudicious purchase of the machine. The machine was, however, yet to be disposed of.

During the course of oral examination the departmental representative stated that from some record which they had got, it transpired that there were discussions between the District Officers and the Director of Industries on the basis of which indent for the purchase of the machine was placed. However, this machine was not put to any use. In reply to an enquiry from the Committee as to whether the machine was lying in safe custody and that its condition had not deteriorated because of its lying in the open, the departmental representative could not give any categorical answer. It was also mentioned that no other project was contemplated by the department where this machine could be utilised. Government, however, intimated in January, 1972, that the Disposal Board in its meeting held on 20th September, 1971, recommended that before the assessment of its price, for disposal the possibility of using the same for the benefit of Textile Industry might be further explored.

The Committee are constrained to observe that although Haryana was formed about 5 years back and the case had also figured in the Audit Report, 1969, the relevant records have still not been got transferred from the Punjab Government. In case there was any difficulty, the matter should have been sorted out at the highest level. The Committee would urge that the relevant record may now be obtained from the Punjab Government as quickly as possible and detailed information furnished to them. Although the Committee would be able to arrive at final conclusions on receipt of the detailed information from the department, they are shocked at the apparent injudicious purchase of the blowing machine and the delay of about 6 years in purchasing the wrapping cloth worth only Rs. 1,978. The Committee would like to know in particular whether the indent for the wrapping cloth was placed along with that for the machinery and the reasons for so much delay in its purchase.

There has been a further delay of about 3 years in the disposal of the machine after the Government had accorded sanction to this effect in June, 1969. From the Report of the Textile Officer made in April, 1968, it is obvious that there was absolutely no justification for purchasing the machine in question and in fact, the type of cloth required to be treated by the machine is not produced at all at Panipat or elsewhere in the State. The Committee would like that the whole transaction may be thoroughly investigated and responsibility fixed on the defaulting Officers/Officials at an early date. They would further like to be informed as to whether the possibility of using the machine for the benefit of Textile Industry has been explored, and in case it cannot be put to use, its sale be expedited and the Committee informed accordingly.

24. Paragraph 49 of the Audit Report, 1969-Non-recovery of royalty.

Audit had pointed out that according to the Punjab Mineral Concession Rules 1964, royalty on consumption of brick-earth was payable to the State Government at the rate of Rs. 0.25 per tonne during the period from 2nd May, 1964 to 31st July 1967 and at the rate of Rs. 0.50 per tonne thereafter. In May 1965, royalty was computed at the rate of Rs. 0.87 per thousand bricks by the Food and Supplies Department and it was to be recovered at this rate with effect from 22nd April, 1965, i.e. the date from which the element of royalty was included in the sale rate fixed for bricks.

Despite the statutory provisions and the actual recovery of royalty from consumers by kiln owners from 22nd April, 1965, the Revenue Department stayed the recovery from kiln owners on the representation submitted by them, without specifying reasons therefor. The stay order was vacated in July, 1968.

This resulted in non-realisation of royalty which was estimated by the department to be the order of Rs. 6 lakhs for the period from May 1964 to March, 1968. The actual amount of royalty could not be determined because of non-availability of the complete details with the department.

During oral evidence the departmental representative stated that the whole matter had undergone complete change as a result of the decision of the High Court in the writ petition filed by the various brick kiln owners against recovery proceedings initiated by Government against them. The High Court had held that Government's claim to recover royalty would arise only if this right was shown in the relevant "Wajib-ul-arz". The department had checked up the position but in none of the "Wajib-ul-arz" of the villages Government's rights had been shown. Therefore, Government could not recover the royalty if the lands on which the brick kilns were established belonged to the panchayats or private owners, who alone would be entitled to recover it. It was also mentioned that although the kiln owners had realised the royalty they had not agreed to pay it to Government saying that the High Court had held that Government had no right to receive it. The departmental representative further mentioned that this point was also raised before the High Court but it was maintained that although the kiln owners had no right to recover the royalty yet they had already realised it and only the owners of the land could get it back from them. It was further disclosed that the matter had been referred to the law experts of Government of India, as well as Legal Remembrancer and the Advocate General of the State Government to examine as to how the royalty already recovered by the kiln owners could be received by Government.

About the approximate amount of royalty which the brick kiln owners had already charged the departmental representative stated that they had issued notices for about Rs. 42 lakhs.

The Committee view with disfavour the repeated postponements allowed by Government in the recovery of the royalty from the kiln owners from time to time. Since the element of royalty was included in the sales rate fixed for bricks and the royalty was also actually received by kiln owners, there were *prima facie* no justifiable grounds for staying its recovery by Government. This has obviously resulted in the blocking of such a heavy amount of Rs. 42 lakhs with the kiln owners. The Committee would recommend that the legal position as arising out of the judgment of the High Court may be examined urgently so as to consider as to how the amount of Rs. 42 lakhs already realised by the kiln owners could be recovered from them and what remedial steps should be taken in future to avoid legal complications in the recovery of royalty.

EXCISE AND TAXATION

25. Paragraph 46(i)(a) of the Audit Report, 1969—Under assessment of Tax.

(i) Central Sales Tax Act, 1956.

(a) Inter-State sales preceding the date of grant of Central Registration Certificates.

Audit had pointed out that Inter-State sales to dealers, registered under the Central Sales Tax Act, 1956, were liable to tax at the concessional rate of 1 per cent prior to April, 1963. In one district, a selling dealer was taxed at the rate of 1 per cent in respect of inter-State sales, made in October and November, 1962, to a purchasing dealer who was issued registration certificate only in February, 1963. As the sales pertained to the period prior to the date of registration, these were to be taxed at the higher rate of 7 per cent. The Revisional Authority raised an additional demand of Rs. 21,878 in December, 1967 and the amount was realised and credited into treasury in March, 1968.

The Committee was further informed that the department had intimated Audit in April, 1969, that the Sale Tax Tribunal before whom the selling dealer had gone in appeal against the additional demand of Rs. 21,878 raised by the Revisional Authority had set aside the orders of the Revisional Authority because the purchasing dealer (in this case the Punjab Electricity Board) had inadvertently quoted in 'C' forms registration certificate issued to them on 8th February, 1963, whereas they had also been registered in the year 1960.

It was stated by the department in the written memorandum that the fact of purchasing dealer already being registered in the year 1960 was brought to the notice of the Revisional Authority by the selling dealer. However, the Revisional Authority held that the registration certificate issued on 8th February, 1963, and valid from the date of issue was the registration certificate against which necessary purchases were made and two 'C' forms given. He, therefore, set aside the orders of the assessing authorities and created an additional demand of Rs. 21,878. It was further stated that the purchasing dealer, i.e., the Punjab State Electricity Board, Joginder Nagar, was registered in the Himachal Pradesh and that the sales tax authority of that State was asked to intimate under what circumstances the second registration certificate had been issued to the same dealer.

The Committee regret to observe that the Revisional Authority ignored the fact of earlier issue of registration certificate in favour of the dealer. The Committee would like to be informed about the outcome of the reference stated to have been made to the Sales Tax authorities of the Himachal Pradesh Government.

26. Paragraph 46(i)(b) of the Audit Report, 1969—Unauthorised deductions of freight.

Under the Act, sale price, *inter-alia*, includes the cost of freight for delivery if it is not separately charged. In the case of a dealer, the Assessing Authority included the freight charges in the turnover shown in his returns for the year 1962-63 as the terms of sales prescribed *f.o.r.* destination. In the assessment years 1961-62 and 1963-64 to 1965-66 the freight charges were not assessed to tax. The inconsistent practice followed in different years was pointed out in July, 1967 and the case of the dealer for the year 1963-64 was remanded by the Revisional Authority in December, 1967, for examination by the Assessing Authority. On examining the accounts of the dealer, the Assessing Authority found that an amount of Rs. 48,546 representing freight charges had escaped levy of central sales tax. Accordingly, an additional demand of Rs. 4,855 was created in March, 1968, the amount was deposited into treasury in June, 1968.

Similarly additional demand of Rs. 1,390 for the year 1961-62 was created and amount credited into treasury in March, 1968. The department intimated in July, 1968, that *suo motu* action for the years 1964-65 and 1965-66 was still pending.

