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**HARYANA VIDHAN SABHA
COMMITTEE
ON
PUBLIC UNDERTAKINGS
(1995 96)
(EIGHTH VIDHAN SABHA)
FOURTIETH REPORT
ON THE
REPORT
OF THE
COMPTROLLER AND AUDITOR GENERAL OF INDIA
FOR THE YEAR 1991-92 (COMMERCIAL)**



Presented to the House on

6 MAR 1996

**HARYANA VIDHAN SABHA SECRETARIAT,
CHANDIGARH
1996**

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Report of Committee on
Public Undertakings

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**COMPOSITION
OF
THE COMMITTEE ON PUBLIC UNDERTAKINGS
1995 96**

CHAIRMAN

- 1 Shri Mani Ram Keharwala

MEMBERS

- 2 Shri Sher Singh
3 Shri Chander Mohan
4 Shri Pir Chand
5 Shri Brij Anand
*6 Shri Suraj Bhan Kaja
**7 Shri Balwant Singh
8 Shri Karan Singh Dalal
9 Shri Kitab Singh Malik
***10 Shri Azmat Khan
****11 Shri Attar Singh

SECRETARIAT

- 1 Shri Sumit Kumar, Secretary
2 Shri Ashok Kumar Joint Secretary

* Resigned from the Membership of Haryana Vidhan Sabha which was accepted vide Haryana Vidhan Sabha Secretariat Notification No HVS LA 120 95/52 dated 2nd November 1995

** Resigned from the Membership of Haryana Vidhan Sabha which was accepted vide Haryana Vidhan Sabha Secretariat Notification No HVS LA 108 95/64 dated 2nd November 1995

*** Nominated with effect from 10th November 1995

**** Nominated with effect from 10th November 1995

Note The Committee for the year 1995 96 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 7th March 1995, authorising him to nominate the members of the Committee on Public Undertakings for the year 1995 96 on the 21st April, 1995

(v)

INTRODUCTION

I Mani Ram Keharwala Chairman, Committee on Public Undertakings, having been authorised by the Committee in this behalf present Fourtieth Report of the Committee on the Report of the Comptroller and Auditor General of India for the year 1991 92 (Commercial)

The Committee orally examined the representatives of the Government/Undertakings/Boards

A brief record of the proceedings of various meetings of the Committee held during the year 1995 96 has been kept in the Haryana Vidhan Sabha Secretariat

The Committee are thankful for the assistance rendered by the Accountant General (Audit) Haryana, and his staff

The Committee are also thankful to the representatives of the Government/Undertakings/Boards who appeared before the Committee from time to time

The Committee are also thankful for the whole hearted and unstinted co operation extended by Secretary/Joint Secretary and his staff

CHANDIGARH
THE 19TH FEBRUARY, 1996

MANI RAM KEHARWALA
CHAIRMAN

REPORT

HARYANA STATE MINOR IRRIGATION AND TUBEWELLS CORPORATION (REVIEW)

1 The working of Haryana State Minor Irrigation and Tubewells Corporation was reviewed by the Accountant General (Audit), Haryana and accordingly a chapter relating to Haryana State Minor Irrigation and Tubewells Corporation was included in the Report of the Comptroller and Auditor General of India for the year 1991-92 (Commercial). The Committee scrutinised the Paragraph and framed a questionnaire which was forwarded to the Financial Commissioner and Secretary to Government Haryana, Irrigation and Power Department with copies to the Financial Commissioner and Secretary to Government Haryana Finance Department and the Managing Director Haryana State Minor Irrigation and Tubewells Corporation by the Haryana Vidhan Sabha Secretariat vide letter No 27—CPU/1994 95/8703 to 8706, dated the 20th May 1994. The Committee is sorry to observe that inspite of reminder by the Haryana Vidhan Sabha Secretariat what to speak of sending reply to questionnaire the said department/corporation did not even care to acknowledge the letter or send any interim reply for the information of the Committee. Non observance of the instructions by the department/Corporation speaks for itself. The Committee therefore, recommend that an enquiry for the callous attitude of the department/Corporation may be ordered by the Chief Secretary and the officers/officials who are accountable for the job and responsible for expediting the replies may be proceeded against and intimation may be sent to the Committee within a period of three months besides expediting the required replies.

HARYANA STATE ELECTRICITY BOARD (REVIEW)

THERMAL POWER HOUSE FARIDABAD

3A 4 1 Generation

2(a) The table below indicates the operational performance of the Power House (3×60 MW units) during 1987 88 to 1991 92

Sr No	Particulars	1987 88	1988 89	1989 90	1990 91	1991 92
1	Installed capacity at the end of the year (MW)	180	180	165	165	165 -
2	Anticipated Generation as per estimates (MKWH)	700	750	750	700	750
3	Gross generation (MKWH)	718 161	579 799	707 696	691 034	816 818
4	Auxiliary consumption (MKWH)	98 548	90 272	98 120	84 575	100 608
5	Percentage of auxiliary consumption to gross generation	13 7	15 6	13 9	12 2	12 3
6	Generation per KW of installed capacity (KWH)	3990	3221	4005	4188	4950
7	Percentage of gross generation to					
	(i) Installed capacity	45 4	36 8	45 7	47 8	56 4
	(ii) Anticipated	102 6	77 3	94 4	98 7	108 9

