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HARYANA VIDHAN SABHA

COMMITTEE

ON

PUBLIC UNDERTAKINGS

(1988-89)

(SEVENTH VIDHAN SABHA)

TWENTY NINTH REPORT

ON THE

REPORT

OF THE

COMPTROLLER & AUDITOR GENERAL OF INDIA
FOR THE YEARS 1980-81, 1981-82 & 1982-83

RELATING TO

HARYANA STATE ELECTRICITY BOARD



14 MAR 1989

Presented to the House on.....

HARYANA VIDHAN SABHA SECRETARIAT
CHANDIGARH.

1989

to

Twenty Ninth Report of the Committee on Public Undertakings.

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COMPOSITION
OF
THE COMMITTEE ON PUBLIC UNDERTAKINGS
(1988-89)

CHAIRMAN

- *1. Shri Yogesh Chand Sharma
2. Shri Mangal Sein

MEMBERS

3. Shri Des Raj
4. Shri Jai Singh Rana
5. Shri Mange Ram
6. Shri Muni Lal
7. Shri Pardeep Kumar Chaudhry
8. Shri Ranjit Singh
9. Shri Surinder Kumar Madan
- **10. Shri Gurdial Singh Saini

SECRETARIAT

1. Shri S.S. Ahlawat, Secretary
2. Shri Shanti Sarup, Under Secretary

*Shri Yogesh Chand Sharma, M.L.A., resigned from the Chairmanship and membership of the Committee w.e.f. 20th July, 1988 and 28th July, 1988, respectively and Shri Mangal Sein, M.L.A., a member of the Committee, was appointed Chairman of the Committee w.e.f. 21st July, 1988.

**Shri Gurdial Singh Saini, M.L.A., was nominated by the Hon'ble Speaker as a member of Committee w.e.f. 22nd November, 1988, for the remaining period of the year 1988-89.

Note :—The Committee for the year 1988-89 was nominated by the Hon'ble Speaker in pursuance of the motion moved and passed by the Haryana Vidhan Sabha in its sitting held on 16-3-1988 authorising him to nominate the members of the Committee on Public Undertakings for the 1988-89.

INTRODUCTION

I, the Chairman of the Committee on Public Undertakings, having been authorised by the Committee in this behalf, present this Twenty Ninth Report of the Committee on the reports of the Comptroller and Auditor General of India for the years 1980-81, 1981-82 and 1982-83 relating to the Haryana State Electricity Board.

2. The Committee orally examined the representatives of the Department/Board. A brief record of the proceedings of various meetings of the Committee held during the year 1988-89 has been kept in the Haryana Vidhan Sabha Secretariat.

3. The Committee place on record their appreciation of the valuable assistance and guidance given to them by the Accountant General (Audit), Haryana, and his staff.

4. The Committee are thankful to the representatives of the Finance Department, Haryana, and the representatives of the Irrigation & Power Department/said Board, who appeared before the Committee from time to time.

5. The Committee are also thankful to the Secretary, Haryana Vidhan Sabha, and his officers/staff for their wholehearted cooperation and assistance rendered to them.

Chandigarh :
the 8th Feb., 1989.

MANGAL SEIN
Chairman.

**REPORT ON THE
REPORT OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA
FOR THE YEAR 1980-81.**

Paragraph 6.9. Purchase of transformers

1. Tenders for purchase of 31 transformers of 4 MVA capacity (33/11 KVA rating) were opened on 6th December 1977. The tender of firm 'A' which was lowest at its quoted rate of Rs. 2.55 lakhs (equivalent rate : Rs. 2.64 lakhs) per transformer was recommended (February 1978) for acceptance by the Store Purchase Committee. According to the schedule of prices contained in the offer, the prices were firm, but, in another schedule containing the terms and conditions, it had been mentioned that the prices were variable as per the formula of Indian Electrical Manufacturers' Association with a ceiling of 7.5 per cent. The Board rejected the tender in February 1978 on the ground that it was vague as regards prices even after it was clarified (January 1978) by firm 'A' that the prices were firm as stated in the schedule of prices, and the variation clause stated against terms and conditions was an inadvertent mistake.

Fresh tenders for the purchase of 34 transformers were invited in March 1978. Orders were placed in March 1978 for supply of 34 transformers on 2 firms, 10 transformers on Firm 'A' at its firm quoted rate of Rs. 2.65 lakhs (equivalent rate : Rs. 2.82 lakhs) per transformer and 24 transformers on firm 'B' at its firm quoted rate of Rs. 2.63 lakhs, (equivalent rate : Rs. 2.88 lakhs) per transformer. Thus, in rejecting the earlier offer of firm 'A' in spite of its unqualified clarification, the Board incurred avoidable extra expenditure of Rs. 6.99 lakhs in the purchase of 31 transformers.

In their written reply, the Department/Board stated as under :—

- “(i) Tender enquiry No. CH-1046 dated 6-12-1977 floated for the purchase of 31 Nos. 33/11 KV, 4 MVA Power Transformers was rejected by the Board as the tender of the first lowest firm viz. M/s E.C.E.C. Sonipat was found vague due to following observations :—
- (a) The firm in their tender at one place had written that their prices were firm whereas in their comment on the terms and conditions of the Contract under Schedule 'D', they had mentioned that their prices were variable with $\pm 7\frac{1}{2}\%$ ceiling as per IEMA formula.
- (b) Provision regarding Sales Tax was also not clear. The firm had mentioned in their tender that the prices quoted by them were exclusive of Haryana Sales Tax or C.S.T applicable at the time of supply. They further stated that the rate of Haryana Sales Tax was 1% and the C.S.T. was 4%. From this, it was evident that the firm reserve the right to supply material either from with-

in or from out-side Haryana. The firm has got factories/branches at a number of places, both within and outside Haryana so they can supply the material from any of these places. While, the firm in their covering letter of their tender dated 7-11-77 stated that the transformers (material under enquiry) offered by them will be manufactured in their factory located at Sonipat (Haryana) but they had not given any clear commitment that the material would be supplied from Sonipat. Under Clause Taxes also they have mentioned that the prices quoted by them are exclusive of Haryana Sales Tax as well as C.S.T.

In view of this position, it would be correct to take into account the incidence of Haryana Sales Tax @ 1% as well as C.S.T. @ 4% for working-out the equivalent price. Here, it is clarified that according to provision contained in the Regulation 8.7 of H.S.E.B. Purchase Regulations 1976, the tenders containing ambiguous terms are to be rejected. No doubt, the firm later on vide their letter dated 23-1-1978 i.e. after the price Bids had already been opened (6-12-1977) clarified that their prices were firm but it was after opening of the tender. According to Regulation 10 of H.S.E.B. Purchase Regulations, 1974, the post tender negotiations are strictly prohibited, as such, post tender modification, clarification were not required to be taken into account. Further during processing of the above enquiry, it was found that the offer of the next firm i.e. M/s Electra India Ltd. Meerut, was also ambiguous as such the Board decided for calling fresh tenders in two parts on the assurance from MM section that there was ample stock of this item and, therefore, the tenders could be re-invited without affecting supply position. So fresh tender enquiry No. QH-1123 dated 15-3-78 was floated for the purchase of 31 Nos. 33/11 KV 4 MVA Power Transformers. The quantity of 31 was increased to 34 by SPC in its meeting dated 30-5-78.

- (ii) Since, the offers received against the tender enquiry No. QH-1046 dated 6-12-77 were found in violation of the provisions of Purchase Regulations as such there was no matter to be investigated and fixing the responsibility of an officer/official."

During the course of oral examination it was stated by the departmental representatives that the tender of the lowest firm namely M/s E.C.E.C. Sonipat, though lowest, was correctly rejected because it was vague and the firm was keeping the options open for it by saying at one place that its prices were firm while in its comments on the terms and conditions of the contract it was stated that its prices were variable. It was further stated that it was not a question of re-inviting the tenders but of inviting them in two parts as per the following decision of the Board —

"The Board in its meeting held on 27/28-2-1978 considered that this was a case more appropriate for calling tenders in two parts and since Chief Engineer (M.M.) who was specially invited while this item was under discussion, assured that there were ample stocks of this item and that, therefore, tenders can be re-invited without affecting the supply position. Therefore, the Board decided that the tenders be invited in two parts expeditiously."

The first part requires settlement of specifications and the other inviting of quotations from the firms. It is only after the settlement of the terms and conditions that the second part of the tender giving rates are opened. Besides, the tender in this case was invited in accordance with Rule 7.5 of the Haryana State Electricity (Purchase) Regulations, 1974, which reads as under —

“However, for specified items, a list of which duly approved by the Whole-time Members will be published from time to time, the tenderers shall be asked to submit their quotation tender in two parts the first relating to technical specifications, schedule of deliveries, and other terms and conditions except the rate, and the second part containing the rates quoted for each item as well as other related terms like freight, sales tax, price escalation, etc..”

Therefore, the orders for purchasing the transformers in question were correctly placed. It was further stated that the procedure of inviting tenders in two parts or in one part in future would be examined taking into consideration the procedure adopted by the Government of India Undertakings in this behalf.

The departmental representative further stated that the files move from the Assistant level to the Commissioner level and those who processed the case might have committed some error in placing the order for purchasing the transformers. When questioned by the Committee, it was stated that it would be looked into and responsibility fixed within a period of one month.

In the information furnished by the Board subsequently, it was stated as under —

“The position regarding invitation of tenders for purchase of 31 Nos. 4 MVA 33/11 KV transformers against Tender Enquiry No. QH-1046 has been checked up and it is found that tenders in this case were not invited in two parts. The file leading to invitation of tenders is not available. However, from the copy of Notice Inviting Tender No. 9 which also includes Tender Enquiry No. QH-1046 along with other NITs, it is seen that the same has been issued under the signatures of Sh. M.M. Goel, S.E. (Purchase) (since retired). Shri Pritam Singh, who was the Chief Engineer (MM) at that time has also since retired.

It may be stated here that the W.T.M's decision of October/November, 1975 regarding invitation of tenders in two parts of all transformers of 500 KVA and above capacity was being implemented only in respect of transformers needed for 66 KV and above voltage rating sub-stations.

Non-invitation of tenders in two parts is only a procedural lapse and did not involve any financial loss to the Board. Instructions to the Chief Engineer (MM) to implement the decision in toto now have been issued.”

The Committee feel that extra expenditure of Rs. 6.99 lakhs could have been avoided had the Board negotiated with the lowest firm re-

garding firmness of rates and specifications of the transformers, which was permissible under the provisions of Purchase Regulations of the H.S.E.B.

The Committee desire that responsibility for not processing of the papers properly be fixed and the action taken against the delinquent official be intimated to the Committee. The Committee further recommend that adequate care be taken to avoid such lapses in future.

The Committee also recommend that the procedure of inviting the tenders be re-examined in the light of the procedure adopted by the Government of India Undertakings expeditiously and the decision taken be intimated to the Committee.

Paragraph 6.10.. Incorrect assessment of requirement of cables.

2. The requirement of power/control cables for construction and maintenance of the third 60 MW unit of the Faridabad Thermal Power Project was assessed by the project authorities in consultation with their consultants. An order for supply of 97.25 kms. of various sizes of 1.1 KV control cables was placed on firm 'A' in July 1978. In September 1979, the ordered quantity was enhanced to 110.25 kms. at the same rates and on the same conditions. During execution of the work it was noticed (June 1980) that seven sizes of even the enhanced quantities of 1.1 KV control cables were inadequate for the requirements. After unsuccessfully exploring the possibilities of obtaining the additional requirements from other plants/projects, a purchase order for 34 kms. of the seven sizes of 1.1 KV control cables was placed on firm 'B' in July 1980, after inviting short-term limited tenders.

The rates of firm 'A' were firm except for the stipulation that any statutory variation in excise duty on finished products which takes place within original delivery period (i.e., up to 31st December 1978) would be to the account of the Board and such variation, which takes place after 31st December 1978, would be to the account of supplier. The quantities of the cables to be supplied by the firm 'A' were enhanced in September 1979 at the same rates as incorporated in the purchase order of July 1978 as there was no variation in excise duty up to 31st December 1978 which would be to the Board's account.

Computed with reference to the rates of firm 'A' there was an extra expenditure of Rs 5.07 lakhs (approximately) in purchasing 34.009 kms. of cables from firm 'B' which could have been avoided, had the requirements been assessed properly at initial stages.

In their written reply, the Department/Board stated as under :—

- "(1) The Consultants viz. Central Electricity Authority initially assessed the requirement of Control Cable of various sizes as 82.75 Kms. vide their letter No. 80/405/78/TED/CEA/3544 dated 15-6-78. A requirement of 16.5 Kms. of Cable for O&M was added in this. As such an order for procurement of 97.25 Kms. (excluding some stock of 10x2.5 sq.mm. Cable available with the Board) was placed on

M/s. Fort Gloster vide P.O. No. 14770/TP-1076/Vol.-III dated 13-7-78. In September, 1979, it was noticed that the ordered quantity had fallen short. As such, revised requirement of Cable was assessed to 110.25 Kms. and the ordered quantity enhanced accordingly on the same rates vide amendment No. 17850/TP-1076/Vol.-V, dated 10-9-79. It would be thus observed that the order on M/s. Fort Gloster was placed on the basis of assessment of Consultants i.e. Central Electricity Authority which is normally done as per their previous experience and based on the basis of tentative schemes available with them at that time and not on the actual design/schemes. After all the orders had been placed, the schemes were finalised and locations of some of the equipments/panels were changed at site from those provided in the original schemes because of space limitations. After the finalisation of schemes and as per actual site requirements, the requirement of Control Cables was reassessed in consultation with the Consultants viz. Central Electricity Authority vide Chief Engineer/Thermal D.O. letter No. 9095/TPE-130 dated 29-6-80 and the order for additional requirement was placed at the competitive market rates after observing usual formalities.

(ii) Hence, no one is held responsible nor there had been any loss to the Board for the reasons :—

- (a) The initial order was placed for the quantity recommended by the Consultants after including O&M requirements.
- (b) The additional requirement of 34 Kms. cropped up during 1980 after the detailed schemes were finalised by the Consultants viz. Central Electricity Authority.
- (c) The purchases were made after observing rules and regulations of the Board.
- (d) The rates of June, 1978 are not comparable with those prevailing in June, 1980.

It was admitted in the oral examination by the departmental representative that it was a case of wrong assessment of requirement of cables.

In the information subsequently furnished to the Committee, it was stated as under :—

“The matter regarding incorrect assessment of requirement of control cables has been investigated. The requirement of control cables of various sizes was initially assessed by the Consultants viz. Central Elec. Authority at 82.75 Kms. as conveyed vide their letter No. 80/405/78/TEB/CEA/3544-46 dated 15-6-1978. Keeping in view the extra requirement for Operation & Maintenance, an order for procuring 97.25 Kms. of cable was placed in July, 1978. The above quantity was later enhanced to 110.25 Kms. at the same rate and on the same conditions anticipating a revision

in the requirements. Of this 93.75 Kms. was for the construction of the 3rd Unit. Later as things progressed, an additional requirement of 34 Kms. of control cables had to be ordered on the basis of final assessment of requirement in consultation with the consultants namely the *Central Electricity Authority* as confirmed through letter No. 9095/TPE-130 dated 29-6-1980 written by the Chief Engineer/Thermal, Faridabad.

2. About the change in the quantities of the control cables, it may be mentioned that it is a normal practice in Thermal Projects to purchase control cables in stages because control/protection schemes are dependent on a number of different activities which have to be finalized/coordinated at various stages of implementation of the Project. As such, the cables are first purchased on the basis of tentative requirement based on the past experience of Consultants and the lay out details and additional quantities are later added on the basis of finalised control schemes specific for the site as the work progresses. The Chief Engineer (Thermal) Faridabad has listed 23 different activities whose equipment, location and drawings can cause a variation in the requirement of control cables. These 23 activities are as follows :—

- (i) Step-up station equipment.
- (ii) DC Battery and charges.
- (iii) Bus duct.
- (iv) L.T. Switchgear.
- (v) L.T. transformers (L.T. Power Transformer)
- (vi) Main Power Transformer (Generator transformer).
- (vii) Auxiliary Power transformers.
- (viii) Unit control Board.
- (ix) HT Switchgear.
- (x) Turbo Generator (Control gear)
- (xi) Instrumentation & Control.
- (xii) Piping, LP (Layout and valves).
- (xiii) Boiler Feed Pumps.
- (xiv) Fuel Oil System.
- (xv) Boiler equipment details for control.
- (xvi) Water Treatment Plant.
- (xvii) Ash Handling extension.