The department stated in written reply that the officer who had framed assessment for the year 1961-62 had been allocated to Haryana. The officer who made assessment for the years 1963-64, 1964-65 and 1965-66 stood allocated to Punjab. The officers concerned had been required to explain the non-inclusion of freight charges in the turnover of the firms for the years 1961-62 and 1963-64. The explanation of the officer concerned for the years 1964-65 and 1965-66 would be called for after the *suo motu* case for these years had been decided. In the *suo motu* cases for the years 1964-65 and 1965-66 the notices were stated to have been initially vacated by the Deputy Excise and Taxation Commissioner (Appeals), Rohtak, on the ground that these were time-barred. Since no limitation had been prescribed for the Revisional Authority to review the legality and propriety of the order, on the basis of the material on record, the Excise and Taxation Officer, Gurgaon, requested the Revisional Authority to review his aforesaid order. The Committee were informed during the oral examination that the case had since been decided by the Revisional Authority, and the additional demand of Rs. 883 for 1964-65 and Rs. 2,305 for 1965-66 created.

It was suggested to the departmental representative, that since a number of cases like these to notice in the course of audit where freight had been excluded from the turnover, the department might consider the desirability of examining the legal position and issuing correct instructions to the assessing authorities. These instructions were issued by the department in September, 1971.

The Committee are constrained to observe that the Revisional authority did not apply his mind judiciously while holding that the *suo motu* cases for

1964-65 and 1965-66 were time-barred in the absence of any 'specific' provision to this effect in the law. The Committee would like that suitable steps may be taken to avoid such instances in future. The Committee would also like to know the final outcome of the explanations called for from the concerned officers.

27. Paragraph 46(i)(c) of the Audit Report, 1969—Short levy of tax due to acceptance of defective 'C' forms.

Inter-State sales to dealers registered under the Central Sales Tax Act, 1956, were liable to tax at concessional rate of tax at 1 per cent up to 31st March, 1963, and 2 per cent thereafter if such sales were supported by declarations in the prescribed form containing the prescribed particulars duly filled and signed by the registered dealers to whom goods were sold. It was noticed (September, 1967) that the Assessing Authorities accepted in 13 cases involving tax effect of Rs. 8,454, defective declarations which were either not signed or did not indicate the registration certificate number and/or the dates from which the registration certificates were valid. On this being pointed out, the cases were referred to the Revisional Authorities for *suo motu* action in November, 1967. As a result, the Revisional Authorities created additional demands in 10 cases aggregating Rs. 4,802. The remaining 3 cases involving short levy of tax of Rs. 3,652 were pending with Revisional Authorities (July, 1968).

The department stated in a written memorandum that nine officers were involved in 13 cases mentioned in the audit paragraph. Their explanations had been called for and the detailed circumstances under which defective forms were accepted by them would be known only when their explanations were received and examined. In the remaining four cases the explanations of the assessing authorities had been received and they had taken up the plea of oversight due to abnormal work load and these authorities had been warned to be careful in future.

It was further stated that out of 13 cases the Revisional Authority had vacated the notices in two cases and in one case the notice had been vacated by the assessing authority. In the remaining ten cases *suo motu* action had since been finalised by the Revisional Authority and an additional demand for Rs. 2,633 had been created. Out of this, a sum of Rs. 2,416 had been recovered from the assessees.

The Committee are unhappy to note that defective 'C' forms were accepted by the Assessing authorities in a large number of cases. There appears no plausible justification for such an omission. The Committee are further constrained to observe the delay in obtaining the explanations of the defaulting officers. They would recommend that the awaited explanations may be obtained as quickly as possible and action thereon finalised without further delay. The Committee would also like to be apprised of the final decision taken in this behalf and about the recovery of the remaining amount outstanding against the concerned assessees.

28. Paragraph 46(i)(d) of the Audit Report, 1969—Omission to levy tax.

A dealer claimed deductions from his gross turnover during the years 1963-64 and 1964-65, of the value of goods stated to have been transferred by him to his branch offices. The claim was not admitted by the Assessing Authority as the goods were not actually found to have been transferred to the branch

offices but were sold to dealers directly from the place of business, in the course of inter-State trade. It was pointed out in August, 1967, that the dealer was not assessed to tax on similar inter-State sales made during 1962-63 (assessment made in March, 1965). The dealer had incorrectly shown the sales as transferred to his branch offices and the claim for deduction was admitted by the Assessing Authority. The case was taken up for *suo motu* action and the Revisional Authority remanded the case to the Assessing Authority in March, 1968. On re-assessment, an additional demand of Rs. 10,642 had been created.

The department stated in a written memorandum that the assessment of the dealer for the year 1962-63 was framed on 23rd March, 1965, by the then Additional Excise & Taxation Commissioner who had been allocated to Punjab. At the instance of the Audit *suo motu* proceedings were initiated against the dealer and the case was remanded to the assessing authority by the Revisional Authority on 10th January, 1968, for *de novo* assessment. The remanded case was decided by the Excise & Taxation Officer, Gurgaon on 26th June, 1968, and he created an additional demand of Rs. 10,642 under Central Sales Tax Act, 1956. The dealer went in appeal against these orders in the court of Deputy Excise & Taxation Commissioner (Appeals), Rohtak. The appellate authority remanded the case to the assessing authority on the 11th February, 1969, for fresh assessment under the Central Sales Tax Act as he was of the view that the commodities involved viz., varnish cloth and varnish tapes, were tax free items under item No. 30-B of Schedule 'B' appended to the Punjab General Sales Tax Act and hence could not be levied to tax under the Central Sales Tax Act. The second reassessment order was passed by the Excise & Taxation Officer, Gurgaon, on 27th January, 1970 whereby he quashed the demand against the dealer. During the course of oral examination the departmental representative stated that this was a genuine case of mis-interpretation of the provisions of the Act and of Schedule. Consequently no useful purpose would be served by calling upon the assessing authority who had made assessment in the first instance and had been allocated to the Punjab State to explain his position.

✓ The Committee fee that the Assessing authority should be well aware of the provisions of the Act and their correct application especially as any misinterpretation involves unnecessary and avoidable inconvenience to the public at large. The Committee would, therefore, urge that suitable instructions, should be issued to all concerned to ensure that while passing assessment order the various relevant provisions of the Act are carefully studied in order to leave no scope for misinterpretation or misapplication.

29. Paragraph 46(i)(f) of the Audit Report, 1969—Inter-State Sales treated as Intra-State Sales.

In 2 cases, tax amounting to Rs. 3,746 was under-assessed due to inter-State sales having been treated as intra-State sales and exempted from tax as sales to registered dealers. In both the cases additional demands had been created.

The department stated in a written memorandum that the explanations of two officers at fault had been called for and the detailed circumstances under which they treated inter-State Sales as intra-State Sales would be known only after their explanations had been received and examined. It was, however, added that additional demand created by the Revisional Authority in these two cases had since been recovered from both the parties.

✓ The Committee would recommend that the explanations of the officers concerned may be obtained and the decision taken thereon intimated urgently.

30. Paragraph 46(i)(g) of the Audit Report, 1969—Turnover escaped from tax.

In May, 1967, a dealer was allowed deduction of Rs. 29,431 for sales in the course of inter-State trade or commerce while framing assessment for 1965-66 under the Punjab General Sales Tax Act. But in the assessment made under the Central Sales Tax Act, 1956, the Assessing Authority omitted to tax the above inter-State sales. This resulted in a short demand of Rs. 2,943 (10 per cent of Rs. 29,431). This omission was brought to the notice of the department in June, 1968. The Excise and Taxation Officer stated in August, 1968, that the case was being moved for *suo motu* action.

The department stated in its written reply that the officer responsible for the omission to tax the dealer under the Central Sales Tax Act stood allocated to Punjab and his explanation was still awaited and that the circumstances under which the omission took place would be known after his explanation had been received and examined. However, *suo motu* action by the Revisional Authority had since been finalised and an additional demand of Rs. 589 had been created. It was stated during oral examination that this amount had been recovered. The explanation of the officer concerned was said to have been received but it had yet to be examined.