It may be observed from the above that—

- (i) The percentage of gross generation to installed capacity ranged between 36 8 and 56 4 during 1987 88 to 1991 92 in spite of the fact that the generating capacity was derated from 180 MW to 165 MW from 1989 90
- (ii) Even the anticipated generation of power as per estimates could not be achieved during 1988 89 to 1990 91

(iii) The generation of power per KW of installed capacity ranged between 3221 KWH and 4950 KWH as compared to the standard of 5500 KWH laid down by the seventh annual Electric Power Survey (1972)

(iv) The percentage of auxiliary consumption of power to gross generation ranged between 12.2 and 15.6 during 1987-88 to 1991-92 as against 8 percent provided in the project report. As against the auxiliary consumption of 13.7, 15.6 and 13.9 per cent during 1987-88, 1988-89 and 1989-90, the all India average of auxiliary consumption during these years was 10.70, 10.67 and 11.18 percent respectively for 60 MW units. Excess auxiliary consumption in Thermal Power House as compared to all India average consumption worked out to 69,378 MKWH valuing Rs 381.72 lakhs. The excess consumption was attributed (February, 1992) by Thermal authorities to

excessive consumption as a result of poor quality of coal requiring handling of increased quantities of coal for same level of generation,

inadequate furnace draft requiring continuous running of ID fans and

poor quality of raw water necessitating extra service of CW pumps to ensure maximum condenser vacuum

(v) The derating of installed capacity of the three units from 180 MW to 165 MW in 1989-90 was on account of frequent damage of rotor blades due to design deficiency. In order to avoid stoppage of the units, the Thermal authorities resorted to shaving off the damaged blades of the rotors resulting in reduction of generating capacity.

(b) The Table below indicates hours the Power House was operated, power expected to be generated as per installed capacity and actual generation of power during 1987-88 to 1991-92 —

Sr No	Particulars	1987-88	1988-89	1989-90	1990-91	1991-92
1	Hours operated	17256	15432	77359	14251	18102
2	Generation required as per installed capacity (MKWH)	1035 360	925 920	1024 680	783 805	995 610
3	Actual generation (MKWH)	718 161	579 799	707 696	691 034	816 818
4	Percentage	69.4	62.6	69.2	88.2	82.0
5	Shortfall in generation (MKWH)	317 199	346 121	316 984	92 771	178 792

It may be seen from the above that the percentage of actual generation to expected generation as per installed capacity ranged between 62.2 and 88.2. However the reasons for shortfall in generation of power aggregating 1251.867 MKWH valuing Rs 71.57 crores were not analysed by the Thermal authorities.

In their reply the Government/Board stated as under

- (i) The generation targets were almost achieved during the years 1987-88 and 1990-91 and 1991-92.

During the year 1988-89 and 1989-90 the deemed generation including generation loss due to closure of units on a/c of surplus power were as under

	1988-89	1989-90
(i) Generation targets (MU)	750	750
(ii) Actual Generation (MU)	579.799	707.696
(iii) Loss of generation due to backing down on a/c of surplus power (MU)	75.434	14.850
(iv) Deemed generation (MU) (ii & iii)	655.233	722.546
(v) Percentage of deemed-generation to anticipated generation	87.36	96.34

From the above it is seen that there is a gap of 95 MU during 1988-89 and during 1989-90 the generation has been nearly achieved (96.34%) of the target figure.

The gap in generation during 1988-89 is attributed as under —

Unit-II was planned for annual overhauling for 35 days while fixing the annual target of generation but the actual shut down was for 112 days for executing the Renovation and Modernisation activities by BHEL & ILK and to shave off the blades of 13th stage of turbine by BHEL.

The generation in the subsequent years have increased considerably.

- (ii) The steps which had been taken/being taken as under —

- M/s Coal India Ltd is being regularly pursued for supply of better quality of coal.
- Poor quality of coal is leading to higher loading of ID Fans.
- For poor quality of raw water.

- (i) Civil administration is being regularly pursued not to allow sewerage disposal in Gurgaon canal
- (ii) Regular chlorination of raw water is being carried out
- (iii) The order for installation of clariflocculator have been placed under Renovation and Modernisation scheme to improve quality of raw water the reply is as against 41 (a)(i), above "

The Committee scrutinised the written reply of the Govt /Board and was not satisfied with the percentage of gross generation to the installed capacity as it was of the lower side as generation fell short after giving allowance for shut downs. The Committee, therefore, recommend that systematic efforts should be made to increase the generation through better utilisation of installed capacity by way of adopting corrective measures to avoid shortfall in generation in future, and the committee be apprised of the steps taken in this regard