(xviii) Cooling Tower.

(xix) Circulating Water Pumps for condensor cooling.

(xx) Air Conditioning equipment

(xxi) Coal Handling system.

(xxii) Service Water Pumps.

(xxiii) Air Compressors.

The final correct assessment of the requirement of control cables was available only in July, 1980 based on the final drawings of various activities/control schemes.

3. From the above narration, it is seen that the variation/addition in the requirement of control cables in this case was not an extraordinary matter and no one can be said to be at fault for the same."

The Committee observe that if the position explained in the subsequent written information had been stated in the written reply/oral evidence, a lot of time of the Committee could have been saved. The Committee expect the departmental heads to exercise proper control over their subordinate offices to ensure that incomplete replies are not submitted to the Committee in future.

Paragraph 6.11. Purchase of water meters

3. In November 1978, the Board stipulated that the recovery of water charges from the employees occupying the Board's residences would be made at a flat rate based on the salary of the occupants

Purchase order was, however, placed in May 1979 on a New Delhi firm for supply of 1,000 water meters. Against this order, Panipat Thermal Plant received 900 meters in March 1980 (730 meters) and in September 1980 (170 meters); Rs. 1.24 lakhs were advanced in June 1979 for 1,000 meters ordered. Of the 900 meters received, 6 meters were found defective. The meters received had not yet been installed (November 1981).

Purchase of meters when there was no need to instal them resulted in avoidable expenditure of Rs. 1.24 lakhs involving blocking up of funds and loss of interest amounting to Rs. 0.22 lakh per annum thereon.

The matter was referred to Government in July 1981 ; reply was awaited (March 1982).

In their written reply, the Department/Board stated as under :—

" (i) The primary object of installation of water meters was to regulate the water supply and to avoid over loading on the sewerage system. The question of recovery of water charges was only secondary one.

(ii) These meters have not been used so far.

- (iii) The matter was taken up with the SE/Project Public Health Circle, Chandigarh for sale of meters but they showed their inability to purchase the same. As such, meters are lying in the Store.
- (iv) 6 No. meters have been received from the firm and taken on Book (SMB No. SPT-54 Page No. 70/237)."

During the course of oral examination, it was admitted by the departmental representatives that it was a case of irregular purchase and the meters should not have been purchased when it had already been decided by the Board to make recovery of water charges from the employees at a flat rate. It was further admitted that there had been a lapse on the part of the Board to have made their purchase. It was also agreed that responsibility for this lapse as also for not taking timely action for the disposal of the meters would be fixed. It was further stated that the Board had so far been able to dispose of only 16 meters and steps were under way to dispose of the remaining meters

In the subsequent information furnished by the Board, it was stated —

"Shri L.R. Malik, the then Chief Engineer on whose instructions the case for purchase of water meters was initiated and approved by S.P.C. on 11-5-1979 has been held responsible for this purchase. It has been decided by the Board to stop the pension of Shri L.R. Malik, Chief Engineer (retd).

Regarding delay of 8 to 9 years in taking action to dispose of these water meters, it is seen that though the matter was taken up in 1983 with HUDA and Public Health Department for sale of these water meters to them, yet no serious effort was made for the disposal of these meters by the concerned Xen Stores. Shri Kirat Gopal, the then Xen. Stores, had been placed under suspension for this default and is being charge-sheeted."

The Committee recommend that final action taken against the officers/officials at fault for the lapses involved in this case be intimated to the Committee.

The Committee further recommend that the remaining water meters be disposed of at the earliest so that the money does not remain further blocked and the amount realised as a result of their disposal be intimated to the Committee.

Paragraph 6.12, Loss due to failure to check meters

4. According to Board's rules, site checking of meters in respect of bulk consumers is required to be conducted periodically—once in a month by Sub-Divisional Officer (Operation), once in three months by a Sub-Divisional Officer/Executive Engineer (Maintenance and Testing Division) and once in six months by the Executive Engineer (Operation). Besides, the Superintending Engineer (Operation) is also required to check 5 per cent of the connections in a year. These checks were not conducted in the case of a consumer, whose meter was checked on 28th May 1980 by an Assistant Executive Engineer (previously checked on 17th January 1979) and it was observed that it was running slow by 21.2 per cent. According to the rules, the Board could adjust the consumer's account with retrospective effect only for a period not

exceeding six months immediately preceding the date of the test and as such the supplementary bill from February 1979 to November 1979 could not be raised on the consumer, resulting in loss of revenue of Rs. 0.76 lakh besides the electricity duty (Rs. 0.67 lakh).

Even the supplementary bill for the period from December 1979 to May 1980 was erroneous due to adopting 121.2 units for 100 units of metered consumption instead of 100 units for 78.8 units of metered consumption as laid down in the Board's Sales Manual. This resulted in under recovery of Rs. 0.19 lakh (energy charges : Rs. 0.14 lakh; electricity duty : Rs. 0.05 lakh).

The matter was reported to Government in August 1981; reply was awaited (March 1982).

In their written reply, the Department/Board stated as under :—

“(i) The meter was first checked on 17-1-79. As per norms of the Board, the meter was required to be subsequently checked during July, 79. There being lean period for this factory (being seasonal in nature), no load was available and as such the checking of the energy meter without load was not possible. However, the meter was not checked immediately on start of the season which is a lapse on the part of concerned officer.

(ii) Although non-checking of the meter during 7/79 and 1/80 is a lapse on the part of the officer/officials of the Board, but it did not result into any financial loss to the Board as consumption upto February, 1980 was comparable for the same period in the preceding year. Action is separately being taken against the officer/official at fault.

However, the consumption data for the years 1978-79 and 1980... reveals that energy recorded by the meter upto 2/80 was normal as compared to the energy recorded during the same months for the previous year. Sudden fall in consumption during the month of March till May was due to slow running of the meter, which was confirmed while checking the meter during May 1980 when the consumer's accounts were overhauled and charged for the period of 6 months in accordance with the rules.

(iii) The amount of Rs. 19173.58 on account of wrong calculation was debited to the consumer account who had deposited the same vide R.O. 4 No. 181/62172 dated 27-8-81.

(iv) Instructions have been issued to the field officers from time to time to exercise proper check on the issuance of bills to the large consumers. In this connection, it may be mentioned that the meters checked and bills issued are being scrutinised even by the Xens. and S.Es. so as to eliminate any possibility of arrears”.

During the course of oral examination it was stated by the departmental representatives that the question of recovery of undercharging for 16 months, as stated in the audit paragraph, did not arise because no sugar mill worked

for 16 months continuously and the sugar cane crushing was a seasonal work. It was, however, admitted that if the undercharging had been detected in time the recovery for more period could be made. The recovery of arrears beyond the period of six months was not effected as it was not permitted by the rules of the Board. It was also admitted that non-checking of meter in accordance with the prescribed procedure of the Board was a lapse and action against the officers/officials at fault was being taken.

In the information subsequently furnished by the Board, it was stated that an enquiry into the matter had been made with a view to fixing responsibility for the delay in checking of the meter in time in this particular case. Shri K.L. Pruthi and Shri S.B. Singh Chai, the then S.D Os (M & P) had been held responsible for not checking the meter in time. Further Shri B.K. Verma (since retired on 31-5-1985), the then S D O (Op.) Rohtak had been held responsible for not pursuing the matter with the M & P authorities. The officers were being charge-sheeted/proceeded against.

The Committee desire that the final action taken against the officers/officials at fault be intimated to them.

The Committee observe that the agriculture based industry is of a seasonal character and requires different provisions for checking of their meters so that such lapses do not occur in future.

The Committee, therefore, recommend that steps be taken to amend the provisions for the checking of meters of the seasonal industries and the Committee be informed of the action taken in this behalf.

Paragraph 6.14. Payment of compensation

5. Indian Electricity Rules, 1956, provide for various protective measures and safety precautions in the construction, installation, operation and maintenance of electric supply lines and apparatus. Improper maintenance of supply lines and non-provision of safety measures may lead to fatal and non-fatal accidents which cause the Board to pay compensation under the provisions of the Workmen's Compensation Act, 1923 and the Fatal Accidents Act, 1855.

The Board paid Rs. 23 00 lakhs as compensation during the year 1978-79 to 1980-81 on account of accidents involving men and cattle as per details given below :—

Year	Compensation paid							
	Accidents involving cattle		Accidents involving Board's employees		Accidents involving outsiders		Total	
	No. of cases	Amount of Rs. lakhs	No. of cases	Amount of Rs. lakhs	No. of cases	Amount of Rs. lakhs	No. of cases	Amount of Rs. lakhs
1978-79	162	1.49	58	3.66	7	0.91	227	6.06
1979-80	467	5.20	180	4.90	49	1.19	696	11.29
1980-81	194	2.97	66	2.34	16	0.34	276	5.65
Total	823	9.66	304	10.90	72	2.44	1,199	23.00

Investigations disclosed that the accidents occurred due to one or the other of the following reasons :

- poor maintenance of lines ;
- non-provision of proper guarding of the L.D. system ;
- non-provision of egg insulators in stay wire of the poles : and
- poor construction of the lines.

It may be mentioned that it is the normal function of the Board to implement the mandatory provisions of the Electricity Rules and to maintain the system properly. The Board noted (August 1981) the incidence of accidents with grave concern and issued instructions for improving the maintenance of load distribution system.

The Government stated (December 1981) that the accidents took place generally due to poor maintenance of lines, loose sagging and non-provision of egg type insulation, *etc.* It was also stated that these deficiencies occurred during massive crash programme of rural electrification in the State and measures have been taken to avoid accidents in future.

In their written reply, the Department/Board stated as under :—

“Board is liable to pay compensation in view of the provisions contained in Workman's Compensation Act, 1923 (amended to date) to its employees, who met with fatal/non-fatal accidents during the course of their employment. So far as payment of compensation in respect of electrocution of cattle is concerned the same is covered under the provision of Fatal Act, 1855.

Out of the total 823 cases, involving fatal accidents to cattle, 283 cases were closed without compensation. As regards fatal/non-fatal accident to Board's employees, out of 304 cases, 225 cases of minor injuries were closed without compensation. Similarly, 68 number of cases relating to other private persons were also closed without compensation.

The net work of H.S.E.B. is spread through-out the State and during the course of 100% Rural Electrification some minor relaxation in standard norms of Const. were unavoidable for achieving the target within short period.

In rural area, mostly the cattle daily pass through the fields and paths. Sometime out of habit, they entangle with the poles/staywires resulting in heavy jerks and wear and tear to our system. With this interference which results into some leakage of current leads to electrocution of the animals.

So far as maintaining of our lines hazardous free and other precautionary measures are concerned, instructions from time

to time are issued to field officers to maintain our lines properly and these are mostly complied with.

(i) Instructions have been issued from time to time to field officers to take precautionary measures to avoid occurrence of accidents.

(ii) The supervisory line staff found negligent in performing their duties and violating instructions are punished. The detail of punitive action taken during the three years is as under :—

	<i>Xen</i>	<i>SDOs</i>	<i>JEs</i>	<i>AFMs</i>	<i>LMs</i>	<i>ALMs</i>	<i>T/</i> <i>mate</i>	<i>Others</i>	<i>Total</i>
For 1978-79									
(i) Warning issued.	—	2	14	3	13	—	1	—	33
(ii) Stoppage of increment.	—	1	5	3	4	—	2	1	16
For 1979-80									
(i) Warning issued.	—	1	27	23	42	—	3	2	98
(ii) Stoppage of increment.	—	1	9	1	14	—	—	3	28
(iii) Termination of service.	—	—	—	—	—	1	2	—	3
For 1980-81									
(i) Warning issued.	1	2	4	7	24	—	1	—	39
(ii) Stoppage of increment.	—	1	10	15	29	—	1	1	57
(iii) Reversions	—	1	—	1	1	—	—	—	3
(iv) Charge-sheeted.	—	—	1	1	—	—	—	—	2

As a result, it will be seen that following cases were closed without compensation during the three years ending 1980-81 :—

<i>Year.</i>	<i>Cases</i>
1978-79	95
1979-80	362
1980-81	119

During the course of oral examination it was stated by the departmental

representatives that as a result of various steps taken by the Board to check such accidents, the number thereof had considerably reduced during the subsequent years. The number of such cases had further reduced from 446 in 1985-86 to 237 in the year 1987-88. It was further stated that special attention would be paid to pockets/areas where the incidence of such accidents was still higher and remedial steps taken. It was further stated that incentives were being given to the staff, under an incentive scheme launched by the Board, in the areas where such incidents were lower.

Regarding the payment of compensation in respect of fatal/non-fatal cases, it was stated by the departmental representatives that it was paid according to the rules framed in this behalf. It was also stated that in undisputed cases the payment of compensation was made speedily and delay only occurred in disputed cases which required proper investigation.

In the information subsequently furnished by the Board, it has been stated —

- “(1) To expedite settlement of accident claims powers to decide the accident cases have been decentralised. The Dy. Chief Engineer (Co-ordination) has been made Nodal Officer for co-ordinating and monitoring the progress.

In addition the C.Es (OP) have been asked to constitute Circle Level Committees comprising of the concerned S.E., concerned Xen (OP) and Xen (Works) o/o the C.E. (OP) as Member Secretary to expedite disposal of pending compensation cases.

- (2) Year-wise pending cases are given below :—

<i>Year</i>	<i>No. of Accidents</i>
1972	1
1976	2
1977	6
1978	11
1979	17
1980	57
1981	61
1982	100
1983	177
1984	177
1985	259
1986	272
1987	363
1988 (Upto 3/88)	55

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The Committee recommend that periodical checking of lines/poles be carried out and necessary repairs/replacements thereof done without further delay which will go a long way in minimising the number of the fatal/non-fatal accidents.

The Committee also recommend that stringent action be taken against the staff found negligent in the performance of their duty and violating instructions regarding taking precautionary safety measures.

The Committee further recommend that the pending cases of compensation be finalised without any further loss of time and the payment made at the earliest.

**REPORT ON THE
REPORT OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA
FOR THE YEAR 1981-82**

Paragraph 6.9. Adoption of uncommon pattern of awarding work

6. Tenders for an estimated quantity of 1.11 lakh cums of earth work excavation of gravel and boulder to complete the design section of W.J.C. hydel channel including dressing and breaking of clods, etc. for R.D. 3200M to RD 3700 M (estimated cost : Rs. 5.71 lakhs) were invited in February 1979. The lowest rate received from firm 'A' in March 1979 was Rs. 7.99 per cum. The notice inviting tenders (NIT) envisaged awarding the work on work-order basis which was contrary to the provisions contained in Boards' delegation of powers under which no work exceeding Rs 20,000 in value could be placed on work-order basis. The NIT also provided that for part payment on incomplete work, the approved rate would be reduced by at least 20 per cent. The lowest tenderer, however, offered a reduction of only 15 per cent while tendering the rate of Rs. 7.99 per cum. However, the work was allotted to firm 'A' in May 1979 at its tendered rate with a stipulation of 20 per cent reduction for part payments. The NIT stipulated that the work could be cancelled and stopped at any time by either party. Thus, no penalty could be imposed upon the firm for incomplete work. The firm, on receipt of the allotment letter, reiterated in May 1979 its earlier offer of 15 per cent reduction for part of complete work measured. The firm commenced the work in June 1979 and excavated only the top layer (0.26 lakh cum) which was easier to excavate, up to a depth of approximately one metre. Since the contractor had not carried out the work to the designed section and earth measuring 0.26 lakh cums only was excavated, the payment at reduced rate of Rs. 4.00 per cum based on actual lead involved consistent with 'departmental through rates' and tendered premium was made by the Board. The firm protested against this payment and ultimately stopped the work in November 1979. The left over work was allotted by the Board (July, 1980) to firm 'B' at the rate of Rs. 10.85 per cum on contract basis. The work was almost completed in February 1983

Thus, due to tendering and allotment of work on work-order basis with stipulation for cancellation of work by either side in the first instance instead of allotting the same on contract basis resulted in an overall extra expenditure of Rs. 1.45 lakhs.