✓ The Committee would like to know the decision taken on the explanation of the officer concerned and action, if any, taken against him.

31. Paragraph 46(ii)(b) of the Audit Report, 1969—Transfers to branch outside the State wrongly treated as inter-State sales.

A firm, registered as dealer at one place in Rohtak District, had a branch at Delhi. The goods sent by the firm at Delhi were shown as goods sent under self-consignment for sale through the latter branch. From the 20th April, 1959, such transfers were, however, shown by the dealer as sales in the course of inter-State trade or commerce by one registered dealer to another. The Assessing Authority, while making the assessment for the year 1959-60, did not accept the transfers as inter-State sales and levied tax at 2 per cent prescribed under the Punjab General Sales Tax Act. An appeal made by the assessee against the assessment was turned down by the Deputy Excise and Taxation Commissioner in May, 1961. In regard to similar transfers made during the years 1960-61 to 1962-63, the Assessing Authority levied tax at the concessional rate of 1 per cent instead of the normal rate of 2 per cent, by treating these as sales in the course of inter-State trade or commerce. The under-assessment for the three years worked out to Rs. 34,310. After this was pointed out in June, 1968, the department informed in August, 1968, that the registration certificate of the firm had since been cancelled and that the case taken up with the Excise and Taxation Commissioner for *suo motu* action.

The department stated in a written reply that the Revisional Authority had vacated notice issued by him for *suo motu* action as he found that the purchasing firm in Delhi was not the branch of the selling concern at Rohtak; their constitution being different. It was maintained that the requisite transactions had been rightly taxed as sales taking place in the course of inter-State trade or commerce.

To an enquiry as to how the department would deal with a case wherein a registered dealer purchases materials in Haryana declaring the purchases as meant for inter-State sales, paying sales tax at a lower rate and then transfer the material to one of his branches outside the State but established under a different identity from his own firm and claims that he has effected an inter-State sale thereby denying the State of higher rate of sales tax, the department promised to examine the point.

The Committee would like to know the result of the examination of the point by the department. The Committee would also like that suitable and effective measures may be taken to ensure that the Haryana State was not put to any loss by misrepresentation of facts on the part of the dealer.

32. Paragraph 46(ii)(c) of the Audit Report, 1969—Underassessment/mistake in computation of tax:

In 20 cases (4 districts), tax amounting to Rs. 9,674 was underassessed on account of—

- (i) levy of tax at lower rates,
- (ii) incorrect computation of taxable turnover,
- (iii) mistake in arithmetical calculations of tax assessed, and
- (iv) short levy of purchase tax, etc.

In 16 of these cases involving Rs. 3,831 additional demand was created and in the remaining 4 cases involving Rs. 5,843 the fact of under-assessment was accepted and *suo motu* action had been initiated by the department (August and September, 1968).

The department stated in a written memorandum that the officers responsible for these omissions had been asked to explain their positions but their explanations were still awaited. The circumstances under which these omissions took place would be ascertained after their explanations had been received. It was added that out of the remaining four cases one case was still pending with the Revisional Authority. In another case the Revisional Authority had withdrawn the case and found the assessment order to be legal. In the other two cases additional demand of Rs. 755 was created and had since been recovered. The additional demand created in 16 cases had also been recovered which amounted to Rs. 3,761.

The Committee observe that there had been inordinate delay in calling for the explanations of the officers responsible for various lapses commented upon in the Audit Report. The Committee feel that the department should have taken immediate action on all these cases of irregularities and omissions as soon as these were pointed out by Audit. The Committee would recommend that the explanations of the defaulting officers in this case and all other such cases may be obtained and the cases finalised as quickly as possible. The Committee would also like to know the latest position regarding one case pending with the Revisional Authority.

33. Paragraph 47 of the Audit Report, 1969—Evasion of Sales Tax due to misuse of Registration Certificate.

Under section 5(2)(a)(ii) of the Punjab General Sales Tax Act, 1948, as amended from 10th January, 1963, a registered dealer can make purchases,

free of tax, of goods specified in the certificate of registration for use by him in manufacture in the State of any goods other than the goods declared tax free under the Act. A dealer made purchases from the local dealers of goods valued at Rs. 5,00,968 during 1962-63 to 1965-66 without payment of tax by furnishing a declaration in the prescribed form that goods were required for use in manufacture of goods other than tax free goods. The dealer actually used the goods purchased by him from the local dealers who were mostly running foundry works, in the manufacture of agricultural implements which was a tax-free item. The purchase of such goods free of tax being against the provisions of the Act, it was pointed out in November, 1967, that the dealer had evaded tax to the tune of Rs. 31,681 by misusing his certificate of registration. *Suo motu* action was initiated by the department for consideration by the Revisional Authorities in July, 1968, the result of which was awaited (August, 1968).

The department stated in a written memorandum that two officers were responsible for reassessment in this case. One of the officers allocated to Punjab has offered regrets. He had since retired. The explanation of the officer allocated to Haryana had not yet been received. It was added that *suo motu* action for the year 1962-63 was completed by the Revisional Authority on 14th August, 1968, while that for the years 1963-64, 1964-65 and 1965-66 was finalised on 10th October, 1968. The additional demand created by the Revisional Authority was Rs. 915 for these years which was stated to have been recovered.

During oral examination it was pointed out to the departmental representative that the under-assessment pointed out was to the tune of Rs. 31,681 while the additional demand created by the Revisional Authority was Rs. 915. The departmental representative promised to send a note explaining the reasons for this difference.

✓ The Committee are unhappy to note the delay in obtaining the explanation of the officer allocated to Haryana. They would recommend that explanation may be obtained and the case finalised urgently. The Committee would like to know the detailed reasons for the large variation between the under-assessment pointed out by Audit and the additional demand created by the Revisional Authority.

34. Paragraph 48(a) of the Audit Report, 1969—Arrears in assessment and collection of sales tax, etc.

Arrears in assessments.—The progress of assessment of sales tax during the years 1966-67 and 1967-68 was as under :—

Year	Total number of assessment cases	Number of assessments completed		Total	Number of assessments pending at the end of the year
		Out of current	Out of arrears		
1966-67	39,448	20,943	7,687	28,630	10,818 (27 per cent)
1967-68	43,907	23,706	7,731	31,437	12,470 (28 per cent)

The following was the year-wise break-up of the outstanding cases:—

Year	Cases pending assessment at the end of	
	March, 1967	March, 1968
1962-63	59	6
1963-64	718	48
1964-65	1,181	499
1965-66	3,470	1,211
1966-67	5,390	4,050
1967-68		6,656
Total	10,818	12,470

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

The department stated in a written memorandum that after reconciliation with the Accountant-General, Haryana, the number of assessment cases pending at the end of March, 1967 and March, 1968, was 11,381 and 10,843, respectively. It was stated that the department was fully aware that the delay in making assessment created financial and other complications in the recovery of tax. It was pointed out that only 22 cases prior to 1965-66 were pending for final assessment. These were mostly due to the fact that the accounts books had not been produced for various reasons such as the record being in High Court, closing down of firms, stay orders given by Government and records being with the Income-Tax Department etc.

To an enquiry as to what steps are being taken to overtake these arrears, the departmental representative stated that additional posts have been created for the purpose.

The Committee are pained to observe that such a large number of assessment cases have fallen into arrears and no effective steps seem to have been taken by the department to liquidate them. Rather, the number of outstanding cases has been mounting from year to year. The accumulation of such heavy arrears is fraught with serious complications and is likely to lead to non-recovery of tax due from the dealers concerned. If this is not checked, it is possible that the arrears may run into crores of rupees. The Committee would like to reiterate their observations in para 29 of their Third Report and recommend that immediate and effective steps should be taken to clear the outstanding cases as quickly as possible, and in any case within a period of one year. The Committee would like to be informed of the steps taken in this respect, and the progress achieved in the clearance of the arrears. Heavy arrears should be thoroughly investigated and the result of the investigation intimated to the Committee. Suitable action should also be taken against the officers/officials responsible for the cumulation of such huge arrears.