No action against firm 'A' could be taken by the Board since there was no penal clause in the work-order. The Chief Engineer, Hydel, stated (June 1981) that the allotment of work on work-order was done on trial basis on irrigation pattern.

The Department/Board, in their written reply, stated as under :—

“(i) This was the first earthwork job allotted on the Project. The

processing was done by Executive Engineer /Design, who was on deputation to the Project from Haryana Irrigation Deptt. He was thus conversant with the practices and conventions prevailing in Haryana Irrigation Deptt. and he preferred to make allotments on work order basis.

The proven practices of Haryana Irrigation Deptt. is to get even major works done on work order basis and that is also subject to similar auditing and are thus accepted by audit.

- (ii) Since the nature of works on the Project were more akin to those of Haryana Irrigation Deptt. therefore, suggestions by the Executive Engineer taken on deputation from I.B. Haryana was considered valid and no approval from the Board was sought for allotting the job on work order basis.
- (iii) It is a standard practice not to provide any penal clause in the work order jobs.
- (iv) The extra expenditure of Rs. 1.45 lacs is fully justified due to rise in prices especially the wages of daily wages earners. Had the work been allotted on agreement basis, an escalation clause would have been provided to ensure completion of work and there also like amount would have accrued due to escalation. The increase in rates was also due to deepening the Channel as a result of lowering in F.S.L. Considering these reasons as justified, there is no contemplation to fix any responsibility."

During the course of oral examination, the representative of the Department/Board admitted that there was a lapse on the part of the S.E. & C.E. who allowed awarding of the work on work order basis without the approval of the Board, which was the competent authority for giving relaxation in the laid down procedure. It was, however, stated that the lapse was procedural and would be dealt with separately. As for the exact loss involved in this case, it was stated that it was difficult to determine the same as no tender on the basis of rate contract had been invited and the work was got executed on the work order basis.

The Committee recommend that the matter may be examined to determine as to who was actually responsible for the lapse involved in this case and the Committee be informed of the action taken against the delinquent officers.

Paragraph 6.10. Extra payment of Rs. 3.82 lakhs to a contractor

7. Eight tenders were received in November 1980 for earth excavation/filling/stone pitching between RD 16200M to 18150M of the Hydel Channel and the rate of firm 'A' of Rs. 13.50 per cum for earth work excavation and filling was the lowest. This rate was, however, above the departmental through rate (Rs. 6.79 per cum) by about 100 per cent. The Hydel Purchase Committee recommended (February 1982) the allotment of this work only at 41.8 per cent above the departmental through rate (the rate allowed for similar works allotted earlier) for acceptance by the Hydel Standing

Committee. The Hydel Standing Committee accepted these recommendations in April 1981 and the work was allotted (April 1981) to firm 'A' at the rate of Rs. 9.62 per cum, i.e., 41.8 per cent above the departmental through rate.

The departmental through rate of Rs. 6.79 per cum, which formed the basis of the rate of Rs. 9.62 per cum was incorrectly worked out by assuming the soil strata of the entire reach from RD 16200 M to 18150 M to be of 40 per cent to 60 per cent gravel without taking into consideration the analysis results of the soil test conducted (reported in June 1980). An analysis of the soil strata done by the Central Soil Material Research Station, New Delhi and the L- Section prepared by the departmental survey and investigation wing as approved by the Central Water Commission in December 1978 and appended with tender documents revealed that the reach between RD 16550 M to 18000 M had no gravel but consisted of only sand, silt and clay for the depth required to be excavated as per work schedule. The balance portion of the reach, viz., between RD 16200 M and 16550 M and RD 18000 M to 18150 M, consisted of soil strata comprising layers of silt, sand and clay as well as gravel. Thus, the assumption of 40 per cent to 60 per cent gravel was valid in respect of RD 16200 M to 16550 M and RD 18000 M to 18150 M and not for the entire reach and the total earth work involving gravel worked out to only 34,000 cums as against 2.23 lakhs cums (as revised in June 1982) adopted for allotment of the work. The overall composite rate with requisite premium for earth work for the entire reach, thus, works out to Rs. 7.48 per cum instead of Rs. 9.62 per cum allowed to the contractor. Earth work for 1.78 lakh cums executed upto June 1982, thus, entailed an extra payment of Rs. 3.82 lakhs which will go up to Rs. 4.78 lakhs when the entire job is completed.

The Chief Engineer, Hydel, stated (March 1982) that departmental through rate was worked out on the basis of the report of April 1980 of the Central Soil Material Research Station. Since the test as per this report was only in respect of RD 18124 M, i.e., the tail point of the channel, it cannot be considered to be a fair guide for the entire reach when the report of June 1980 of this institute for other sections of this reach was also available before the formulation of rates.

The matter was reported to Government in August 1982; reply is awaited (February 1983).

The Department/Board, in their written reply, stated as under :—

“(i) First report of C S M.R.S. concerning Hydel Channel was received in April, 1980 and it contained bore log of the concerned reach at RD. 18124 M. Second report was received in June, 1980 and it contained bore log at RD. 18000 and 17000 M. Bore log at R.D. 18000 and 17000 was differing from the bore log at RD. 18124 to the extent that upto 2 M. depth, it contained silty sand or silty sand with fine to coarse sand as against silty sand with fine sand and gravel. The assumption that if the D.T. Rs. had been framed on the basis of bore logs of RD. 17000 and 18000, the finally allotted rate would have ranged lower than Rs. 9.62 gets frustrated on the plea that even the rate of 9.62 was not remunerative for the contractor and he left the job in between.

Finally this work was got completed on competitive rate of Rs. 16/- per cum It may also be mentioned here that earth work in the reach RD 16200-18150 also included cross leads and rate of Rs. 9.62 finally allotted to the contractor was not remunerative.

- (ii) Since the contract did not enjoin escalation clause and the D.T. Rs. framed did not include allowance for working under water, therefore, the allotted rate of Rs. 9.62 to the contractor did not prove remunerative and he abandoned the work and went in for arbitration. The matter would now be finally decided by the arbitrator. It may be added here that allowance for working under water is more than the allowance for 40 to 60% gravel and thus infirmity in D.T.R. was to the disadvantage of the contractor rather than the Department. Extra payment of Rs. 3.82 lacs is thus misconceived.
- (iii) As the balance work has been got done by inviting press tenders and on competitive rates prevailing in the market, therefore, final decision rests with the arbitrator and no responsibility is contemplated to be fixed."

The representative of the Department/Board, during the course of oral examination, admitted that it was a case of lack of internal coordination between the Design and Soil Investigation Wings of the Board and the second report of the Central Soil Material Research Station, New Delhi, which was available with the Board in June, 1980, should have been taken into account before allotting the work at the rate of Rs. 9.62 per cum i.e. 41.8 % above the departmental through rate of Rs. 6.79 per cum. He further stated that necessary instructions would be issued to ensure that such kind of lapses do not occur again.

When asked by the Committee the representative of the Board stated that the matter would be gone into and responsibility fixed for the lapse within three months.

The Committee recommend that the action taken against the officer/official found responsible for the lapse be intimated to the Committee.

The Committee further recommend that the final outcome of the arbitration proceedings pending in this case be also intimated to the Committee.

Paragraph 6.12. Avoidable extra expenditure

8. Tenders for excavation in all kinds of soil comprising ordinary earth, shingle, gravel, boulders, etc., in two reaches from RD 11830M to 12600 M and RD 12600 M to 13500 M of the Hydel Channel under W.J.C. Hydel Project were invited in March 1980. The quantity of earth work was estimated to be 9.18 lakh cums in both the reaches whereas the quantity of boulders was not specified. Subsequently, the quantity of boulders in the two reaches was assumed to be 75,000 cums and 63000 cums respectively on the date of opening of the tenders (29th April 1980) and the tenderers were asked on the same date before opening tenders to quote separate rates for sorting and stacking of boulders. The overall lowest rates received in response were

46.13 per cent and 63.78 per cent above the departmental through rates (DTR) for the two reaches respectively. The same were considered high when compared to 35 per cent received on earlier occasions for other reaches and it was decided to reinstate tenders. On reinstitution (May 1980) of tenders, the tenderers increased the rates for excavation of earth but reduced the rates of sorting and stacking of boulders drastically. A comparison of the rates received on both the occasions is as under :—

Reach	Lowest rates against 1st enquiry		Lowest rates against 2nd enquiry	
	Earth work	Sortings and stack- ing of boulders	Earth work	Sortings and stacking of boulders
(Rupees per cubic metre)				
RD 11830 M to 12600 M	12.95	5.75	14.50	1.50
RD 12600 M to 13500 M	12.90	5.00	13.15	1.45

These rates which were, in fact, 52.32 per cent and 60.3 per cent above DTR (compared to 46.13 per cent and 63.78 per cent above DTR obtained in the first instance) were then considered (July 1980) reasonable by the Hydel Standing Committee on the ground that these reaches were more wet and that the increase of 35 per cent above DTRS allowed earlier was in respect of dry reaches. The work was allotted to firms 'A' and 'B' in July 1980.

Up to September 1981, earth work to the extent of 2.77 lakh cums (against estimated quantity of 4.90 lakh cums) and 3.35 lakh cums under RD 11830 M-12600 M and RD 12600 M-13500 M respectively had been executed wherein boulders to the extent of only 104 cums (against estimated quantity of 0.75 lakh cums and 266 cums (against estimated quantity of 0.63 lakh cums) were encountered and got stacked. The assumption of the Project Authorities of existence of huge quantity of boulders, therefore, proved to be incorrect and the contractors took advantage of these mis-calculations by reducing the rates for sorting and stacking of boulders and increasing the rates for earth work.

The Board stated (March 1982) that samples of soil for analysis purposes could not be taken due to high permeability and the percentage of gravel boulders was assumed as per the other reaches. It was, however, observed that the actual percentage of boulder on other reaches ranged between 10.16 to 6.01 and also showed a pronounced downward trend in the lower reaches.

The switchover from unspecified quantity of boulders to specified quantity when no firm estimate of the quantity involved could be made and without assigning any reasons therefor and the assumption of any high percentage of boulders which was not warranted with reference to the experience in other reaches resulted in extra expenditure of Rs. 5.14 lakhs which is likely to go up to Rs. 8.64 lakhs.

The matter was reported to Government in August 1982, reply was awaited (February 1983).

In their written reply, the Department/Board, stated as under :—

(i) Quantity of boulders was not estimated incorrectly because stones of sizes 100 mm and above were contemplated to be sorted and stacked out and these sizes were existing in the underneath strata as per C.S. M.R.S. bore logs at RD 11600, RD 12600 and RD 13600.

(ii) Merely from the fact that the contractors for the reaches RD 11830-12600 and RD 12600-13500 did not sort out and stack the boulders, does not mean that quantity of boulders was over estimated in these reaches. The contractors carried out excavation with the help of machines and it was perhaps due to this reason that stones were not sorted and stacked out. The contractors have gone in for arbitration to seek claims for excavating under water and Department is lodging counter claims for sorting and stacking of boulders.....

(iii) No responsibility has been fixed with regard to estimation of quantity of boulders. However, on the decision of the arbitrator, action would be initiated for delinquency, if any, on the part of officers /officials for not getting the stones sorted and stacked out."

During the course of oral examination, the representative of the Board admitted that it was a lapse on the part of the officials to have made payment of earth work to the contractor without sorting and stacking out the stones, for which responsibility would be fixed and action taken against the delinquent officials.

The Committee recommend that responsibility for the lapse involved be fixed early and the action taken in the matter be intimated to the Committee within three months.

The Committee further recommend that the decision of the Arbitrator, when announced, in this case be also intimated to the Committee.

Paragraph 6.14. Acceptance of inferior grade of oil

9. (i) High viscosity furnace oil (H.F.O.) is used in the Panipat Thermal Plant for its initial start and then to stabilise the flame when plant is run on low loads. As per the procedure for accounting of H.F.O. in force prior to June 1982, the stock entries of oil received were required to be made on the basis of the invoices.

The project authorities at Panipat Thermal Plant placed three purchase orders during July/August 1980 on Hindustan Petroleum Corporation Limited for supply of 10,500 KL of H.F.O. in seven rakes against allocations for the month of August 1980. Advance payments aggregating Rs. 2,03.00 lakhs were made in August 1980 towards the cost of oil. Against this, the project authorities received (August 1980) only two rakes of H.F.O. In

August 1980, five rakes of low sulphur oil diverted from National Fertilizers Limited, Panipat, were consigned to the Thermal Plant. Due to non-receipt of the relevant documents, the delivery thereof was taken (August 1980) on the strength of indemnity bond. At the time of taking delivery of oil and decantation, no efforts were made to ascertain the specification of oil received to ensure that the oil conformed to the required specifications. The oil was consumed during August/September 1980 after decanting it. In April 1981, provisional invoices in respect of these five rakes were obtained from the Company and 7,273.926 K.L. of oil valuing Rs. 1,39.35 lakhs was taken on stock as H.F.O. on the basis of quantities and specifications of oil shown in the provisional unsigned invoices without co-relating with quantities and specifications of oil actually received. Subsequently, in February 1982, when the details of wagons attached with the original invoices obtained from National Fertilizers Limited were compared with the provisional invoices, it was noticed by the Board that the 5 rakes decanted at the plant had contained 5,986.105 tonnes of low sulphur oil valuing Rs. 51.12 lakhs (four wagons containing 75.988 tonnes were received short with the rakes) instead of furnace oil. This meant that the project authorities had made advance payments in excess to the extent of Rs. 88.23 lakhs being the difference of cost of H.F.O. and low sulphur oil.

Besides, during July 1980 one rake containing 1,554.892 tonnes valuing Rs. 11.27 lakhs of cheap quality of oil (FO/FS) was also received though the same was taken on books as H.F.O. and payment amounting to Rs. 29.78 lakhs for 1,554.892 K.L. of H.F.O. was made. This was consumed during July 1980 after decanting the oil. This also resulted in extra advance payment of Rs. 18.51 lakhs.

A claim for refund of Rs. 87.58 lakhs in respect of five rakes received in August 1980 based on quantities consigned was lodged (April 1982) with the Hindustan Petroleum Corporation Limited which is yet to be accepted (May 1982). Further, claim in respect of quantity short consigned (Rs. 0.62 lakh for 75.988 tonnes) has also been lodged (September 1982) with the said Corporation final outcome awaited (February 1983).

Thus, owing to lack of control on weighment, inspection, etc., and adoption of wrong accounting procedure, the Board's funds to the extent of Rs. 1,06.74 lakhs were blocked for a period of 22 months up to May 1982 resulting in loss of interest of Rs. 38.16 lakhs at the rate of Rs. 19.5 per cent (being the rate at which the Board has arranged funds through cash credit for meeting working Capital requirements).

(ii) The fuel oil system and the arrangements for decantation of oil at Panipat Thermal Plant were planned in such a manner that only High viscosity furnace oil (H.F.O.) is required to be used in the plant. At times when low sulphur oil (LSHS/FOFS) was diverted to plant railway sidings, the same was not being accepted because of decantation constraints and was being returned to Railway authorities, as it was required to be heated at 75°C before being decanted. Further, any fall in temperature of oil at the time of decantation leads to formation of waxy crest of the oil towards the outer periphery in the wagons restricting proper decantation.

During July/August 1980, the Plant received 8,286.8 K.L. (7,540.9

tonnes) of LSHS/FOFS valuing Rs. 62.39 lakhs which was decanted at Panipat at a temperature of 30—35°C without verifying that the oil received was LSHS/FOFS and not H.F.O. However, as per the dip stick measurement of the storage tanks, in which the oil was decanted, a total quantity of 7,246.5 K.L. of oil was actually received leaving a difference of 1,040.3 K.L. valuing Rs. 7.46 lakhs.

The shortage of 1,040.3 K.L. of oil was attributable to temperature variation (248.6 K.L.), general wastage such as spillage (16.6 K.L.) and oil having gone back into wagons due to decantation at low temperature (775.1 K.L.).

The shortage of 775.1 K.L. valued at Rs. 6.11 lakhs due to decantation done at low temperature, was avoidable.

In their written reply, the Department/Board, stated as under :—

- “(i) (a) A claim of Rs. 87,58, 122.78P was preferred with H.P.C. vide MFA, H.S.E.B. Letter dated 1-4-82. Out of this, H.P.C. has paid Rs. 22,48,400-96 P. and has refuted the balance claim due to excise duty on the plea that excise duty was leviable on the supplies of N.F.L.
- (b) Rs. 22,48,400.96 P have been received vide DD No. 17/2785 in June, 1982.
- (c) The Oil Company enjoy monopoly and supply their products against predeposits. The point with regards to interest was not considered tenable and as such was not included in the claim preferred.
- (d) There was no bad intention on the part of any officer/official handling the receipt and use of Furnace Oil in PTPP. This was the first case of this type, where low Sulphur Heavy Stock (LSHE) fuel oil came to our plant due to diversion of Fuel Oil rakes from NFL Panipat. These rakes were handled on arrival for un-loading on a similar pattern as was normally being done for Furnace Oil which is our normal supply. Since the period of arrival was during the month of August, when the ambient Temperature was quite high, the unloading of these diverted rakes, did not pose any problem.

In view of above, no responsibility can be fixed for any lapse on the control of measurement and inspection.

- (e) The method of measurement of the quantity of Oil at PTPS is being now adopted w.e.f. 1-6-82 as per instructions contained in the accounting procedure of Oil as suggested by the M.T. (C&P) H.S.E.B.

The method being adopted at PTPS is more or less the same what is being practised elsewhere whereas there are consignees like N.F.L. who are accepting the weight/volume shown in the invoices/RRs for oil rakes and the same is being taken in their

books and they are not lodging any dispute on this account with the suppliers or Railways.

- (ii) To investigate and examine the whole case in detail a committee consisting of Chief Engineer /O&M Financial Advisor Director (V&S) and Chief Auditor was appointed by the Board, and the report of the committee has already been submitted to the Board. Final action on this report is underway."

During the course of oral examination, the representative of the Board stated that H.F.O. and L.S.H.S. oils were of the same quality except that these bear different names when supplied to the Board and N.F.L. It was also stated that handling the receipt and use of furnace oil in PTPP was a new job of work and the staff in the field at that time was inexperienced to handle this job. Besides, due to lack of proper heating arrangement, some oil went back into the wagons due to decantation at low temperature. The loss involved in this case was due to less quantity of oil received in 5 rakes of LSFS oil.

It was also stated that the claim of Rs. 87,58,122.78 preferred with the Hindustan Petroleum Corporation was not found to be the correct claim as it was based on the subsidized rate at which the oil was supplied to N.F.L. The correct claim was of Rs. 22,48,400.96 P which had been received by the Board and, therefore, there was no loss on this account.

When enquired about the action taken on the report of the Committee appointed by the Board to investigate and examine the whole case in detail, it was stated by the representative of the Board that the report of this Committee was received in 1985 and action against the officers/officials held responsible for various acts of omissions and commissions/irregularities/lapses during their tenure as pointed out by the said Committee had not yet been finalised. It was admitted that there was delay in taking action in this matter.

The Committee recommend that action against the officers/officials held responsible for various acts of omissions and commissions/irregularities/lapses be taken without any further loss of time and the Committee be informed.

Paragraph 6.15. Purchase of switch board panel

10. Tenders for purchase of 133 switch board panels 11 K.V. class were invited in January 1977 in two parts. In response, nine tenders were received. Part I tenders were opened on 22nd February 1977 and after discussion on the technical issues, seven firms were asked (May 1977) to submit clarifications and revised part II bids. Out of these, five firms submitted revised part II bids. The offer of the lowest firm 'A' (equivalent price : Rs. 2.40 lakhs per switch board of 10 panels) was ignored on the ground that the performance of the items supplied by this firm to the Punjab State Electricity Board was not satisfactory. The second lowest offer of firm 'B' at equivalent rate of Rs. 2.72 lakhs per switch board of 10 panels and the offer of all other firms were also ignored on the ground that the performance of these firms was not known to the Board. Though the purchase was within the competence of the full Board, which was scheduled to meet on 29th September 1977, and offers of the firms were valid upto 24th September 1977, it was decided (20th September 1977) to re-invite tenders. Board's approval for re-invitation of tenders was not taken.

Fresh tenders for purchase of 140 panels (including 133 intended to be purchased earlier) were invited and opened in March 1978. Firm 'B' whose earlier tender of 1977 was ignored for lack of knowledge of performance by the Board was the lowest at an equivalent rate of Rs. 3.29 lakhs per switch of 10 panels. Its tender was accepted (October 1978) and order for supply thereof (value : Rs. 47.15 lakhs) was placed in December 1978. There was no indication as to whether any enquiries had been made to ascertain the performance of the firm after 1977. Failure to place order in 1977 on B resulted in an extra expenditure of Rs. 7.98 lakhs.

The panels were received between January 1980 and March 1982 but the same have not been put to use so far (August 1982) as co-ordinated action to procure some other supporting equipments was not taken at the time of placing order for panels or firms 'B' in December 1978. Orders for these equipments were yet to be placed (December 1982).

In their written reply, the Department /Board stated as under :—

“(a) Against tender enquiry No. QD—444 for 11 K.V 350 M.V.A. panels, the first lowest offer was from M/s Reyrolle Burn Ltd., Howrah (firm 'A'). Before the purchase proposal was considered by the S.P.C., a performance report about such equipment supplied by the firm to P.S.E.B. was received from C.E. (P&D) Design Directorate (sub-station) P.S.E.B. Patiala vide his memo No. C—115/P.D.C.-560 dated 18-8-77. It was intimated by him that P.S.E.B. had procured 250 MVA and 350 MVA 11 K.V. switch gears for indoor installation from this firm but they did not have a happy experience of the same as the following defects were observed in the switch gear supplied by M/s. Reyrolle Burn Ltd., Howrah.

- (a) Difficulty in racking up and down the trolley of the breaker.
- (b) The thickness of the cubicle is less and needs to be supported by more bracking.
- (c) The functioning of the rotary switch is defective.
- (d) Tips of male contacts get damaged very frequently.
- (e) There are too many nuts and bolts provided in the breaker panel and these have to be checked after 3 to 4 trippings as they get loosened.

Thus the two Technical Members of the Stores Purchase Committee viz-Chief Engineer MM and S.E. (P) were of the view that this offer may be ignored. The third member of the S.P.C. viz. Financial Advisor was however of the view that the question of taking into consideration the firm's performance after the opening of part-II tender, could not change the merit of the case. He was of the view that the first lowest firm might be considered for placing of the order. The second lowest offer was from M/s. Crompton Greaves, Bombay (firm 'B'). Their offer could not be considered as they had not quoted for the fixed contacts assembly with adaptor

and the performance of their equipment alongwith that of other firms was also not known.

In view of above, the two Members of the S.P.C. i.e., Chief Engineer /MM and S.E. (P) -II (Majority of the Members of SPC) were of the view that the enquiry may be dropped and a fresh tender enquiry may be floated through press in two parts. In the light of recommendations of majority Members of S.P.C., the whole time Members in their meeting held on 20-9-77 decided that the tenders may be reinvited.

Further-more, M/s. Crompton Greaves, Bombay (firm 'B') against tender enquiry No. QD-444 had intimated vide their letter dated 7-7-1977 that dut to reduction in import duty on copper announced by the Govt. M.M.T.C. Price had come down from Rs. 27,000/- per M.T. at the time of tender opening to Rs. 25,300/- per M.T. for July/Sept. quarter. It was also intimated by them that there was a marked reduction of Rs. 25,000 /- on tender value as a result of the reduction in prices. They also anticipated a sharp decline in M.M.T.C. Price of copper in the forthcoming months. It will thus be appreciated that the prices against the subsequent enquiry could come downwards also, as trend of prices is always fluctuating.

The audit has calculated the extra expenditure with reference to the rates of M/s. Crompton Greaves, Bombay (Firm 'B') received against Tender Enquiry No. QD-444 and QD-632. The fact that the audit has not computed extra expenditure with reference to the first lowest offer of M/s. Reyrolle Burn Ltd., Howrah against tender enquiry No. QD-444 clearly proves that they were rightly ignored as their equipment with P.S.E.B. was not giving satisfactory performance. Thus it cannot be stated that the lowest offer of M/s Reyrolle Burn Ltd. Howrah was ignored on flimsy grounds. The offer of M/s. Reyrolle Burn was ignored on sound technical grounds as such it cannot be stated that there is a particular pattern of rejection of offers and somebody's hand is involved.

The subsequent tender enquiry i.e. QD-632 was floated after revising the specifications against which offer of M/s. Crompton Greaves Bombay (firm 'B') was the first lowest and they had submitted certificates from other Elec. Boards with regard to their performance of such equipment supplied to them. Accordingly P.O. No. HD-1015 dated 11-12-78 was placed on them with the approval of full Board.

From the facts explained above, it is evident that the lowest offer of M/s. Reyrolle Burn was ignored on sound technical grounds and in the best interest of the Board and neither there is any particular pattern of rejecting lowest offer nor somebody's hand is involved in it.

- (b) All the panels have been put to use and are functioning satisfactorily and no adverse report has been received so far. "

During the course of oral examination, when enquired as to why the approval of the Board, which was mandatory, was not obtained before reinviting the tenders, it was stated by the representative of the Board that the approval of the Board was necessary in case the tenders were to be accepted. The decision to reinvite the tenders was taken by the whole time members, which included the Chairman of the Board.

When his attention was drawn to the noting made by the Secretary of the Board on 14-9-1977, which inter-alia stated :

".....that the extent of purchase being competence of the full Board, which was scheduled to meet on 29th September, 1977, and offers of the confirmation being valid upto 24th September, 1977, either the proposal be considered by whole-time members in anticipation of Board's approval or the proposal be got approved from the Board by circulation"

and that none of the procedure suggested by him was followed, the representative of the Board stated that the approval of the Board was not taken before the tenders were reinvited.

The Committee observe that not taking the approval of the Board before a decision to reinvite the tenders was taken on the 20th September, 1977, was a serious lapse and recommend that action for the omission be taken against the delinquent officers and intimated to the Committee.

Paragraph 6.16. Avoidable payment of interest

11. The Board issued (July 1969) detailed instructions regarding the procedure to be followed in depositing funds with DGS&D towards value of supplies to be effected and for issuing cancellation order and obtaining refund of such deposits. However, it was noticed (November 1981) in audit that in 15 out of 32 cases relating to supply of cement, there was delay ranging from 6 to 18 months in issuing the cancellation orders after the expiry of the period for which the allotment made by the Cement Controller was valid, resulting in delay in processing the claims for refunds of deposits made. Overall delay in excess of 3 months (considered to be necessary for processing the refund cases) reckoned from the expiry of authorisation period to the date of actual refund, ranged from 5 to 20 months resulting in blocking-up of Board's funds to the tune of Rs 31 34 lakhs which, if realised in time, would have helped in reduction of the overdraft from bank to that extent and consequent saving of payment of interest charges thereon amounting to Rs: 4.35 lakhs.

The matter was reported to Government in July 1982; reply is awaited (February 1983).

In their written reply, the Department/Board, stated as under —

"On receipt of authorisation letters from R.C.C., New Delhi, supply orders are placed on the concerned firms. Simultaneously, C.A.O/ C.P.C., H.S.E.B., Chandigarh, is requested to deposit the cost of material with the Dy. Controller of Accounts, D.G.S. & D.,

New Delhi/Bombay in order to enable his office to liquidate the payment to the firms on receipt of bills from them. It would be observed that the deposits are made in advance of the receipt of material as per stipulation in the letters of authorisation issued by R.C.C. It may be further clarified that the supply orders placed on the firms neither provide for penalty charges for delayed supplies nor risk purchase action in the event of non-execution of order. The supplies by the firms become uncertain when the factories close down or their production targets are not maintained/achieved due to bottle-necks like power cut, coal shortage etc. Supplies are also withheld by the firms when they don't accept the rate contract approved by the Central Govt. When such eventualities happen, the supplies are not received from the suppliers in full and in the meantime validity period of authorisation expires in some cases. Lest the supplies of cement should fall short of allocation/authorisation, R.C.C. is approached to revalidate the authorisation for more period. Where the firms are not in a position to cope with supplies due to production short fall or otherwise R.C.C., New Delhi, is also requested to issue authorisation on other firms. In certain cases we succeeded in obtaining re-authorisation/revalidation for periods ranging from three to eleven months.

However, it is pointed out that the amount of Rs 31.34 lakh mentioned in the para has since been adjusted/refunded.

The contention of avoidable payment of interest of Rs. 4.35 lakh as made by the audit does not hold good in view of the above clarification."

During oral examination, the representative of the Board further expressed their helplessness in the matter of obtaining refunds from the cement suppliers.

The Committee recommend that the Board should take adequate steps to safeguard its financial interests and should not allow unnecessary accumulation and blockade of funds with D.G. S & D/Cement Suppliers.

Paragraph 6.17. Loss due to irregular sanction of contract demand

12. According to Sales Manual of the Board, connected load is the sum of the rated capacities of all the energy consuming apparatus in the consumer's installation which can be operated simultaneously. The contract demand is the maximum demand agreed to between the consumer and the Board. These provisions imply that the power to be supplied to a consumer cannot exceed the connected load, and, the contract demand, as such, should not be more than the connected load. Demand surcharge of 25 per cent on the supply of power is recoverable as per tariff if in any month the maximum demand exceeds by more than 7.5 per cent of the contract demand.

It was, however, observed in the case of a consumer that the connected load was 3205.620 KW. (3771.32 KVA) and the contract demand was kept at 4000 KVA which was irregular. The maximum demand recorded, as per

Maximum Demand Indicator installed in the premises of the consumer, exceeded the connected load of 3771.32 KVA by more than 7.5 per cent during the months of July 1978 (4066.67 KVA), October 1978 (4111.11 KVA) and February 1979 (4080 KVA) but the demand surcharge of 25 per cent on the supply of power as per tariff schedule, could not be levied as the same did not exceed the contract demand of 4000 KVA by more than 7.5 per cent. Owing to irregular sanction of contract demand in violation of the provisions of the Sales Manual according to which a consumer was required to build up load to the extent sanctioned load, which is *ipso facto* the connected load, the Board suffered a loss of Rs. 1.11 lakhs which could have been recovered as demand surcharge had the contract demand been fixed at 3771.32 KVA.

The Government stated (December 1982) that the consumer had the freedom to declare his contract demand even more than connected load for which demand charges /monthly minimum charges are to be recovered at higher rates and also that the consumer had been charged penalty of Rs. 10,735 for low power factor.

Imposition of nominal penalty for low power factor is in no way an adequate compensation for relinquishing the higher penalty of 25 per cent of supply of power when the maximum demand exceeded the connected load by 7.5 per cent, and fixation of the contract demand was irregular.

The Department/Board, in their written reply, stated as under :—

"The instant consumer had applied load of 4800 K.W. with a contract demand of 5000 KVA. which was sanctioned vide C.E. 'OP' Sales Section, H.S.E.B, Chandigarh Memo. 14/8/48/20444 dated 8-11-74. Necessary demand notice was issued by the S.D.O. and in response to the demand notice the consumer (M/s. Haryana Electro Steel, Larsoli) had submitted a test report for partial load of 3200 89 K.W. with a contract demand of 4000 KVA stating that there is a severe power crises/shortage in Haryana and as and when the position of power will improve, he will build up the load with the sanctioned contract demand. The test report was verified and the connection was released by the S.D.O. (OP) S/Division, Murthal.

The connection of the consumer was permanently disconnected on 10-3-77 and as per order issued vide C.E. (OP) Sales Section, Chandigarh vide his memo No. 67/2/14/9/48 dated 13-1-78 the supply was again restored vide RCO/SCO No. 44/31 dated 7-3-78 after verification of test report for 3205 62 KW. RCO has been effected on the same terms and conditions already got completed by the firm. The consumer has not build up his load since date of connection.