35. Paragraph 48(b) of the Audit Report, 1969—Arrears in assessment and collection of sales tax etc.

Arrears in collection.—The tax assessed but not realised amounted to Rs. 21.73 lakhs at the end of 1967-68.

Arrears in assessments.—

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

Period	Outstanding on 31st March, 1968 (in lakhs of rupees)
Up to 1960-61	2.51
1961-62	1.95
1962-63	1.16
1963-64	0.49
1964-65	0.83
1965-66	1.79
1966-67	4.37
1967-68	8.63
Total	21.73

(ii) The position regarding the recovery of outstanding revenue as reported by the department was as follows:—

Particulars	Outstanding on	
	31st March, 1967 (in lakhs)	31st March, 1968 (in lakhs of rupees)
Collection stayed by:—		
(a) Appellate authorities	1.19	0.04
(b) Revisional authorities	4.48	2.19
(c) Supreme Court, High Court and Civil Courts	6.90	10.37
(d) Government	1.70	..
Executive	2.53	..
Total	16.80	12.60

The department stated in evidence that the total amount recoverable as on 31st March, 1971 was Rs. 82.77 lakhs out of which a sum of Rs. 29.49 lakhs was due to the stay orders of the High Court. Out of the balance recoverable amount of about Rs. 53 lakhs (appr.) about Rs. 26 lakhs were to be recovered from the Karnal Medical Store Depot about which correspondence was already being exchanged with the Government of India.

The Committee would reiterate the observations made in paragraph 30 of their 3rd Report. The Committee regret to observe the large arrears of revenue which have been allowed to accumulate from time to time. The Committee would like the department to make consistent efforts to clear the outstanding arrears as early as possible and also to ensure that such arrears do not accumulate in future.

36. Paragraph 48(c) of the Audit Report, 1969—Abandonment of claims.

During 1967-68 sales tax aggregating Rs. 0.64 lakh was written off/remitted in 131 cases as indicated below :—

Particulars	Number of cases	Amount (in lakh of rupees)
(i) Non-availability of adequate movable or immovable property	44	0.45
(ii) Assessee not traceable	87	0.19
Total	131	0.64

The department stated in its written reply that on further verification it was found that in one case which had previously been included by the department in the cases of write off mentioned in the Audit paragraph and which related to the year 1965-66 involving an amount of Rs. 21,968, the amount had not as yet been written off and the case was still being processed. In two cases involving amounts of Rs. 3,420 and Rs. 2,547 the loss was written off in August, 1969 and August, 1966, respectively. Another case involving an amount of Rs. 3,048 was *sub judice* and the decision of the court was awaited.

It was added that in the case involving an amount of Rs. 3,420 the then Assistant Excise & Taxation Officer was found responsible for negligence and he had since retired and no action was possible at this stage.

The Committee would urge that the pending cases should be investigated and finalised as quickly as possible and action should also be taken against the defaulting officers, where necessary under advice to the Committee.

ANIMAL HUSBANDRY

37. Paragraph 28 of the Audit Report, 1969—Use of two bulldozers.

Audit had pointed out that for reclaiming 11,050 acres of uncultivable waste land two bulldozers were purchased by the Government Livestock Farm, Hissar, in September, 1963, for Rs. 91,780. Their life was estimated to be six years. Because of non-availability of component parts, they have remained idle from May, 1965 and November, 1966 onwards respectively. The Department intimated in October, 1968, that only 4,324 acres of land were fully reclaimed before the bulldozers went out of order. Rs. 12,360 were spent (up to July, 1968) on pay and allowances of the drivers for the period the bulldozers remained unutilised.

In July, 1968, the department informed Audit that the services of the drivers had been utilised for repairs and maintenance of tractors and allied equipment and that the possibility of making the dozers serviceable by using indigenous parts was being considered.

The Department stated in evidence that at the time the two bulldozers were purchased there were no other makes available. There were only two alternatives available to the department, i.e., either to purchase the particular type of U.S.S.R. dozers which were purchased or to postpone the execution of the scheme. The estimated life of the bulldozers was stated to have been fixed at 6 years but the life of the individual parts which had given way was less, i.e., 1,200—1,500 hours only. It was further stated that the normal life of track chains (grouser plates) in all types of dozers imported from the United States of America and United Kingdom was more than the complete dozers. It was only in this particular type of dozers that the life of the tracks was much less and this could not be visualised at the time of purchase. It was added that at the time these dozers were purchased through the Controller of Stores no particular specifications were given by the department in the indent placed with the latter. It was, however, presumed that the spare parts of the machinery would be imported by the firm dealing with the machinery. It was not considered advisable to purchase spare parts along with the machines without knowing as to which parts would give way earlier. It was only at the later stage that the firm showed their inability to supply the spare parts required. It was also mentioned that these types of tractors were already in use at the Suratgarh Farm and they were giving efficient service. The Suratgarh Farm could not, however, assist in the supply of spare parts as they stated that they were themselves facing the same difficulty. The trade representative of U.S.S.R. at Delhi was also stated to have been contacted but no fruitful results were achieved.

In regard to utilization of the Drivers who had been retained in service after the bulldozers had gone out of order, it was maintained that they were not allowed to be idle but were utilised on repairs and maintenance of tractor operation, as the posts of Mechanic and Fitter had been kept vacant throughout this period.

It was revealed during oral examination that one bulldozer had since been repaired and it was working and in regard to the second bulldozer it would be examined whether it would be worthwhile to get it repaired, otherwise it would be disposed of.

The Committee are surprised to note that the purchase of the bulldozers was effected without observing the elementary precautions of knowing whether their spare parts would be available or not. This is an essential requirement which should normally be kept in view before machinery of this nature is purchased, particularly when it is of a foreign make. It was primarily because of this omission

that the bulldozers which went out of order two years after their purchase remained idle for a long time and one of the bulldozers has not been repaired up till now. It is strange that even the suppliers expressed their inability to supply the spare parts. The Committee are unable to understand how the same make tractors are stated to be giving efficient service at Suratgarh when that Farm also faced the difficulty of spare parts.

The Committee recommend that reasons for purchase of such tractors without examining all aspects may be thoroughly investigated and responsibility fixed for the omissions as a result of which the scheme remained unfulfilled and Government money was unnecessarily blocked.

The Committee would further like to know whether the second bulldozer has since been repaired and, if not, the manner in which it is proposed to be disposed of.

CO-OPERATION

38. Paragraph 60 of the Audit Report, 1969—Central Co-operative Consumers Stores.

The financial position of Consumers Stores (other than one at Ambala), in which Government funds were invested during 1963-64, is given below :

Name of Stores	Share Capital		Profit (+) Loss (-) during co- operative year ending 30th June, 1967	Accumulated Profit (+) Loss (-) up to 30th June, 1967	Financial assistance up to 31st March, 1968	
	Government up to 31st March, 1968	Total			Loan	Subsidy
	Rs	Rs	Rs	Rs	Rs	Rs
Rohtak ..	1,00,000	1,53,365	-74,880	-82,598	2,75,000	63,000
Yamunanagar ..	50,000	98,680	-14,893	-10,521	2,17,500	52,500
Karnal ..	50,000	96,246	-62,362	-32,351	2,25,000	51,000
Panipat ..	50,000	83,298	-74,887	-63,200	2,25,000	49,000
Hissar ..	50,000	1,00,495	-17,117	-21,050	2,03,750	50,250
Total ..	3,00,000	5,32,084	-2,44,139	-2,09,720	11,46,250	2,65,750

The accumulated loss of Rs 2.10 lakhs incurred up to 30th June, 1967 represents 39 per cent of the total share capital. Heavy losses were attributed by the Deputy Registrar, Consumers Stores, to (i) excessive operational expenses and (ii) running of non-viable branches.