The audit has taken the connected load of 3205.62 KW equivalent to 3771.32 KVA by taking power factor as "0.85". This is a case of steel furnace having jerking nature of load and low power factor during its process of manufacturing steel for which the electrical equipment is designed. At the time of start, due to low power factor the contract demand of 4000 KVA against the connected load of 3205.62 KW load was considered justified and was sanctioned by the competent authority i.e. the C.E. (OP).

It is further submitted that the demand surcharge of 25% provided in the tariff is not to augment the revenue of the Board but it is for check on the consumers not to exceed the sanctioned contract demand so that our distribution system which is laid to take up the load of sanctioned contract demand may not be overloaded unnecessarily and cause problems of low voltage and interruption of supply to other consumers.

The action of the C.E. (OP) to sanction the contract demand of 4000 KVA against the connected load of 3205.62 KW, keeping in view what has been mentioned above, is justified and sanction does not reflect any violation of rules. C.Es are competent to sanction such load under S.M.I.—10.

- (ii) It is again submitted that the demand surcharge of 25% which is a penalty and not a regular tariff is not to augment the revenue of the Board, but, it is to restrict the consumers not to exceed the sanctioned contract demand so that our distribution system of supply may not be overloaded. However, the penalty on account of low power factor amounting to Rs. 10735/- was charged to the consumer.

The contract demand of 4000 KVA against connected load of 3205.62 KW is justified keeping in view the above position. There is no violation of rules on the part of the consumer and he cannot, therefore, be penalised for the demand surcharge of 25%."

During the course of oral examination, when enquired, the representative of the Board stated that there was no other unit which had been sanctioned contract demand higher than the connected load. However, he would check up and inform the Committee.

When further enquired, it was intimated that the Firm had been wound up and the amount of Rs. 36 lakhs which was due from them would have to be recovered as arrear of land revenue as it would not be possible to recover the amount by filing a claim with the liquidator, which would get low priority. The representative of the Board agreed to submit a detailed note in regard to this para within a period of one month, but no such note was submitted to the Committee till the writing of the Report.

The Committee observe that the possibility of theft of energy in connivance with the officials of the Board cannot be ruled out in this case.

The Committee recommend that the circumstances under which the contract demand was sanctioned higher than the connected load be investigated by the Board and suitable action taken against the officials found at fault and the Committee be informed in the matter.

The Committee further recommend that proceedings under the Land Revenue Act be initiated against the firm at the earliest to recover the outstanding dues and the outcome thereof be intimated to the Committee.

Paragraph 6.18. Loss due to delay in checking of meters

13. Under the provisions of the Sales Manual of the Board, as amended in April 1971, the Sub-Divisional Officer, Maintenance and Protection Division is required to check all meters including CT/CT-PT meters of large/medium supply consumers (above 70 KW) once in every six months.

It was noticed in the case of a medium supply consumer that the energy meter having been burnt was changed by the operational staff in July 1979. The meter was found (September 1979) to be defective and sticking. Therefore, the Maintenance and Protection Wing was approached (November 1979) by the Sub-Divisional authorities to check the same. However, the meter was checked by the Maintenance and Protection Division only in August 1981 when it was noticed that the polarity of phases in C.T. were in reversed condition and the meter was, as such, recording less consumption by 70 per cent. Thereafter the defects were set right in August 1981 itself. Upon receipt of the test report by Accounts Wing in September 1981, the accounts of the consumer was examined (November 1981) for the period August 1979 to August 1981 and short billing of Rs. 0.72 lakh (power charges : Rs. 0.59 lakh; electricity duty : Rs. 0.13 lakh) was noticed. However, under the terms and conditions of supply of power, the Board raised the additional demand on the consumer (December 1981) only for a period of six months preceding the date of checking, i.e. from March 1981 to August 1981 amounting to Rs. 0.30 lakh (power charges : Rs. 0.24 lakh; electricity duty : Rs. 0.06 lakh). This resulted in a loss of revenue of Rs. 0.42 lakh for the period August 1979 to February 1981.

The consumer had not made payment of Rs. 0.30 lakh for the period March 1981 to August 1981 (January 1983) as the case was under arbitration.

The Board has set up four maintenance and protection divisions under the supervisory control of a Superintending Engineer for checking the meters. In April 1971, the Board introduced a system of site-checking of large/medium supply consumers by a Sub Divisional Officer once in every six months. At the close of March 1982, out of 1629 meters in respect of large/medium consumers required to be checked, the Board was yet to check 793 meters.

The matter was reported to Government in July 1982; their reply is awaited (February 1983).

The Department/Board, in their written reply, stated as under :—

“(1) The meter could not be checked for the reasons explained under point 2, below :—

The Arbitrator has announced the award in favour of H.S.E.B. and this amount was added in bill sent to the consumer. The consumer did not pay the amount and has been disconnected permanently vide PDCO No. 83/31276 dated 8-4-1987. Thus recovery of Rs. 30,000/- could not be made. The consumer has filed Civil Suit in the Court of Law against the award in Court at Palwal and final decision is yet awaited.....

- (2) The M&P staff could not stick to six months schedule routine checking, testing of CT/PT meters, due to the reasons mentioned below :—

(i) *Paucity of Staff* :—During 1981-82 the jurisdiction of M&P Divn. Faridabad spread over 100 K.M. which comprised of Ballabgarh Divn., Palwal Divn., Faridabad Divn. Gurgaon Divn., Dharuhera Divn., Sohna Divn. and Rewari Divn. Two AEE/AE posted in his Divn. could not visit and carry out the testing/checking of CT/PT meters in routine at such long distances. One AE/AEE can only check 2 to 3 meters in a day but he can not carry out the checking for the whole day throughout the month as he has also to discharge other functions such as checking of new CT/PT meters, to attend fault of S/Station. The work of the Division was double keeping in view the jurisdiction and staff, and that is why a case for creation of additional staff consisting of AEE-2, J.E.-2, Instrument Mechanic-2, Electric Mistry-2 was moved by his division vide memo No. 4825 dated 20-10-1981 out of which one post of AEE was created vide order No. 2543 dated 18-5-1982 and the case for other posts is under consideration.

Vehicle :—Two Nos. vehicles attached with his division at that time also could not meet the requirement specially when the jurisdiction was so vast. These vehicles remained out of road most of time on account of which efficiency of staff available also could not be utilised in full.

Power Cut :—The power cut also deteriorated the condition further in achieving the target, as there was severe power cut during the year 1981-82 in day time. The checking in night hours could not be carried out as not more than 25% factories were running in night and also owners representatives were reluctant to allow H.S.E.B. staff to enter their premises for checking. Apart from this responsible authorised staff of consumer was also not available in night hours for acceptance of test reports. Regarding checking of defective CT/PT meters on priority basis, it is submitted that only on checking the accuracy, defective meter is traced out.

It is quite evident that checking was carried out according to availability of staff & vehicles. The power cut also hampered the working and as such no body can be held responsible for the delay.

However, all the meters falling under the jurisdiction of Delhi Zone had been checked and the backlog was clear by 10/85.

Now every effort is made to check the meters in time and the concerned S.E.(M & P) covering the jurisdiction of this zone has been instructed to check all the meters by deputing additional staff to avoid reoccurrence of such situations/compiling of such a huge back-log in future."

During the course of oral examination, the representative of the Board stated that he was convinced that this case involved not one but diametrical

lapses and required thorough investigation. It was further stated that a preliminary enquiry into the matter would be completed within a month after which action would be initiated against the defaulting officials.

The Committee recommend that :—

(i) the outcome of the Court case with regard to the recovery of dues from the Firm; and

(ii) action taken against the officials found responsible for the lapses as a result of thorough investigation

be intimated to the Committee.

Paragraph 6.19. Incorrect computation of demand charges

14. The power meter installed in the premises of a large industrial supply consumer was found to be functioning correctly when checked by the Maintenance and Protection Division in March 1978, but on subsequent checking by the same Division in September 1978, it was found to be running slow due to defects in the meter and metering C.T.'s. Since the consumer did not agree to the findings of the Division, the Sub-Divisional Officer was asked (September 1978) to instal a check meter; the check meter could, however, be installed only in September 1980 due to non-availability of meters.

It was found (October 1980) through the check meter, that the original energy meter was running slow by 11.34 per cent, KVAH meter by 84.71 per cent and Maximum Demand Indicator (M.D.I.) by 58.17 per cent. Accordingly, the account of the consumer was recast from March 1978 (being the date of last checking) and additional demand of Rs. 0.30 lakh (including electricity duty of Rs. 0.07 lakh) for the period from March 1978 to October 1980 was raised and realised in November 1980.

It was noticed in audit (March 1981) that the arrears for the period January 1980 to October 1980 had not been correctly computed as the enhanced M.D.I. as per check meter was not taken into consideration by the Sub-Divisional Officer while computing the additional demand. This resulted in short assessment of Rs. 0.47 lakh (energy charges : Rs. 0.37 lakh and electricity duty : Rs. 0.10 lakh). The short assessment, detected in audit, was, however, subsequently realised from the consumer in August 1981.

The Department/Board, in their written reply, stated as under—

“It has already been admitted by the concerned officers viz., the S.D.O. and Executive Engineer that the accounts of the consumer when overhauled for the entire period from March, 1978 to October, 1980, did not correctly include the charges relating to error in maximum demand indicator. This resulted in short assessment of Rs. 0.47 lacs which has since been realised. Accordingly the reasons for short assessment was omission by the concerned Sub-Divisional Staff and the concerned S.D.O. had been advised by the Executive Engineer to take care of such lapses in future billing to consumers. There is no letter of advice on record. Accordingly it is supposed to have been only a verbal advice. However, a letter of advice to Sh-

G.S. Yadav concerned S.D.O. has now been issued vide Memo No. Ch-51/WO/A-V-2001 dated 26-5-87.

It may be pointed out that there is no financial loss due to wrong billing, the wrong assessment having been realised later on at the time of audit."

During the course of oral examination, the representative of the Board agreed with the Committee that the lapse involved in this case was a serious one and issue of a mere advice to be careful in future to the S.D.O. concerned was not enough. It was, however, stated that the matter would be re-examined and further action in the matter taken accordingly.

The Committee desire that the outcome of the re-examination of the matter and also the action taken against the officials found responsible for the lapse be intimated to the Committee expeditiously.

Paragraph 6.20. Undue favour to a company-loss of interest

15. Under the conditions of supply of power, large supply consumers are allowed a grace period of seven days from the date of presentation of bills for payment. Any default in payment within due date attracts imposition of a surcharge of 2 per cent on the amount of the bill. Further, no outstation cheques towards payment of energy charges were acceptable.

In the case of a private company at Surajpur, falling under the category of large supply consumer, the Board had, however, issued instructions in July 1967 to the Sub-Divisional Officer, Kalka, to accept payment of energy bills by cheque drawn at Chandigarh, as a special case, with definite directives that the cheque be presented at the bank at Chandigarh through a special messenger on the date of receipt of the cheque.

It was, however, noticed that since January 1980 the Sub-Divisional Officer deposited the outstanding cheques with their bankers at Kalka for collection instead of through special messenger as required. This involved a time lag of 2 to 30 days in getting credit of the money in Board's accounts.

On this being pointed out by Audit in February 1981, the Board rectified this lapse after June 1981. Since the monthly bill of the consumer ranged between Rs. 6.79 lakhs to Rs. 12.55 lakhs during January 1980 to June 1981, the Board lost an interest of Rs. 1.60 lakhs (calculated at the rate the Board is paying interest to the bank on overdrafts) on the delayed recovery of dues. The Board could not also recover surcharge from consumer since the consumer deposited the cheque with the Board on the last day of due date for payment of the Bill.

The matter was reported to Government in July 1982; reply was awaited (February 1983).

In their written reply, the Department/Board stated as under—

"1. The State Bank of Patiala, Chandigarh with whom special arrangements were made by the Board for accepting cheques from M/S. B.C.W. Surajpur payable at S.B.I. Chandigarh

refused to accept the cheque for the month of January 1980, when it was presented by the Operation Sub Division Kalka on the plea that there is no account in the name of S.D.O., Kalka with them. Finding no other alternative, the S.D.O. deposited the cheque in the HSEB, A/c at Kalka and the practice continued till June, 1981 when the consumer was asked to pay through Bank draft/ local cheque. However, at present the State Bank of Patiala, Chandigarh agreed to accept the old arrangements which are being followed till today.

(ii) The following officers/officials were held responsible for the above lapses :—

1. Sh. D.P. Sharma, S.D.O.
2. Sh. I.S. Sarwal, J.E.I.
3. Sh. Tara Chand, LDC/LDC (R)

Sh. I.S. Sarwal, J.E.I. was served with a show cause notice on 28-12-84 by C.E. (OP) North, but the same has been with-drawn on 24-1-86 after considering his reply.

Sh. Tara Chand L.D.C. has been issued a letter of warning vide C.E. (OP) North, memo No. ch-81/DSG-1938 dt. 3-3-86.

Action against Sh. D.P. Sharma, the then S.D.O. is under process."

During the course of oral examination, the departmental representative admitted that it was a case of extreme negligence and the delay caused in finalising the action against the S.D.O. concerned was indefensible. He, however, promised that the matter would now be finalised within three months and the Committee informed of the action taken.

The Committee are distressed to observe that the department/Board has taken the promise made on 17th August 1988, of supplying the information within three months very lightly as the requisite information has not been furnished till the writing of this Report. The Committee take a serious note of it and desire that suitable action be taken against the official responsible for this lapse.

The Committee further desire that the promised information alongwith the action taken against the S.D.O. concerned be supplied to them without any further loss of time.

Paragraph 6.21. Misappropriation of stationery articles

16. According to the procedure in vogue in the Board prior to December 1981, stationery articles were issued against indents received from various offices of the Board. On receipt of indent, four copies of challan-cum-gate pass were prepared. One copy of the challan was retained by the stationery cell so as to serve as a voucher, second copy was to be handed over to the security staff as a gate pass and the remaining two copies

were to be sent to the indentors alongwith the stationery articles. The recipients were required to return the duplicate copy of the challan duly countersigned and after recording a certificate that the relevant stationery had been taken in their stock.

The Superintendent Engineer (Purchase) during a surprise visit to the stationery cell in July 1981, observed that the procedure prescribed had not been followed since long in as much as the recipients of stationery articles were not being given the duplicate copy of the challan for returning the same duly acknowledged and certified as required. Lack of this control in the stationery cell, thus, led to apprehensions of misappropriation of stationery items on a large scale.

The Headquarters of the Board does not have any consolidated record of detected cases of thefts including thefts of wires, transformers etc. Consequently, it has not been possible to ascertain during audit what is the total magnitude of money lost or losses incurred by the Board in this direction.

The Internal Audit Wing of the Board in the course of audit of stationery cell for the period April 1980 to August 1981, found (September 1981) that there were numerous cuttings and overwritings in the stationery issue register and that copies of gate pass challans preserved with the security staff had also been tampered with in a number of cases. To vouch the authenticity of the charges, confirmation of the quantity of stationery received by various recipients was called for and a comparison of the reports from 45 offices with the stationery issue register revealed misappropriation of stationery items valuing Rs. 6.13 lakhs. The misappropriation were computed as follows :

	Value
	(Rupees in lakhs)
(a) Preparation of bogus vouchers and tampering with the quantity in challans for issue of stationery	5.57
(b) Balances not carried forward and reduction in book balance without issue	0.03
(c) Shortages in stock detected during physical verification	0.53
Total	6.13

The two officials of the stationery cell were suspended (December 1981) and a case was registered with the Police in December 1981 which was still under investigation (February 1983).

The Board has introduced a new procedure (December 1981) of issuing stationery items afresh only after ensuring receipt of the acknowledgement for the issue made previously.

In their written reply, the Department/Board stated as under —

(1) The prescribed procedure for receipt and issue of stationery is being followed now by the Board.

(2) The consolidated record of cases of thefts/losses is being maintained at the various levels detailed here under :—

(i) Cases involving the amount upto Rs. 2,000. Respective circle office.

(ii) Above Rs. 2,000 Chief Auditor's office at Hisar

(3) One of the official Sh P.D. Mahendra, Superintendent has since retired and the other official Sh J.P. Sharma, Ass. stant is still under suspension.

(4) The police authorities have not yet given the investigation report.

(5) The case is still under investigation by U.T. Police. (Anti-Cheating Branch) Chandigarh."

During the course of oral examination, when enquired, it was stated by the representative of the Board that it was a lapse to allow full pensionary benefits to an official facing criminal investigation in a misappropriation case involving 6.13 lakhs. He further stated that the matter for early investigation of the case was being pursued with the U.T. Police Chandigarh but their report was still awaited.

When further enquired, the representative of the Board agreed with the Committee that there was no bar to initiate departmental proceedings, besides initiating criminal proceedings, against the officials concerned and stated that in accordance with the decision taken about a month back, departmental action in this case would be initiated.

The Committee view the laxity on the part of the department/Board in not initiating departmental proceedings against the delinquent officials simultaneously with the criminal proceedings with concern and desire that disciplinary proceedings against the officials at fault be finalised without any further loss of time and result thereof intimated to the Committee.

The Committee further desire that the outcome of the criminal proceedings initiated in this case be also intimated to the Committee.

REPORT ON THE

REPORT OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA
FOR THE YEAR 1982-83*Paragraph 7.9. Adoption of wrong normal surface levels*

17. Project report for Western Yamuna Canal Hydro Electric Project indicating the general layout (longitudinal sections) and design formulations, was prepared in October 1977 after conducting topographical and geological surveys. For designing the Hydel channel, detailed survey of the area between Tajewala Headworks and Dadupur Headworks was carried out at different stages by the Executive Engineer, Survey and Investigation of the Project. On the basis of these surveys, detailed designing of channel was done by the consultants, i.e., Central Water Commission (CWC).

As per the terms of the notice inviting tenders/contract, the Normal Surface Levels (NSL) are required to be recorded afresh by the Project Authorities in the presence of the contractors before the actual start of the works, which is to form the basis for regulating payments for work done. Accordingly, such levels were again taken by the construction staff of the project as and when the segments of work were allotted to the contractors.

While carrying out the final survey for the purpose of payment to the contractors, the construction staff noticed that there were differences in the NSLs, as adopted by CWC and as recorded for payment purposes. It was, thus, apprehended that there had been some mistakes at some stage in these surveys. The Additional Chief Engineer (Hydel), in December 1980, issued instructions to the Director, Construction, to record levels from the off-take point to the tail-end of the hydel channel so as to avoid any discrepancy at a later date. This was, however, not done. In March 1982, the Board decided to get the survey of the NSLs of the entire channel carried out by a retired Chief Engineer of the Irrigation Department, Haryana. The retired Chief Engineer, in his report of April 1982, concluded that the Board had been defrauded to the tune of several lakhs of rupees as the NSLs as recorded were found to be higher by 0.5 metre to 1.05 metres than the actual.

The Board appointed (December 1982) another Chief Engineer of the Irrigation Department to conduct an enquiry into the whole case. The results of the enquiry are awaited (November 1983).

In a test check of records in audit of some of the segments of the channel with reference to NSLs adopted for making payments to the contractors and the comparative levels worked out by the Board on the basis of the report of the retired Chief Engineer (of April 1982), it was observed that the NSLs for execution were shown in excess by 0.071 metre to 2.227 metres. In the four contracts test-checked in audit, out of 15 contracts, the financial impact of wrong adoption of NSL worked out to Rs. 22.68 lakhs in respect of 1.85 lakh cum of earth work, out of which Rs. 19.59 lakhs (approximately) had already been paid.

The matter was reported to Government in August 1983; reply is awaited (November 1983).

In their written reply, the Board/Department stated as under :—

(i) Work in the down reaches was taken in hand during September, 1980 and as a pre-requisite of the tender specifications, joint levels of the channel to be excavated were required to be observed. This joint levelling was carried out for all the four reaches down stream PH. No. 4 NSLs of almost all the reaches were scraped by December, 1980 and thus, instructions of Addl. Chief Engineer/Hydel issued in December, 1980 could not be so meaningful whether implemented or not implemented. It is an established fact that NSLs were observed and recorded by the construction staff before the start of excavation work and thus there is no ground for fixing responsibility for not carrying out instructions of Addl. Chief Engineer/Hydel.

(ii) On the report of Engineer-in-Chief of Haryana Irrigation Department the Board charge-sheeted all the concerned officers/officials and on the receipt of replies of charge-sheets another Enquiry Officer was appointed by the Board. On receipt of Enquiry Officer's report it has been found that some of the charges stand established against all the defaulting officers/officials. The Board has taken disciplinary action against all the concerned persons which includes stopping of annual increments, reversion and compulsory retirement.

(iii) The Enquiry Officer started proceedings of the enquiry in March, 1983 and the following four issues were framed :—

(1) Whether the procedure followed for survey work in setting up of Bench mark is correct or not ?

(2) Whether the cross sections which have been taken to form the basis of the payments have been correctly taken or not ?

(3) If the above cross sections have not been correctly taken what is amount of the excess payment involved in each case ?

(4) Who are the persons responsible for the irregularities if any in the above three issues ?

The Enquiry Officer gave findings on issues No. (1) & (2) in March, 1985. The findings of the Enquiry Officer were the following :—

1. Issue No. 1 : The procedure followed for survey work in setting up of Bench mark is not correct.

2. Issue No. 2 : The cross sections which have been taken to form the basis of payment have not been correctly taken.

The Enquiry Officer gave findings on issues No. (3) & (4) in August/September 87 and the findings were followings :—

Issue No. 3 : The amount of excess payment involved due to wrong recording of NSLs in each case is as follows :—

Abstract of excess of quantities and loss :

Sr. No.	Reach of Hydel Channel	Quantity (cum)	M-3	Rate	Loss in Rs.
1	2	3		4	5
1.	11830—12600	13733.285		9.98	137058.18
2.	12600—13500	41935.125		11.15	467576.64.
3.	13500—16200	63372.075		10.19	645761.44
4.	16200—18126	24330.600		8.60	209243.16

4. Issue No. 4 : The persons who are responsible for the irregularities of the above three issues are as under :—

1. Sh. O.P. Bhojvaid, SDO
2. Sh. R.L. Babbar, S O.
3. Sh. R.C. Chugh, SDO
4. Sh. Kishore Chand, SDO
5. Sh. M.L. Thakur, S.O.
6. Sh. Rakesh Goel, S.O.
7. Sh. R.K. Garg, SDO
8. Sh. S.K. Jain, JE
9. Sh. C.P. Dhingra, SDO
10. Sh. D.S. Rawat, JE

In addition to above, Sh. J.S. Chotani, XEN, Sh. M.N. Bhagat, SE and Sh. A.N. Taneja, C.E. are responsible as over—all incharge for reach 11830 to tail-end.

(iv) The total financial impact of wrong adoption of NSLs is Rs. 14,59,639.30 for a total quantity of 1,43,371.08 cum."

During the course of oral examination, the representative of the Department/Board stated that on the basis of enquiry report in this case, two increments of different officers were stopped, one officer was reverted and two officers were censured. When enquired by the Committee as to why such a long period was taken in completion and finalisation of enquiry, the departmental representative could not give reasons for this inordinate delay.

On further questioning by the Committee as to how the Board proposes to recover the excess payment to the contractors due to fault of the Board officials, the representatives of the Department/Board stated that the amount excess paid would be recovered from the concerned contractors.

The Committee feel that the Board officials who were incharge of the work had acted in connivance with the contractors to put the Board to financial loss and such guilty officials should have been given exemplary punishment as a deterrent measure.

The Committee, therefore, recommend that the Department/Board should examine if the punishment given to the guilty officials was sufficient or that needed to be enhanced keeping in view the gravity of their guilty.

The Committee further recommend that the amount excess paid be recovered forthwith from the concerned contractors and the necessity of blacklisting the contractors who had acted wilfully to cheat the Board of lakhs of rupees should also be examined.

Paragraph 7 10 Infructuous expenditure of Rs. 10.15 lakhs

18. Under the designed general lay out plan of the Western Yamuna Canal Hydel Channel which was divided into various segments to facilitate execution of the earth work involved therein, RD 9450 M to RD 10800 M required earth filling whereas RD 11830 to RD 12600 M required excavation to bring the channel to the designed alignment RD 9450 M to RD 10800 M was estimated to need 1.23 lakh cums of earth for achieving the designed levels of the channel, of which 0.53 lakh cums earth was to be available from within this reach, whereas 0.70 lakh cums of earth was to be brought from outside. Prudent planning, therefore, demanded undertaking the works in various segments in such a way that excavation and filling could be accomplished in a single operation in the most economical manner. Contrary to this, the Hydel Project Authorities executed the work involved in these two reaches under independent contracts as detailed below :—

- (a) Excavation of earth and filling of the excavated earth in the spoil banks in reach RD 11830 M to RD 12600 M at a rate of Rs. 14.50 per cum under a contract awarded to firm 'A' in July 1980 (tenders invited in May, 1980).
- (b) Excavation of earth and filling of the excavated earth in the banks of the reach at RD 9450 M to RD 10300 M under a contract awarded to firm 'B' in February 1981 (detailed work order placed in April 1982) at the rate of Rs. 12.23 for RD 9450 M to 10350 M and Rs. 15.01 for

RD 10350 M to RD 10800 M per cum of earth (work started in March 1981 against the tenders invited in July 1980).

In the contract awarded to firm 'B', another provision for re-excavation and carriage of 0.70 lakh cums of earth deposited in spoil banks at RD 11630 M to RD 12600 M under contract at (a) above was made for filling in segment of the reach RD 9450 M to RD 10800 M at a rate of Rs. 15 10 per cum.

Had the initial contract under (a) been awarded in such a manner that 0.70 lakh cums of earth required for filling in segment of RD 9450 M to RD 10800 M was carried directly to this reach after excavation at the rate of Rs. 15 10 per cum, the initial expenditure entailed in this quantity of earth excavation and deposit in spoil banks at the rate of Rs. 14.50 per cum could have been avoided; 49091 cums of earth had been re-handled till December 1982, involving an injudicious extra expenditure of Rs. 7.12 lakhs which will increase to Rs. 10.15 lakhs when total quantity of earth filling is completed.

The Government stated (September 1983) that no parameters had been fixed for filling reaches with regard to compaction, relative density, moisture contents and method of compaction and that compaction machinery had not been procured.

In their written reply, the Board/Department stated as under :—

"At the time of award of contract for the excavation of reach from RD 11830—12600 M, there was no arrangement for compaction in the reach RD 9450—10800 M. It was due to this reason that contract for composite excavation and filling was not awarded.

The reach under question has already been completed and its final payment has been released. As per the final figures, earth valuing about Rs. 9 lakhs has been rehandled and carted from reach RD 11830—12600 M and deposited in the reach RD 10350—10800 M. It has already been commented above that while awarding excavation work in the reach RD 11830—12600 M, arrangements were not available for rolling and compaction in the reach RD 9450—10800 M. It may further be added that bulk of the surplus earth in the reach RD 11830 to 12600, which is at present dumped along the sides of the Hydel Channel in the shape of spoils, would be used for back filling after the construction of Power House at Pit No. 4. The earth excavated from Power House Pit No. 4 (presently upto about 1.65 lacs cum) had all been directly transported to the filling reach between RD 10700 to 11450 as well as for filling in the escape channel emanating from RD 10900 and terminating at escape regulator. There is contemplation to utilise another about 30,000 to 40,000 cum earth to be realised from excavation of Power House Pit No. 4 for

building up balance portion of embankments from RD 11000 to 11450 and from 11450 upto 11600. Thus major quantity of earth required for filling in Hydel Channel from RD—10700 down-stream upto Power House Pit No. 4 has been done with the earth realised from excavation of Power House Pit No. 4. Now for back filling of Power House No 4, the earth lying in the shape of spoils and from RD—11830 to 12600 would be brought in use."

During the course of oral examination, the representative of the Department/Board stated that due to non-availability of parameters and compaction machinery which could be imported quite late due to delay on the part of the supplier, the excavated earth was first deposited in spoil banks and then re-excavated and carried to the concerned reach for filling and compaction in order to avoid delay in commissioning of the project.

The Committee feel that with proper planning and coordination on the part of the project authorities, the extra expenditure of Rs. 9 lakhs on rehandling of earth could have been avoided.

The Committee recommend that in future the Department/Board should ensure that in implementation of projects, proper planning and coordination is effected so that unfruitful expenditure, as has happened in this case, could be avoided.

Paragraph 7 11. Avoidable expenditure

19. The take-off point of the Hydel Channel of the Western Yamuna Canal Hydro-Electric Project was at RD 2500 feet of the Main Line Upper (MLU) of the Western Yamuna Canal near Tajewala Headworks. The Full Supply Level (F.S.L.) at this point was assumed (January 1978) as R.L. 1062.65 ft. and the extent of fall in the levels of Hydel Channel for the purpose of powerhouse locations was designed with reference to this full supply level though the actual existing full supply level was R.L. 1056.48 ft. This discrepancy in the assumption of full supply level was pointed out in a meeting between the engineers of the Board and the State Irrigation Department held in November 1978. In spite of the discrepancy, the Board went ahead with the designing and execution of work without any firm commitment about the availability of water at assumed level from the Irrigation Department. The Irrigation Department again in January 1980 and May 1980 pointed out the discrepancy in F.S.L. indicating that water at R.L. 1062.65 ft. shall not be available. Eventually, the Hydel Project Authorities in January 1981 revised the design of the Hydel Channel.

Meanwhile, work in reach RD 1000 M to RD 1750 M, comprising 7000 cum of earth excavation and 83,000 cum of earth filling in embankment had been allotted in August 1980 to contractor 'A' at Rs. 7.00 per cum for excavation and disposal in banks and at Rs. 17.50 per cum for excavation and carriage from a lead 2 KM away and filling in this reach. Up to December 1980, excavation to the extent of 2080.50 cum and earth filling in embankments by bringing earth from outside

to the extent of 33,800 cum had been executed. As per the revised full supply level at 1056.48 ft., the earth filling required was, however, only 27,000 cum and thus 6,800 cum of earth filling done in embankments was in excess of requirements. Failure to adopt correct full supply level before awarding the work, thus, entailed an infructuous expenditure of Rs. 1.19 lakhs.

The Government stated (October 1983) that out of 6,800 cums of surplus earth, 3000 cums was dumped in roads for maintenance and 2300 cums was consumed towards compressibility

With F.S.L. at 1062.65 ft., the excavation in reach RD 400 M to 1000 M (adjoining to reach 1000 M to 1750 M) was adequate to meet the needs for embankments of this reach. With the change of F.S.L. at 1056.48 ft., the extent of excavation in this reach had to be increased resulting in 0.10 lakh cums of earth becoming surplus. Had the correct F.S.L. been adopted from the very beginning, the extra excavation and filling work could have been so planned that the surplus earth of the reach 400 M to 1000 M would have been carried direct to the adjoining filling reach RD 1000 M to 1750 M, at the rate of Rs. 17.50 per cum. This would have resulted in a saving of Rs. 0.80 lakh by avoiding deposit of the said excavated earth at its spoil banks at negotiated rate of Rs. 8.00 per cum.

The Government stated (October 1983) that the surplus earth will be used for maintenance of banks or breaches, etc.

In their written reply, the Board/Department stated as under :—

- (i) When the Project work was taken in hand, construction of Hathni-kund Barrage was envisaged almost simultaneously and thus F.S.L. of 1062.65 ft. could also have been maintained. Since the construction of Barrage landed in jeopardy, the Haryana Irrigation Department in a meeting with HSEB in December, 1980 conveyed that it was not possible for them to give us F.S.L. of 1062.65 ft. and a reduced F.S.L. of 1056.48 ft. was conveyed. The execution of the Project during this period was thus due to the force of circumstances.
- (ii) The excess quantity of about 3000 cum. had already been filled when decision regarding lowering of F.S.L. was received. Since no further filling was done in the reach RD 1000—1750 M, after the lowering of F.S.L., therefore, no responsibility has been fixed.
- (iii)Saving of Rs. 0.80 lacs, as now being suggested, could not be affected under compelling circumstances. It may, however, be mentioned here that surplus earth available along the banks in the reach RD 400—1000 would be available for repair works after the commissioning of the Project."