The Department stated in a written memorandum that as a result of the Chinese aggression and consequent declaration of National Emergency there arose all-round scarcity of some of the essential consumer commodities. The Government of India, therefore, sponsored a scheme for the organisation of a network of consumers co-operative stores in urban areas and in pursuance of the scheme nine Central Co-operative Stores were organised in this State. The consumer co-operative stores ordinarily sold goods at the prevailing market rate. These stores had been advised to adopt "Active Price Policy" which meant that the price of goods sold by them were based on actual cost after making necessary provision for interest on capital, normal trade fluctuation, other allowances necessary for capital formation and incentive bonus to members. It had been made clear to the stores that they need not necessarily, as a rule, follow the market prices. The ideal situation would be that the stores did not follow the prices prevailing in the market but should lead the market in such a way

that market followed the prices fixed by the stores. However, it had to be recognised that the consumer co-operatives in India could not fix prices themselves as they did not have a hold on production and market conditions. It was further stated that the central co-operative stores in this State only were not running in loss but this was so throughout the country where most of the consumer co-operative stores were running in loss. The losses were due to heavy operational expenses, low margin of profits on controlled commodities, embezzlement/continuance of uneconomic branches, injudicious purchase resulting in heavy blockade of unsold stocks and inexperienced General Managers. However, it was argued that the consumer co-operative stores were autonomous bodies having their own elected managements. The powers of the department to guide the internal working of the stores were quite limited under the Co-operative Societies Act, Rules and bye-laws and in the ordinary course the Department could not interfere in their internal working.

During the oral examination the departmental representative stated that the Government had not given any financial assistance to these stores since 1st April, 1966. It was also stated that progressively the loss was coming down and that during 1969-70 the loss came down to Rs. 2,50,416, i.e., it was reduced by half and also there was a profit of Rs. 56,208, the net loss in all these stores being only Rs. 1,94,207. During the last six months, i.e., up to December, 1970, there had been a profit of Rs. 53,921 and the loss was Rs. 35,471. The cost of management had been brought down by amalgamating or closing down the branches etc. It was also mentioned that at the time of starting the stores they did not have any experience in the field of consumer trade and the business part of it.

The Committee regret to observe that although the consumer co-operative stores were organised in 1963, i.e., more than 8 years ago, there has been no significant improvement in their working and they continue to function at a loss. Reasons advanced for such losses could have been removed or at least checked to a large extent through better planning and proper control by the management for which the Government/Department could have made positive contribution and by better understanding of the psychological trend of the consumers and making available the popular and standard brands of articles required by the common consumers. The Committee are inevitably led to believe that the consumer co-operative stores have failed to achieve the objects for which they were established. In certain cases, they have also led to malpractices. The Committee consider that since substantial Government money by way of loans and subsidy is involved, effective steps need be taken to safeguard the public interest.

The Committee recommend that a high level investigation into the working of the consumer co-operative stores should be undertaken to devise ways and means to ensure that they function on sound financial footing. The desirability of appointing personnel having practical experience in business may be considered under intimation to the Committee.

The Committee would also like to know the details of the cases where embezzlements had taken place in these stores and the detailed circumstances thereof.

REVENUE

39. Paragraph 29 of the Audit Report, 1969—Resettlement of landless agricultural workers on surplus land.

For resettlement of landless agricultural workers on surplus land, financial

assistance (loan and grant) was made available to them for reclamation of land, construction of houses and irrigation facilities. According to Government orders, loans and grants given for construction of houses were to be utilised within one year (extendable by six months) but no such time limit has been laid for utilisation of assistance given for other purposes. During 1961-62 to 1965-66, Rs. 8.63 lakhs (Rs. 6.70 lakhs loan and Rs. 1.93 lakhs grant) were given in five districts.

A test check of the records maintained in these districts brought to notice the following :—

(a) *Unauthorised grant of assistance.*—In 1961-62 Rs. 0.56 lakh (loan Rs. 0.47 lakh and grant Rs. 0.09 lakh) were paid to workers already settled on land. This was not covered by the scheme. In May, 1963 Government had ordered that responsibility for payment of unauthorised financial assistance should be fixed ; final outcome was awaited (January, 1969).

During 1964-65 also similar assistance of Rs. 0.20 lakh as loan was paid in thirty cases.

(b) *Utilisation.*—Utilisation of financial assistance (Rs. 2.94 lakhs loan and Rs. 1.26 lakhs grant) in 1,042 cases has not been verified by the department even though verification is required to be done within one year of the disbursement of financial assistance.

According to the departmental records, Rs. 3.20 lakhs (loan Rs. 2.85 lakhs and grant Rs. 0.35 lakh) were misutilised/unutilised in 609 cases. In sixty-six cases only (loan Rs. 0.87 lakh and grant Rs. 0.02 lakh) action to effect recovery had been completed till February, 1969.

(c) The instructions of Government (issued in March, 1964) to amend the existing form of agreement to ensure fulfilment of the conditions (such as utilisation of the assistance within the prescribed period and lump sum recovery with interest in the event of non-utilisation or misutilisation of assistance) had not been complied with.

The department stated in a written memorandum that loans and grants given for construction of houses were required to be utilised within one year from the date of disbursement (extendable by six months) and no such time limit was laid down for utilisation of assistance given for other purposes. However, the concerned Tehsildars observed the time limit of one year keeping in view the provisions contained in the Land Improvement and Agriculturists Loans Manual. As regards the particular irregularities noticed during test check of the records maintained in the districts, the position was explained as under :—

(a) *Unauthorised grant of assistance.*—(i) It was stated that as the progress of expenditure on the resettlement of ejected tenants on the surplus land was slow, the then Additional Secretary to Government, Punjab, Revenue Department—*vide* his D.O. letter dated the 24th October, 1961, directed that :

“There may be some difficulty in spending adequate amount under scheme No. 1 as resettlement of tenants on surplus area has not progressed sufficiently, but there is no reason why scheme No. II should not be pushed through as there is no difficulty in finding adequate number of persons to whom the waste land is leased out under the provisions of the East Punjab Utilisation of Lands Act.”

However, no funds were provided by the Government for the second scheme

of Harijans to be settled under the East Punjab Utilisation of Lands Act, 1949. These directions confused the concerned officials and the funds allotted for disbursement to ejected tenants were disbursed to the Harijans settled on waste-land. The explanation of four Tehsildars and one Naib-Tehsildar was called by the Commissioner, Ambala Division, but in view of the position explained above, the cases against them were dropped.

(ii) The disbursement of similar assistance of Rs. 0.20 lakh during 1964-65 was also attributed to the same reasons as stated in item (i) above. Disciplinary action against the defaulting Tehsildars was stated to have been initiated by the Commissioner, Ambala, and their explanations were called. After considering their explanations, cases against them were dropped.

(b) *Utilisation*.—It was stated that verification was done within the stipulated time in all districts except in Gurgaon and Karnal. The position in these districts was stated to be as under :—

Gurgaon.—A sum of Rs. 60,375 as loan and Rs. 71,025 as grant were disbursed in this district and verification of Rs. 47,875 as loan was made. Verification of Rs. 24,900 disbursed as grant out of Rs. 71,025 was not made. This verification could not be made in time as the Government order/instructions *vide* which these amounts were sanctioned did not provide for utilisation/verification time limit.

Karnal.—Verification in 629 cases pertaining to this district (Rs. 2.20 lakhs loan, Rs. 0.55 lakh grant) was not made within one year of the disbursement of financial assistance. The verification was done in 1968-69. The then Naib-Tehsildars (Agrarian) were responsible for this verification. One Naib-Tehsildar was stated to have retired on 1st December, 1968 and the other had died on 22nd December, 1966. No action could, therefore, be taken against them.

As regards misutilisation/unutilisation in 609 cases, the position was explained as follows :—

Rohtak.—There were 4 cases involving an amount of Rs. 400 as subsidy. The then Naib-Tehsildar responsible for default had been challaned in a criminal case and he was stated to have been convicted to a fine of Rs. 1,000 or in default to undergo simple imprisonment for six months.

Gurgaon.—Loan including subsidy (subsequently converted into loan) amounting to Rs. 3,09,000 was misutilised. A sum of Rs. 2,20,533 had since been recovered. The recovery of the balance amount was stated to be in progress.

Ambala.—An amount of Rs. 22,500 was misutilised in 30 cases in the years 1964-65 and 1965-66. Lump sum recovery was stated to have been made in 27 cases. In the remaining three cases recovery of Rs. 661.70 had also been made and the recovery of the balance amount of Rs. 1,588.30 was in progress.