During the course of oral examination, the representative of the

Department stated that the project was conceived in 1962 on the basis that full supply level at the take off point of the Hydel Channel of the Western Yamuna Canal would be 1062.65 ft. Subsequently, it was pointed out by the Irrigation Department in November 1978, that they would not be able to maintain this supply level. Thereafter, the matter remained under consideration/discussion and it was only in December 1980, that the Irrigation Department finally conveyed that the full supply level of 1062.65 ft. would not be available and it would rather be 1056.48 ft. Accordingly, the Hydel Project Authorities revised the design of the Hydel Channel in January 1981. He further stated that the extra expenditure on this account was only to the tune of Rs. 80,000.

When enquired by the Committee in the meeting held on the 5th January 1989, about the delay in conveying the final decision by the Irrigation Department regarding lowering of Full Supply Level at the off-taking point of W.J.C. Hydel Channel from RL 1062.65 ft. to 1056.48 ft., the Engineer-in-Chief of the Department stated that the project report of W.J.C. Hydro, Electric Project, Stage-I and II was got finalised and approved from Central Electricity Authority/Central Water Commission by the Haryana State Electricity Board before 30-1-78 on the basis of Report prepared by their consultants, wherein the Full Supply Level at the off-taking point of Hydel Channel was kept at 1062.65 ft. On receipt of the Project Report from H.S.E.B. in January 1978, the Irrigation Department made certain observations and at no stage Full Supply Level at the off-taking point of the Channel was intimated by the Irrigation Department to the Electricity Board. The work on the Hydel Channel was started by the H.S.E.B. in August 1979, and the Irrigation Department informed the Board in January 1980, that the likely Full Supply Levels that will be available in the Hydel Channel Off-take at RD 1000 and 2500 of W.J.C. Main Line Upper will be about 1057 ft. and 1054 ft. respectively. Subsequently, the Board on the advice of their consultants suggested in the meeting held in May 1980, that the Irrigation Department should examine the possibility of keeping higher level at the off-take point of the Hydel Channel. Since the proposal would have ensured the generation of more electricity, the Irrigation Department assured that all possible steps would be taken to work up the higher Full Supply Level. It was pointed out that this was a very complicated issue because on one side the question of generation of more electricity and on the other the choking up of W.J.C. in the Head reaches was involved. Therefore, different alternatives were worked out and examined keeping in view the Report of the Superintending Engineer, Hathni Kund Barrage Circle and finally it was jointly decided in the meeting held on 5th December 1980, that Hydel Project should be planned with a Full Supply Level of 1056.48 ft. in Main Line Upper because it was felt that the full supply level of 1062.65 ft. would damage the Irrigation System and the decision was communicated to H.S.E.B. on the 9th December 1980.

The representative of the Electricity Department stated that between January and December 1980, a number of meetings were held between the H.S.E.B. and the Irrigation Department and it was only on the 9th December, 1980, that the Irrigation Department finally intimated that the Full Supply Level at the off-taking point would be kept as RL. 1056.48 ft. He, however, admitted that the work on the project was started without getting firm commitment from the Irrigation Department about the Full Supply Level.

The Committee feel that had there been proper coordination between the Electricity Board and the Irrigation Department, the extra expenditure incurred on the project as a result of extra excavation and filling could have been avoided.

The Committee, therefore, recommend that in future the State Government may ensure that the various agencies entrusted with the execution of joint ventures should keep close co-ordination and sort out matters at higher levels before embarking upon the projects to avoid incurring of extra expenditure/loss.

Paragraph 7.12. Extra expenditure

20. An order for supply of 20,000 (2 KVAR 415 V—3 Phase) Indoor Type shunt capacitors was placed on a firm 'A' in February 1980 at Rs. 195.50 per capacitor for the first 10,000 and Rs. 197.00 per capacitor for the balance 10,000 numbers (equivalent rate being Rs. 212.20 and Rs. 213.83 per capacitor respectively). The supplies were to commence within 2-3 months after receipt of order. These were to be completed in lots of 5000/7500 pieces per quarter. The despatch of material was subject to inspection by Board's inspector for which the firm was to give 15 days written notice. Against the stipulated supply of 15,000 capacitors, the firm offered for inspection and supplied 6,600 capacitors during the first three quarters ending February 1981 (1st quarter : 2,000 capacitors, 2nd quarter : 2,000 capacitors and 3rd quarter 2,600 capacitors).

Meanwhile, the prices of capacitors, as per tenders against another enquiry opened in November 1980 showed substantial declining trend. The lowest quoted firm's rate (firm 'B') was Rs. 185 per capacitor which was further reduced (April 1981) to Rs. 155 per capacitor when the tenderers were asked to extend the validity of their offers up to April 1981.

Against the balance quantity (13,400 capacitors) from firm 'A', the Board received 1,000 capacitors in March 1981 without inspection. Balance 12,400 capacitors were offered for inspection on 20th May 1981 which were inspected in August 1981 and were supplied between September 1981 and November 1981. Out of 12,400 capacitors, 8,400 capacitors represented the quantity which was not offered for inspection during the appropriate quarters in terms of the supply order. These could have been rejected, as the Board was not bound to accept them due to delay and by that time had already received a lower offer of firm 'B' which was not availed of.

The acceptance of the 8,400 capacitors at higher rates which could be rejected in terms of the provisions of the supply order resulted in avoidable extra expenditure of Rs. 5.41 lakhs.

In their written reply, the Board/Department stated as under :—

“The delivery period of purchase order No. HH—1680 was upto 29-5-81. The entire material against this PO was offered by the supplier for inspection within the delivery schedule i.e. upto 20-5-81. Hence it was accepted. The contention of the Audit that since the firm failed to offer the last lot for inspection (offered on 20-5-81) i.e. 15 days before the expiry date of completion of the entire supply, the Board at its option could

cancel the PO for the balance supply is not correct. From the above, it is clear that contractually, the Board had no option to cancel the PO. However, for argument sake, had the Board cancelled the purchase order for balance supply of capacitors on 14-5-81 (29-5-81 last date of delivery—15 days period required for inspection), the Board could not avail the lowest rate against tender enquiry No. Q.H.—1394 which had been dropped on 28-4-81 as per decision of the Board.

After having entered into contractual agreement with the suppliers, the Board at its own can not make a departure from the provisions of contract agreement. As such, any discussion to review the contract, agreement does not arise in view of the fact that the firm 'A' has supplied the material well within the delivery period.

In light of the position explained above, it involved no responsibility."

During the course of oral examination, the representative of the Department/Board, when questioned by the Committee, admitted that there was lapse on the part of the Board official for not inspecting the capacitors for three months after the receipt of information from the firm. He further submitted that they would further examine the matter as to what action was taken on the firm's letter and at what level the delay in inspection occurred.

The Committee feel that since the rates of capacitors had considerably come down in the market, the firm in order to avoid lapse of delivery period and to retain benefit of high contracted rates, sent a letter to the Board, just before the expiry of the delivery period, that the entire balance ordered quantity was ready for inspection. The Committee also feel that this was done in connivance with some Board officials, who deliberately delayed inspection of the capacitors for three months, thus giving enough time to the firm to make ready the capacitors for inspection.

The Committee, therefore, recommend that the entire matter which resulted in extra expenditure of Rs. 5 41 lakhs be thoroughly investigated by the Board and responsibility fixed under intimation to the Committee.

Paragraph 7.14. Procurement of unsuitable pumps

21. To facilitate excavation of the Hydel Channel of Western Yamuna Canal Hydel Project, the ground water table was required to be suppressed through de-watering process for which purpose pumps - were required.

The Board floated (September 1981) a short-term tender enquiry for supply of 5 centrifugal pumps of 200x200 mm with a discharge of 5 cusecs at a total head of 25 metres and placed purchase order in October 1981 on firm 'A' at a cost of Rs. 3.26 lakhs including accessories without furnishing information connected with pumps application (altitude at site, ambient temperature, etc.), liquids handled, solids present in the soil and chemical composition of liquids as required under I.S. specification 5120—1977. The pumps with accessories, after inspection at Ahemdabad, were received in

December 1981 and put to work immediately as the excavation of Hydel Channel was a pressing job for the Hydel Projects Schedule. The pumps, however, did not work properly and broke down frequently, in spite of repairs carried out from time to time by the suppliers as well as departmentally. The project authorities, in September 1982, felt that pumping of slurry was playing havoc with the working of these high discharge pumps. The supplier, in October 1982, also refused to attend repairs (though within warranty period) and stated that the pumps were primarily supplied for lifting water only but they had been used for lifting of water highly mixed with sand and silt, the pumping of which was causing heavy erosion and extra overloading of the pumps and that these defects coupled with improper installation caused havoc with the pumping sets.

Thus, owing to purchase of pumps without ensuring their technical suitability for the job, the entire expenditure of Rs. 3.26 lakhs on purchase and Rs. 0.40 lakh spent on repairs has become nugatory.

The Government stated in September 1983 that pumps were meant for dewatering clear water and had been working without any complaint till March 1982. The contention was against the actual facts in as much as (i) water required to be pumped from construction sites/sub-soil strata could not/cannot be expected to be always free from sand, silt, (ii) the pumps were deployed for dewatering the water containing sand, silt, etc., and (iii) the officers operating the pumps had been reporting from time to time, since the installation of the pumps in December 1980, that these were not working properly and the pumps had also some manufacturing defect.

In their written reply, the Board/Department stated as under :—

“The supplies of the pumps were completed by the firm on 20-11-81 and immediately thereafter these were installed at pits of PH No. III and IV in December, 1981 and there was no complaint about their working till the end of March, 1982. Subsequently, sand blowing started at the pit of PH No. III sometimes in April/May, 1982. Consequently, the water containing sand, silt and solid particles continue to be dewatered with these pumps. Although these pumps were meant to lift only clear water, but still they kept on doing these jobs. The suppliers regularly attended to the repair jobs of the pumps till such time their principals objected to the reimbursement of the expenditure as the damage was not attributed to any inherent defects in the pumps. This fact was, however, got clarified from H.S.M.I.T.C. who are considered expert in drilling and use of heavy duty discharge pumps who confirmed that these pumps don't have any inherent defect. Taking the above into consideration, it was decided by the Department that the pumps may be got repaired departmentally. In the circumstances stated above, it was quite clear that no action was required to be taken against the firm.

- (ii) The pumps were purchased to lift only clear water from the pits of PH No. III and IV on the basis of the preliminary investigations carried out on the strata available. The phenomenon of mixing sand and silt started later on at PH—III, was quite

- unexpected and unnatural and that is why the same could not be taken care of while framing the specifications of the pumps.
- (iii) The supplier on whom the P.O. was issued was second in ranking of the different tenderers. It was because of the technical reasons that the lowest tenderer was ignored by the H.P.C. in its meeting held on 29-9-81 at Bhudkalan and Purchase Order was issued to the 2nd lowest tenderer on technical grounds. So, it is evident that the technical aspects were taken into consideration while issuing the Purchase Order. The Inspecting Officer had carried out the inspection of these pumps at the Works of the manufacturer's i.e. at Ahmedabad and the test results showed that the pumps conformed to the specifications of the Purchase Order."

During the course of oral examination, the representative of the Department/Board stated that there was no inherent defect in the pumps but the defect had occurred because of certain site conditions and faulty installation. He further stated that these pumps were in working order and were being used for dewatering.

The Committee desire that the manner and the number of hours for which each of these pumps have worked each year since March, 1982, be intimated to the Committee.

Paragraph 7.15. Loss due to under-recording of meter

22. According to the tariff schedule of the Board, large supply consumers are required to pay tariff under two parts, i.e., (i) demand charges and (ii) energy charges in respect of supply of power during a particular period. The demand charges computed as per readings of the Maximum Demand Indicator (MDI) under the first part of the tariff are based on the highest average load recorded in KVA during every consecutive period of thirty minutes in a month or 65 per cent of contract demand or 100 KVA, whichever is higher. The energy charges under the second part of tariff are based upon the readings recorded by KWH meter from month to month. The readings of the MDI meter are recorded by the Sub-Divisional Officer-in-charge every month and the meter is brought down to zero by him after recording the maximum demand. The maximum demand recorded in the MDI meter during a month cannot, obviously, exceed the connected load. As such, power consumed under the second part tariff cannot also comparatively exceed the demand so recorded by the MDI meter.

In respect of an industrial consumer of Ballabgarh engaged in rubber reclamation industry (with a connected load of 587 740 KW), the declared contract demand was 300 KVA, reduced to 250 KVA with effect from August 1978. As the electrical load of any industry fluctuates from time to time, the actual energy consumed would usually be a fraction of the energy that would be consumed as per MDI. However, a study in respect of this Ballabgarh factory showed that it exceeded 100 per cent in all the months from July 1978 to January 1982. This could be possible only in the event of under-recording of the readings of MDI.

After the above anomaly and short assessment was pointed out (April 1982) by Audit to the Board, a check meter was installed on 29th November

1982 and as the old MDI meter was found running slow by 51.8 per cent a new meter was installed in December 1982. The Executive Engineer while conceding the view that the reading under MDI multiplied by the number of hours in a month should not be less than the units recorded by the KWH meter, accepted that the earlier readings were low right from June 1978. With the concurrence of the Superintending Engineer, the Division raised a supplementary bill in January 1983 for Rs. 2.01 lakhs excluding penalty of Rs. 3.45 lakhs and simultaneously the matter was referred to Chief Engineer of the Board for advice. The Chief Engineer ordered (February 1983) that the additional demand alongwith the penalty may be charged from the consumer for the period from 7th January 1982 to December 1982. As a result two bills, one for Rs. 12,560 representing penalty only for January 1983 (paid by the consumer under protest) and the other for Rs. 1.76 lakhs (energy charges : Rs. 0.47 lakh, penalty : 1.07 lakh, electricity duty : Rs. 0.09 lakh and penalty for February 1982 : Rs. 0.13 lakh for the period January 1982 to November 1982) was raised in February 1983 and March 1983 respectively.

The consumer challenged (March 1983) the demand for additional charges including levy of penalty in the court of Sub-Judge, Faridabad on the grounds that the employees of the Board made a monthly check of the meter replaced in December 1982 and he had fulfilled all the formalities for enhancement of the contract demand from 250 KVA to 425 KVA from 28th December 1982 on the advice of the Sub-Divisional Officer. The Board moved (April 1983) an application in the Court for adjudicating the issue to arbitration on which final decision is awaited (June 1983).

Though the anomalies in the reading of MDI pointed out in Audit had been accepted by the Board, revenue to the extent of at least Rs. 3.70 lakhs for the period from June 1978 to December 1981 apart from the non-recovery of the claim for Rs. 1.76 lakhs (for the period from January 1982 to November 1982) which is under dispute, has been lost, on account of failure in timely detection of the fault in the meter or in recording correct MDI readings. No responsibility in the matter has yet been fixed (September 1983).

In their written reply, the Board/Department stated as under :—

“The case of M/s Radhika Rubbers, Ballabgarh A/c No. RLS—51 was put up to the WTMs of the Board in their meeting held on 16-5-84 and after considering the recommendations of the Negotiation Committee they decided the case as under :—

The consumer may be charged for the slowness of M.D.I. and reading right from the beginning i.e. from the date of fault and penalty should not be charged as the delay in detecting the fault lies with H.S.E.B.

The A/c of above consumer was over-hauled from 4/82 to 12/82. A sum of Rs. 45,067.85 was recovered from the consumer vide R.O. 4 No. 101 dated 14-9-84 and 195 dated 15-10-84 and thus the case has been settled. After decision, the case was withdrawn by the consumer from the Court on 13-9-84.

The then Xen, M& P Division, Faridabad has been held responsible for delayed checking of meters and a letter of advice is being issued separately."