Karnal.—An amount of Rs. 1,32,450 as loan and Rs. 11,750 as subsidy was misutilised out of which Rs. 79,946.66 had since been recovered.

(c) *Gurgaon*.—The Deputy Commissioner, Gurgaon reported that the existing form of agreement had been got amended as soon as it was pointed out by the party.

It was further stated during oral examination that no assistance was now being given under the scheme for the resettlement of tenants.

The Committee regret to observe that the scheme was introduced without examining all the relevant issues and the position became worse as a result of the confusing orders issued by the Additional Secretary to Government, Punjab, Revenue Department, in October, 1961, as a result of which the field staff disbursed assistance for a purpose not strictly covered under the scheme. Moreover, even the fundamental requirement of verification of the proper utilisation of loans within the stipulated time was not prescribed. It was prima-facie left to the field staff to presume things and to draw their own time schedules. In fact the introduction of half-baked schemes generally leads to complications and financial irregularities. Although this particular scheme is no longer in operation, the Committee would urge that as and when such a scheme is undertaken clear cut directions should be issued to all concerned.

The Committee would also like to be informed about the progress of recovery of loans and subsidy where these were not properly utilised and about the verification of their proper utilisation in the remaining cases.

WELFARE OF SCHEDULED CASTES AND BACKWARD CLASSES

40. Paragraph 23 of the Audit Report, 1969—Withdrawal of funds in advance of requirements.

According to financial rules, no money should be drawn from the treasury unless it is required for immediate disbursement.

Rupees 5 lakhs were drawn by the Director, Welfare of Scheduled Castes and Backward Classes, on 30th March, 1968, for investment as share capital in a Harijan co-operative finance and development corporation. The amount was converted into a remittance treasury receipt in favour of the Corporation but the payment was withheld as the Corporation had not started functioning. In February, 1969, Government intimated that the amount was refunded into Treasury in November, 1968.

The department stated in a written memorandum that the sanction for the drawal of the amount of Rs. 5 lakhs was received by the Director of Welfare of Scheduled Castes and Backward Classes on the 29th March, 1968. There was no restriction/condition imposed by Government/Finance Department to be complied with before drawing the payment. The amount was, therefore, drawn from the Treasury on the 30th March, 1968, for immediate disbursement. It was converted into a remittance treasury receipt in favour of the Secretary of the Haryana Harijan Co-operative Finance and Development Corporation. (Director, Welfare of Scheduled Castes and Backward Classes, Haryana, himself was the Secretary of the Corporation in his *ex-officio* capacity.) But it was not clear as to whether the remittance treasury receipt was to be delivered to the Cashier of the Corporation or any other Member of the Board of Directors. The Director, Welfare of Scheduled Castes and Backward Classes, immediately referred the matter to Government on the 30th March, 1968, for giving clear instructions in the matter. Ultimately, on receipt of the advice of the Finance Department on the 8th October, 1968, the amount was refunded into the Treasury on 7th November, 1968. It was also stated that although the Corporation had been registered on 30th

March, 1967, under the Punjab Co-operative Societies Act, 1961, and its bye-laws were approved by the Government on the 22nd March, 1968, it could not come into existence in practical shape as the Registrar, Co-operative Societies, did not agree to the proposal for nominating the first Board of Directors of the Corporation as permitted under bye-laws on the ground that it was not permissible under the Punjab Co-operative Societies Act.

It was further mentioned during the course of oral evidence that the Corporation had been wound up because Government had subsequently decided to utilise the funds for all these purposes through a company to be constituted under the Companies Act. It was also stated that the aforesaid company had since been registered and would start functioning very shortly.

On a specific enquiry as to whether it was not possible before the money was drawn to carry out all the investigations and make sure that money could be paid before 31st March, the departmental representative intimated that after issue of the sanction by the Government certain lacunae came to notice of the department which could not be anticipated earlier.

The Committee are extremely unhappy at undue haste with which the amount of Rs. 5 lakhs was sanctioned and drawn from the treasury. The Harijan Co-operative Finance and Development Corporation with whom the amount of Rs. 5 lakhs was to be invested as the share capital did not actually start functioning and the Department was unaware as to whom the money was to be advanced and what documents were to be executed for the purpose in order to safeguard the interests of the Government.

The Committee strongly feel that before the amount was sanctioned and allowed to be drawn from the treasury all the preliminaries should have been completed and definite instructions given for its proper disbursement and discharge of relevant documents. The Committee also regret to note that even after the money was drawn there was considerable delay in finalising the issues and refunding the amount into the treasury.

The Committee would urge that suitable instructions should be issued to all concerned for avoiding such instances in future. The Committee feel that such cases of hasty drawal of funds and keeping them unutilised seriously affect the ways and means position of the Government towards the end of the financial year when the pressure on its cash resources is especially heavy. The Committee feel that the only way to ensure that this does not happen will be for Government to insist and ensure that all sanctions to grants-in-aid, subsidy, contributions to share capital etc. are finalised before the end of February each year and that unspent amounts are surrendered before the 31st of March. Although the financial rules provide for such surrender, frequent breach of the rules can only be prevented if Government take serious notice and punish defaulters.

HARYANA STATE ELECTRICITY BOARD

41. Paragraph 53 of the Audit Report, 1969—Infructuous expenditure of Rs. 19,400.

Audit had pointed out that construction of a switch-house building at Sonapat was completed in March, 1965, at a cost of Rs. 54,500 through a contractor. The work was certified to have been completed satisfactorily and

according to specifications by the Sub-Divisional Officer-in-charge from February to April, 1964. In September, 1967, however, the beams in the roof of the building were found to be bending. The Executive Engineer, Civil Works (T) Division, Hissar, stated in May, 1968, that the reinforcement was "put in a wrong way". The roof was re-laid in January, 1968, at a cost of Rs. 19,400. While the question of fixation of responsibility was under investigation, the Sub-Divisional Officer retired from service on 7th April, 1964.

The Board stated in a written memorandum that after proper investigation into the case, responsibility had been fixed on the Sub-Divisional Officer (since retired) up to the extent of 1/3rd of the loss, viz, Rs. 6,469 and on the Sectional Officer (since allocated to Punjab State Electricity Board) to the extent of 2/3rd share of the loss, viz, Rs. 12,939. Rs. 795 payable to the Sub-Divisional Officer on account of remaining part of death-cum-retirement gratuity had been appropriated towards his share of the loss, and the balance amount of Rs. 5,674 being irrecoverable had been written off. The matter in regard to the recovery of loss from the Sectional Officer was under correspondence with the Punjab State Electricity Board.

It was added that the Divisional Accountant who was responsible for pre-auditing the bill failed to point out that the certificate regarding the work having been executed according to the prescribed drawings and specifications had not been recorded by the S.D.O. The Divisional Accountant had already been charge-sheeted for this lapse. The Executive Engineer who failed to detect this omission was stated to have been allocated to Punjab. His explanation had already been called for.

During oral evidence, the departmental representative stated that the beam in the roofs of the building was found to be bending because the reinforcement was put in the wrong way. The departmental representative was asked to examine whether it was not the liability of the contractor in case the reinforcement was wrong. The department promised to examine this point further.

The Committee would like to know the progress in regard to the recovery of the loss from the Sectional Officer and finalisation of action against the Executive Engineer and the Divisional Accountant concerned.

The Committee would also like to know the outcome of the further investigation into the question of liability of the contractor for laying wrong reinforcement in the roofs of the building.

42. Paragraph 54 of the Audit Report, 1969—Purchase of defective material.

Audit had pointed out that 13,050 kilograms of hot dip galvanised bolts and nuts were purchased from a firm in November, 1965 and February, 1966, for Rs. 43,200 by the Superintending Engineer, Karnal Circle, for strengthening of 132 K.V. Panipat-Hansi line. While using the materials, it was noticed that they could not stand the normal load of tightening with nuts. The Sub-Divisional Officer, Panipat Sub-Division, wrote to the supplying firm in March, 1966, for replacement of the entire quantity supplied. The supplier, however, declined to replace the material, stating that the supplies were made according to the purchase order which did not have any provision for tightening torque. The firm also held that in the absence of any specifications, they

supplied ordinary bolts and nuts conforming to the British standard specification No. 916. On being approached by the Board, the National Test House, Calcutta, certified in January 1968 that the material supplied was in accordance with the British standard specifications. The Board informed Audit in November, 1968 that it had since been decided to use the material on other works. The responsibility for placing an incomplete purchase order, without indicating the specifications, had not been fixed till November, 1968.

The Board stated in a written memorandum that the following specification was laid down in the Notice Inviting Tender/Purchase Order :—

“Notice Inviting Tender”

G.K.W. or Tata Make G.I. Bolts and Nuts size (assorted sizes) according to the B.S.S. 916.

Purchase Order

Hot Dip Galvanized HRH Bolts and Nuts size $2'' \times 9/16''$
 $1\frac{1}{2}'' \times 9/16''$

Tightening torque was not mentioned specifically either in the Notice Inviting Tender or the Purchase Order.”

It was also stated that as a result of using them on the work, the S.D.O T/L, Sub-Division, Panipat found that these Bolts and Nuts did not withstand the normal load of tightening. He reported this to the suppliers requesting them to replace the supply. Since the supplier did not agree to replace their supply, two samples of each size of Bolts and Nuts were forwarded by the Executive Engineer, Panipat Division No. 1, to the National Test House, Alipur, Calcutta, in December, 1967 with a request that they be tested with reference to BSS 916. According to Test Certificate issued by the National Test House, Alipur, Calcutta, in January 1968, samples of the Bolts etc. were found as conforming to BSS 916/1953.

It was further stated that out of the total supply of 13050 KG of the Bolts and Nuts, 4560 K.G. had since been utilized on other works.

The Board had also argued that it was not customary to put down the requirement of tightening torque in the specifications for Nuts and Bolts, nor was such a stipulation included in the B.S.S. 916/1953, which formed the basis of the Notice Inviting Tender. It was, therefore, assumed that the Nuts and Bolts conforming to this specification would automatically withstand the tightening torque applied in such cases. The case was stated to have been taken up with the British Standard Institute to obtain further clarification as to the normal expectation of tightening torque in such cases. On receipt of their reply, the question of enforcing the responsibility of the supplier would be examined.

During the course of oral examination, it was stated that the Sub-Divisional Officer tested the strength of these Bolts and Nuts by applying an incorrect method as a result of which he thought that these Nuts and Bolts would not withstand the load. It was also mentioned by the departmental representative that they were buying G.K.W. bolts of BSS. It was

found that the bolts purchased earlier could not withstand the load as certain towers had fallen and, therefore, it was considered that standard quality material should be used. On being pointed out by the Committee that the purchase order did not specify either about GKW or BSS 916, the departmental representative stated that he would examine this point and inform the Committee. Subsequently the Committee was informed in a written reply that the bolts supplied were GKW make and instructions have been issued to field officers to mention carefully the specifications of the material in the purchase order.

To an enquiry whether the Board have any rules about the selection of samples for testing where the quality of a product was doubtful, the Board's representative stated that there was no system and the bolts were taken out for inspection and testing at random. He added that for future a procedure will be laid down for selection of samples.

The Committee observe that while the Notice Inviting Tender did make a mention about the quality of these bolts and nuts as GKW or TATA MAKE, conforming to BSS 916, the purchase order contained no mention about the quality of these bolts and nuts to be supplied. There was thus a serious lacuna in the Purchase Order.

The Committee are unable to believe that the method adopted by the S.D.O. concerned for testing the strength of the bolts and nuts was not correct, particularly as it was obviously accepted by the department in the first instance.

The Committee would like to know the result of the reference stated to have been made to the British Standard Institute for obtaining further clarification in regard to expected tightening torque and the extent to which the liability of the supplier could be enforced.

If the bolts and nuts had indeed been supplied according to specification and had still failed, it would be indicative of a serious lapse in drawing up the specifications. The fact that the bolts and nuts had to be diverted to other works strongly indicates that either there was a defect in drawing up the specifications or a defect in the purchase process which enable the supplier to take advantage or, finally, notwithstanding correct specifications the supplier has supplied defective bolts. The Committee desire that it should be quickly determined as to which of these three possible causes was the real contributing factor for the defective supply and that responsibility for it should be fixed under intimation to the Committee.

The Committee may also be informed as to how the balance quantity of 8,490 KG of bolts and nuts has been utilized or is proposed to be disposed of.

The Committee would also like to know if rules laying down procedure for selection of samples for testing and inspection have been framed.

43. Paragraph 55 of the Audit Report, 1969—Under assessment of Electricity Charges.

A test-check by Audit of the consumers' accounts maintained during the years 1965-66 and 1967-68 in 47 revenue offices showed that in 1,450 cases

Rs 7.64 lakhs had been under-assessed or recovered short as detailed below :—

Nature of charges	No. of cases	Amount under-assessed or short recovered
		Rs.
1. Energy Charges	650	5,59,300
2. Minimum Consumption Guarantee	437	1,14,000
3. Electricity Duty	363	91,000
Total	1,450	7,64,300

Out of the above, Rs. 6.21 lakhs (1,197 cases) were outstanding for recovery till 31st July, 1968.

The Board stated in evidence that after further verification, the correct amount of electricity charges outstanding on 31st July, 1968, worked out to Rs. 4,87,084. Out of this Rs. 3,53,477 had since been realised and for the balance Rs. 1,33,607 details are as under :—

	Rs.
(i) Amount written off	6,831
(ii) Not found recoverable on examination of individual accounts.	72,241
(iii) Court cases (still pending)	10,900
(iv) Amount against disconnected consumers	21,436
(v) Cases under examination	22,199

The under-assessments of the electricity charges were attributed to the following factors :—

- (i) Wrong application of tariff.
- (ii) Wrong calculations/totalling mistakes.
- (iii) Non-compounding of tariff.
- (iv) In-correct levy of service and meter rentals.
- (v) Non-levy of Surcharge.
- (vi) Non-levy of average charges in the cases of burnt/defective meters.
- (vii) Non-levy of M.C.G.
- (viii) Dispute about load.
- (ix) Other disputes/controversies between the consumers and the Board etc.

However, it was stated that these under-assessments/mistakes, disputes had to be judged against the background of total revenue, assessment and realisation made by the Board every year, which was to the tune of Rs. 9.25 crores. While all necessary care was taken to ensure that the billing was done correctly, mistakes sometimes did arise in actual practice. They were rectified as soon as they came to notice either directly or through internal or statutory audit.

It was further stated that the Board had already reorganised its internal audit department and a separate branch under the charge of Chief Auditor had been constituted. It was hoped that with the intensification of internal audit all the cases of under-assessments would be rectified in time if not altogether eliminated. Besides a strict view was also being taken where the failure of the revenue officials concerned was clearly established.

In reply to an enquiry during the course of oral examination in regard to the total arrears of revenue outstanding on 31st March, 1971, the Board's representative stated that according to the balance-sheet as on 31st March, 1971, the sundry debtors for electricity supplied amounted to Rs. 65,24,334.

The Committee view with concern the number of cases of under-assessments/mistakes, etc. and the extent of total outstanding arrears towards the electricity charges which were to the tune of Rs. 65.24 lakhs as on 31st March, 1971.

The Committee would urge that immediate and effective steps should be taken to ensure that electricity charges are computed as accurately as possible and that instances of under-assessments etc., are reduced to the minimum.

The Committee would like that the outstanding arrears should be liquidated with the utmost attention and speed and further recommend that serious cases of delay or miscalculations may be thoroughly investigated and responsibility fixed on the defaulting officers/officials.