During the course of oral examination, the departmental representative stated that the Executive Engineer held responsible for the delayed checking of meters had been issued a warning to be placed in his personal file, which, he confessed, was hardly a punishment for the lapse involved. He further stated that it would be investigated as to how M.D.I. readings were certified to be correct during the period from July 1978 to January 1982, when the facts were otherwise, and suitable action would be taken against the officials found responsible for the lapse.

The Committee are not satisfied with the reply given by the Board/Department and recommend that the entire matter relating to the remission of penalty, readings of M.D.I. and the delay in the installation of check/new meter be investigated afresh and a report about the action taken submitted to the Committee.

Paragraph 7.16. Incorrect application of tariff

23. The Board's tariff provides for surcharge of 15 per cent (except for the period June 1976 to June 1977 during which it has been withdrawn) on energy bills for all steel furnaces, steel rolling mills and mixed loads of steel rolling mills. This was not being recovered from two large industrial supply consumers (dates of connection being 16th October 1974 in the case of a mill of Faridabad and 27th May 1975 in the case of a mill of Bhiwani) engaged in the business of rolling mild steel and stainless steel. The Internal Audit Wing of the Board had, in the case of Bhiwani Mill, pointed out (August 1975) the wrong application of tariff and also worked out an additional demand of Rs. 1,585 for the month of August 1975, but the concerned Sub-Divisional Officer intimated (September 1975) the Internal Audit Wing that the surcharge was not applicable to the said mill. In August 1981, another Sub-Divisional Officer, on taking over the charge of Bhiwani Sub-Division in June 1981, sought clarification from the Chief Engineer (Operation) as to whether the surcharge was applicable to the consumer who was running cold rolling mill.

The Chief Engineer in September 1981 confirmed that surcharge was applicable to the consumer and accordingly the account of the consumer was reviewed in October 1981 and a supplementary bill towards surcharge for 6.67 lakhs for the period September 1975 to September 1981 was raised in October 1981. The consumer protested (October 1981) against the raising of the additional demand and filed (October 1981) a suit in the Court of Senior Sub-Judge, Bhiwani on the grounds that the tariff for steel furnace was not applicable in his case and the imposition of surcharge after a lapse of six years was unwarranted. The Court passed stay orders (October 1981) against disconnection of the premisses of the consumer and relegated the matter to Arbitration in April 1982. An Arbitrator was appointed in January 1983 and the case is pending award (August 1983). Meanwhile, further surcharge amounting to Rs. 4.36 lakhs accumulated from October 1981 to February 1983.

The whole-time Members of the Board to whom the case was submitted for review of Chief Engineer's decision of September 1981 and seeking

sanction for write off the past claim expressed the view (April 1983) that there was no justification for review and instructed that all other consumers who were to be classified in the same category need also be billed for surcharge retrospectively.

A similar case of omission to levy surcharge on a consumer of Faridabad was also noticed. Action is yet to be taken (May 1983) for raising supplementary demand on the firm towards the surcharge, which had aggregated to Rs. 8.35 lakhs from July 1977 to February 1983.

Thus, due to incorrect application of tariff in the above two cases and belated action to set right the same resulted in the revenue to the tune of Rs. 19.38 lakhs remaining unrecovered.

The matter was reported to the Government in July 1983; reply is awaited (November 1983).

In their written reply, the Board/Department stated as under :—

- “(i) The matter has been investigated and it is stated that Board's tariff provided for surcharge of 15% on SOP/MMC for all steel furnaces, steel rolling mills and mixed load of steel rolling mills and steel furnaces. This surcharge was not levied initially due to some ambiguity in the tariff regarding its applicability to steel rolling mills/Cold rolling mills. Discrepancy came to notice and arrears for the period from 8/75 to 9/81 on this account amounting to Rs. 8,12,639/- was billed to the consumer in 10/81.
- (ii) The award of the arbitrator is still awaited in the Bhiwani case.
- (iii) The recovery of surcharge amounting to Rs. 8.35 lacs, has not been made from M/S Orient Steels Faridabad as the consumer has gone into court/Arbitration and the case is before Addl. C.E./Gurgaon. The date of hearing is yet to be fixed.
- (iv) There is no other similar case under this category as per decision of W.T.M's.”

During the course of oral examination, the departmental representative stated that the Arbitrators in both the cases, i.e. M/s Mohatta Steel, Bhiwani and M/s Orient Steel, Faridabad, had upheld the plea taken by the Board and also allowed an interest of 18 per cent. Accordingly, the bill in respect of the Bhiwani Mill had been revised to Rs. 16.26 lakhs for the period upto 11/87 and in respect of the Faridabad Mill, it had been revised to Rs. 15.87 lakhs for the period 10/74 to 12/87 and applications had been filed in the respective courts for making the awards the rule of the court. It was further stated that it had also been decided to charge sheet the S.D.Os, concerned for the lapses involved in both the cases and there was no defence for not initiating action against them earlier.

The Committee recommend that the outcome of the decision of the courts as also the action taken in the matter be intimated to the Committee.

Paragraph 7.20. Arrears of electricity dues

24. The arrears of electricity dues as on 31st March 1983 were Rs. 25.50 crores as against Rs. 12.72 crores as on 31st March 1982. Of these, an amount of Rs. 11.25 crores was due to the Board from 23,813 consumers, out of which power supply to 12,629 consumers (including 5,512 consumers against whom Rs. 0.67 crore were outstanding for more than three years) had been disconnected by the Board for non-payment of dues of Rs. 1.72 crores. No such action had, however, been taken in regard to 11,184 consumers against whom dues aggregating Rs. 9.53 crores were outstanding (March 1983). The number of consumers involved and the period for which the remaining amount of Rs. 14.25 crores was outstanding, were not known.

In their written reply, the Board/Department stated as under :—

“The year-wise, upto date, defaulting amount ending 3/88 is given as under :—

Year	Amount (Rs. in crores)
1975-76	2.30
1976-77	2.31
1977-78	2.54
1978-79	3.75
1979-80	5.34
1980-81	6.36
1981-82	9.55
1982-83	12.13
1983-84	25.57
1984-85	24.45
1985-86	35.96
1986-87	51.43
1987-88	80.03

The categorywise defaulting amount with number of cases ending 3/88 is also given below :—

Category	Nos.	Amount (Rs. in lacs)
Private		
General	44,156	137.38
Agricultural	23,305	358.48
Industrial	7,235	1437.50
Others	237	96.78
	74,933	2030.14

Category	Nos.	Amount
Government		(Rs. in lacs)
HSMITC	2,182	416.58
Irrigation	663	5109.33
M.C./Panchayat	387	157.72
Others	244	289.14
	3,476	5972.77

The latest position regarding arrears of Electricity dues is available upto the month of 3/88 and the same is given above.

The following efforts have been made to recover the old arrears :

1. With a view to reduce the arrears from Govt./Semi Govt. Agencies, the Board is keeping constant liaison with Irrigation Department/HSMITC and Haryana Concast etc.
2. In order to realise the outstanding amount from the Agricultural Consumers which have been permanently disconnected, the Board took a decision to extend the period of reconnection upto 30-9-85 if such permanently disconnected consumers clear the full defaulting amount in lumpsum and deposit security at 3 times the normal rates.
3. Action under Haryana Government Electrical Undertakings (Dues Recovery) Act, 1970, is being initiated against such permanently disconnected consumers. Demand Notices are being issued. The matter is being pursued with the District Administration to effect the recovery from such consumers. The Board is further considering approaching the State Government for designating a collector exclusively who will be vested with the powers of recovery from all defaulters, including such permanently disconnected consumers expeditiously.
4. To arrest the tendency on the part of the consumers for accumulating the arrears, the field officers both Executive Engineers and Superintending Engineers have been advised to monitor effectively the position of arrears in respect of large supply consumers, who contribute the major portion of the revenue to the Board. Instructions have been issued that the billing of the large supply consumers should be checked by the Executive Engineers to the extent of 50% and by the Superintending Engineers to the extent of 20%.
5. Normally when a consumer defaults, his premises are temporarily disconnected immediately and in case the amount is not cleared by him within one month and 90 days in case of A.P. consumers, his premises are disconnected permanently and service removed. As per the latest instructions of the Board, after the service of

a consumer is removed and if he comes forward to clear the defaulting amount in lumpsum, reconnection is to be allowed to him if he deposits fresh security deposits at three times the normal rates and deposits the entire cost of the service line. After introducing such stringent measures, the consumer now thinks twice before being defaulters. In this way it has been possible to check the increasing trend in defaulting amount.

Further, the request of any defaulting consumers for grant of additional load or any such dispensation of power is not considered favourably till such time the dues are liquidated.

6. The Board has constituted Negotiating Committees at Head Office and Zonal levels to settle disputed cases with the consumers out of Court.

Regarding taking timely action against defaulters, it is submitted that normally whenever a consumer does not pay his dues within the grace period, a temporary disconnection is made and in case the amount is not cleared within the period of one month of the temporary disconnection, the defaulter's connection is permanently disconnected. In case the consumer goes to the Court of Law and obtains stay order against disconnection, the Board is bound to continue the supply and fight the case in the Court. Settlement of such cases take sufficiently long time and in order to remove this lacuna, the Board is considering the appointment of collectors for recovering such amount under the Haryana Government Electrical undertakings (Dues Recovery) Act, 1970.

The defaulting amount has been increasing due to non-payment by the Government Departments About 74 per cent. of the defaulting amount is in respect of Govt. Departments. The matter has been taken up with the Irrigation Department Haryana, for making the payment of defaulting amount. The Government have also given directions to all concerned Departments for making the payment of outstanding dues of the Board. So far as the defaulting amount of private consumers is concerned, the matter is also being pursued with the S.E.s and Xens vigorously for clearing the arrears of electricity dues."

The Committee are pained to learn the huge increase in the outstanding arrears from Rs. 2.30 crores in 1975-76 to Rs. 80.03 crores in 1987-88.

The Committee recommend that the cases in which the dues are more than fifty thousand Rupees be regularly reviewed and vigorous efforts be made to expeditiously effect the outstanding recoveries from general, industrial and other category of defaulters.

So far as the recovery of dues from the Government Departments/agencies are concerned, the Committee recommend that the State Government may take effective steps for their early clearance so that the financial position of the Board is improved and it is able to discharge its functions/liabilities more effectively.

Paragraph 7.21. *Misappropriations; defalcations, etc.*

25. The following are the details of cases of misappropriations, defalcations, etc., for which final action was pending as on 31st March 1983 :—

	Number of cases			Amount (Rupees in lakhs)
	Evaluated	Pending evaluation	Total	
Cases pending as on 31st March 1982	2,266	983	3,249	1,18.51
Addition during 1982-83	89	149	238	6.08
Total :	2,355	1,132	3,487	1,24.59
Cases written off/cleared during 1982-83	978	42	1,020	9.90
Cases pending as on 31st March 1983	1,377	1,090	2,467	1,14.69

Of the 2,467 cases outstanding as on 31st March 1983, 1,576 cases were outstanding for over three years.

In their written reply, the Board/Department stated as under :—

"The age-wise latest position in respect of mis-appropriation, defalcation etc. cases upto March, 1983 was as under on 30-6-1988.

Year	No. of cases	Amount (Rs. in lakh)
1971-72	109	1.72
1972-73	52	1.51
1973-74	88	4.01
1974-75	130	6.81
1975-76	138	4.29
1976-77	168	6.67
1977-78	136	5.43
1978-79	189	1.66
1979-80	240	46.76
1980-81	308	10.97
1981-82	266	12.12
1982-83	194	4.32
Total :	2018	106.27 "

It was stated that the settlement of the cases was slow due to the fact that these were either pending for want of Police Reports or decisions from various Civil Courts. However, efforts were being made to get these settled expeditiously.

The Committee are not satisfied with the pace of clearance of these cases and desire that vigorous steps be taken to settle these cases expeditiously.

Paragraph 7.22. Outstanding inspection reports

26. Audit observations on financial irregularities and defects in initial accounts noticed during audit and not settled on the spot are communicated to the heads of offices and to the next higher departmental authorities through inspection reports. The more important irregularities are reported to the Board. The Government has prescribed that the first replies to inspection reports should be sent within 6 weeks.

At the end of November 1983, inspection reports issued up to March 1983 still contained unsettled paragraphs as shown below with the corresponding figures for the preceding two years :—

	As at the end of November 1981	As at the end of November 1982	As at the end of November 1983
Number of inspection reports with unsettled paragraphs	856	817	777
Number of paragraphs	5,441	5,084	5,237

Year-wise break-up of the outstanding inspection reports is given below :—

	Number of inspection reports	Number of paragraphs
1979-80 and earlier years	422	2,446
1980-81	84	577
1981-82	115	840
1982-83	156	1,374
Total :	777	5,237

Reports outstanding at the end of November 1983 included 224 inspection reports for which even the first replies had not been received.

In their written reply, the Board/Department stated as under :—

The latest position of outstanding inspection reports with unsettled paragraphs issued upto March, 1983 was as under on 30-9-88 :—

“(A) No. of Inspection Reports		Number of Paras		(B) Year-wise break up of outstanding inspection reports is as under :	
				No. of I Rs.	No. of Paras
(a) As per Para (as at the end of November, 1983)	777	5,237	1979-80 & earlier years	119	409
(b) Cleared upto 30-9-88	484	4,242	1980-81	26	122
			1981-82	53	158
			1982-83	95	306
(c) Balance as on 30-9-88	293	595		293	995

As regard the efforts made in clearance of outstanding I/Rs and paras, it is pointed out that the Board has taken following steps :—

- (i) An adhoc machinery consisting of one S.A.S., Accountant, Two Assistants, One U.D.C. and one typist is already on the job which visit the respective offices and get the requisite replies expedited.
- (ii) Circle Level Committees consisting of concerned Superintending Engineer as Chairman, Xen., as Member Secretary and an Accounts Officer from A.G.'s office as Member have since been constituted. The results of the work done by these Committees is quite encouraging.

However, first reply to all the inspection reports, stand submitted to the Resident Audit Officer, H S.E.B., Panchkula.”

The Committee recommend that more concerted efforts be made to clear the remaining paras/reports which are more than five years old, expeditiously.

Paragraph 7.23. Outstanding audit objections

27. As on 30th September 1983, 42,684 audit objections (Rs. 1,32.61 crores) raised by the Chief Accounts Officer of the Board

(for the period up to 31st March 1983) were outstanding as per details given below :—

	Outstanding since (earliest year)	Amount (Rupees in crores)
(a) Want of sanctions	1967-68	1,28.98
(b) Want of detailed contingent bills/ vouchers documents	1968-69	0.39
(c) Want of payees' receipts	1980-81	0.57
(d) Want of agreements/purchase orders	1970-71	2.67
Total :		1,32.61

In their written reply, the Board/Department stated as under :—

“The latest position of outstanding audit objections raised for the period upto 31-3-83 as on 31-10-88 is as under :—

Sr. No.	Year	Particulars	Objections outstanding as on 31-3-83		Objections outstanding as on 31-3-88		Objections outstanding as on 31-10-88		Remarks
			Item	Amount (In crores)	Item	Amount (In crores)	Item	Amount (In crores)	
1.	1967-68	(a) Want of sanctions	37779	128.98	18306	84.55	16115	40.82	Out of the total 42684 Audit Objections as on 31-3-83 involving an amount of 132.61 crores (23027 Audit Objections amounting to Rs. 47.87 crores and 2702 Audit Objections involving an amount of Rs. 43.81 crores were cleared to end of 31-3-88 and 31-10-88 respectively. The balance Audit Objections i.e. 16955 involving Rs. 40.93 crores are under clearance. Strenuous efforts are being made to clear the items. The category wise details obviously are indicative of clearance of maximum of the paras as shown pending on 31-3-88.
2.	1968-69	(b) Want of detailed contingent bills/ vouchers documents	2056	0.39	1351	0.19	840	0.11	
3.	1980-81	(c) Want of payees receipts	2463	0.57	—	—	—	—	
4.	1970-71	(d) Want of agreements/ purchase orders	386	2.67	—	—	—	—	
Total :			42,684	132.61	19,657	84.74	16,955	40.93	

The field offices are being requested from time to time to clear the old outstanding items early."

The Committee recommend that periodical meetings be held with the Field Officers to ensure that the outstanding audit objections are settled expeditiously.

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