44. Paragraph 56 of the Audit Report, 1969—Non-utilisation of a vehicle due to abnormal delay in repairs:

Audit had pointed out that a new pick-up van was purchased by the Sub-Divisional Officer, Gurgaon for Rs. 19,000 in November, 1960. The vehicle was entrusted to a local private repairs Workshop for carrying out repairs in November, 1962, when it had run only 35,050 kilometres during November, 1960 to April, 1962. Material worth Rs. 2,000 was also issued from the departmental stores for repairs to the vehicle. The department did not take action to get back the vehicle from the firm after repairs until June, 1966, when the failure was pointed out by the Superintending Engineer in his tour note. In December, 1967, the Haryana State Electricity Board advised the Chief Engineer that material evidence should be collected for prosecution of the Workshop and the negligent officers should be punished. The action taken by the Chief Engineer in the matter had not been intimated to Audit till February, 1969.

The Executive Engineer informed the Superintending Engineer in January, 1968, that the representative of the firm had agreed to return the vehicle duly

repaired within thirty days and that an advance payment of Rs. 400 would be made to the firm for the work already done. The Chief Engineer informed in February, 1969, that the pick-up van had been brought back from the Workshop unrepaid on 22nd August, 1968.

The Board stated in a written memorandum that the vehicle was made over to the private Workshop for repairs in November, 1962 at a cost of Rs. 2,400 plus the value of spares which were to be issued from the departmental stores. The record of the Board did not show the reasons for which the vehicle could not be taken back from the firm until it was pointed out by the Superintending Engineer in June, 1966. But it appeared that there was indifference and negligence on the part of the Board officers/officials in not having initiated proper timely action against the firm to retrieve the vehicle. For this, three Executive Engineers, two Sub-Divisional Officers and four Line Superintendents had been held responsible. Of these one Executive Engineer had since been promoted as Superintending Engineer and one S.D.O. was allocated to Punjab State Electricity Board. Disciplinary action was being initiated against these officers/officials under the Punishment and Appeal Rules.

Out of the spare parts worth Rs. 1,776 issued to the private repair workshop, spares worth Rs. 618 had since been collected back from the workshop while parts valuing Rs. 283 had been fitted in the vehicle as duly verified by the Field Officer. The remaining spares for Rs. 875 had not been returned by the workshop.

In reply to an enquiry from the Committee, the Board stated that another similar case had also come to their notice where a pick-up belonging to Charkhidadri Sub-Division was sent to a Workshop in the year 1967 for carrying out repairs and general overhaul. This vehicle was obtained back in August, 1971. Further action to fix responsibility in this case was stated to be under examination.

The Committee were surprised to note that a new pick-up van which had covered only 35,050 kilometres in a period of about two years needed such intensive repairs and once it was sent to a private workshop for repairs no action was taken to retrieve it for about six years. Even after the Superintending Engineer had pointed out the default in June, 1966, no tangible steps seem to have been taken for about 11 years to get back the vehicle from the workshop.

The Committee would like to be informed—

- (a) about the final action taken against the officers/officials held responsible for indifference and negligence in not having initiated proper and timely action for retrieving the vehicle ;
- (b) whether the balance spares worth Rs. 875 have been obtained from the workshop ;
- (c) whether the vehicle has since been got repaired and if so, the cost at which it has been repaired ; and
- (d) about the action taken against officers responsible in the second case relating to Charkhi Dadri Sub-Division.

The Committee would further like that the desirability of taking suitable action against the private repair workshop owners for not returning the vehicles after repairs for such a long time may also be considered and the Committee informed as to how the services of the drivers employed for the two vehicles were utilised during the period during which they remained idle.

45. Paragraph 57 of the Audit Report, 1969—Irregularities in stores accounts.

Audit had mentioned that an examination of reports of stock verification conducted by departmental officers and a test check of accounts of the Board revealed ten cases of shortages and losses of stores relating to the period from December, 1961 to November, 1967. Out of the total amount of Rs. 1,68,352 a sum of Rs. 36,428 only had been adjusted/recovered and the balance amount of Rs. 1,31,924 was still pending recovery/adjustment till November, 1968. A sum of Rs. 75,994 had, however, been placed under "Miscellaneous Public Works Advances."

Out of these 10 cases, details of two involving stores worth Rs. 99,747 are as under :—

(i) Papipat Division No. II, Panipat

As a result of physical verification of stores conducted by the Stock Verifier during October, 1965/September, 1966, shortages of stores worth Rs. 25,477 were noticed. Against this, a sum of Rs. 23,596 was placed under the head "Miscellaneous Public Works Advances" pending final recovery or adjustment.

In the same Division, the Sub-Divisional Officer, Suburban Sub-Division, Panipat, while taking measurements of certain works during July, 1965, to September, 1965, pointed out less consumption of quantities of certain store articles worth Rs. 5,564 as compared to the quantities shown to have been actually consumed by the three Line Superintendents. The amount had been placed under the head "Miscellaneous Public Works Advances" pending recovery or adjustment.

Further, stores worth Rs. 1,716 drawn from Central Stores by a Line Superintendent in January and April, 1964, were not accounted for. The amount was adjusted in the Divisional record in March, 1967, by debit to the head "Miscellaneous Public Works Advances" pending recovery or adjustment.

(ii) Hissar Division

The physical verification of stores of different Sub-divisions conducted by the Stock Verifier during the months of February, October and November, 1967, revealed shortages of material worth Rs. 66,990. The department intimated in September, 1968, that out of Rs. 47,363 placed under the head "Miscellaneous Public Works Advances" a sum of Rs. 35,584 had since been finally adjusted in accounts.

The Board stated in a written reply that the total amount of shortages/loss in stores worked out to Rs. 1,82,095 and not Rs. 1,68,352 mentioned in the audit paragraph. The difference was due to the fact that at the time of audit

inspection, the physical verification of Stores at Hansi was still in progress and after accounting for the final shortages it came to notice that the shortages had increased from Rs. 1,68,352 to Rs. 1,82,095. Of this a sum of Rs 31,789 had been adjusted/finally recovered. A sum of Rs. 1,33,146 had been charged to the head "Miscellaneous Public Works Advances" out of which Rs. 82,700 had further been adjusted. It was added that responsibility for shortages amounting to Rs. 50,906 had since been fixed. As regards the two cases relating to Panipat Division and Hissar Division, the position was explained as under :—

Panipat Division

The correct amount placed under the head "Miscellaneous Public Works Advances" was Rs. 31,175. The remaining amount of Rs. 1,582 was not adjusted under this head due to certain disputes arising between two divisions.

The latest position regarding the outstanding shortages was stated to be as under :—

	Rs
Total shortages as per audit paragraph ..	32,757
Less shortages reconciled/adjusted ..	19,993
Balance shortages awaiting adjustment ..	12,764
Shortages for which responsibility had been allocated ..	9,487
Cases under further investigation ..	3,276

Hissar Division

As per latest information received, a total amount of Rs. 52,089 was stated to have been placed under the head "Miscellaneous Public Works Advances". The balance amount of Rs. 14,901 not debited to this head had been adjusted against surpluses after due verification.

The latest position of the recoveries/adjustments was shown as under :—

	Rs	Rs
(a) Total amount of shortages as per audit paragraph ..		66,990
Deduct —(i) Shortages reconciled/adjusted ..	55,080	
(ii) Cost of P. C. C. Poles in broken condition and some missing parts of petty nature to be written off ..	232	55,312
(b) Balance shortages for which responsibility has been fixed ..		11,678

It was further stated that the control of various stores depots had been taken away from the jurisdiction of the Divisional Officers and centralised under the Controller of Stores at the Headquarters Office under the direct charge of the Chief Engineer. The agency of stock verifiers, who had to carry out physical verification of stores in the Stores depots, had also been placed

under the charge of the Controller of Stores. The stores value ledgers, which were previously maintained in the stores depots, locally had been transferred to the central office and only the stores quantity ledger cards were now being maintained in the stores depots.

✓ The Committee are distressed to note the magnitude of cases of shortages, etc., arising in the various divisions of the Board. Some of these shortages may presumably pertain to old periods and with the passage of time, it might become difficult to locate them as a result of transfer or retirement, etc., of the officials concerned and non-availability of the relevant records. The Committee would urge that all the cases of shortages of stores may be investigated and finalised as urgently as possible and responsibility fixed, wherever called for at all levels.

The Committee may be informed about the progress of the settlement of all outstanding cases particularly in respect of Panipat and Hissar Divisions.

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