3 A 4 2 1 Plant outages

3 The table below indicates the hours available, actual hours operated and outages during 1987-88 to 1991-92

Sr No	Particulars	1987-88	1988-89	1989-90	1990-91	1991-92
1	Total hours available	26352	26280	26280	26280	26352
2	Actual hours operated	17256	15432	17359	14251	18102
3	Availability rate:- (Per cent)	65.5	58.7	66.1	54.2	68.7
4	Shut-downs:- Hours					
	(i) Reserve shut down	1016	1831	402	1013	49
	(ii) Planned shut down	2337	4209	4189	6182	4833
	(iii) Forced shut down	5743	4808	4330	5746	3368
5	Percentage of					
	(i) Reserve shut down to available hours	3.8	7.0	1.5	0.4	0.2
	(ii) Planned shut down to available hours	8.9	16.0	15.9	23.5	18.3
	(iii) Forced shut down to available hours	21.8	18.3	16.5	21.9	12.8

It may be observed from the above that the planned shut down hours of the plant which had increased from 8.9 per cent in 1987-88 to 23.5 per cent in 1990-91 decreased to 18.3 per cent in 1991-92. Further the hours lost due to forced shut down also increased to 21.9 per cent in 1990-91 from 16.5 per cent in 1989-90. However, it had gone down to 12.8 per cent in 1991-92. Loss of generation of power due to forced shut down during the five years upto 1991-92 worked out to 1372.48 MKWH valuing Rs 80.02 crores. This was despite the fact that the Board had spent Rs 1974.67 lakhs on renovation and modernisation of the plant during the period from 1984-85 to 1991-92.

The Thermal authorities had not analysed the reasons for increase in planned as well as forced shut down hours.

In their reply the Government/Board stated as under

'1 The increased planned shut down during 1990-91 was due to following reasons —

- (i) A shut down of Unit II was allowed by T S C for 90 days from 28.7.90 for installation of E S P's and life extension study of turbine
- (ii) During LFP study cracks were noticed on IP rotor of turbine and it had to be sent to BHEL, Hyderabad for rectification and shut down had to be extended upto 9.5.91 i.e. 286 days (247 days during 1990-91 and 39 days in 1991-92)

In other years planned mtc was ranging from 16 to 18% except during 1987-88 when it was 8.9% when due to power shortage plant could not be shut down.

2 There had been continuous decline in forced shut down except during 1990-91 and the increase in forced shut down during 1990-91 had been mainly due to damage of 12th and 13th stage blades of turbine of Unit III after the insertion of pressure plate between 12th and 13th stage blades of HP rotor as per advice of BHEL.

The Committee observed that the period of shut downs was abnormal and recommend that efforts should be made to reduce it, through systematic efforts in future.

3A 4 2 3

4 The Thermal authorities had not procured spare High Pressure (HP) and Low Pressure (LP) rotors required for replacement of damaged rotors to avoid stoppage of units and consequent loss of generation. However an order for supply of one HP and one LP rotors had been placed (April 1991) on BHEL at a cost of Rs 103.23 lakhs and Rs 138.79 lakhs respectively, which is scheduled to be supplied by BHEL within 24/36 months from the date of placement of the order.

It was observed in Audit that the sixth overhauling of Unit I had to be extended for 60 days for reblading of HP rotor at BHEL works at Hyderabad. It was further noticed that the recommissioning of Unit II

after fifth overhauling was delayed for 136 days and that of Unit III for 132 days due to similar reasons as the LP rotor and HP rotor of the turbines which were found to be damaged had to be sent to BHEL works at Hyderabad for repair

Thus due to non procurement of spare HP & LP rotor there was loss of generation of power to the tune of 432.96 MKWH valuing Rs 2837.45 lakhs in Unit I (79.2 MKWH) during July September 1991 Unit II (179.52 MKWH) during December 1990 May, 1991 and Unit III (174.24 MKWH) during March July 1990

In their reply the Government/Board stated as under —

‘The reasons for not placing the order for spare HP & LP rotors were as below —

1 The spare HP & LP rotors of turbine do not figure in the list of turbine spares given in the BHEL (manufacturer’s catalogue)

2 Neither our consultants CEA had ever recommended Unit-I, SKODA (Czech suppliers to BHEL) and BHEL experts were called to look into the severe pitting observed on moving wheels of HP & LP rotors. Only at that time they recommended for keeping one HP & one LP rotors as spare since these had run for almost 15 years in Unit-I & Unit II

The matter was immediately taken up with BHEL to call for their quotation. After deliberations & discussions P O No 2043/TOPI/2991 dt 10.4.91 was placed on BHEL for supply of one No HP & one No LP rotor of turbines. The cost of HP rotor was 1.03 lakhs and that of LP was 138 lakhs with escalation clause incorporated and E D & S T extra. BHEL demanded 20% advance for registering the order. Due to shortage of funds the advance could be given in instalments in 12/93 1/94 & 2/94 totalling Rs 48.4 lakhs. Thereafter BHEL has registered our P O and the delivery period of rotors is 24/36 months.

Because before 1989 there was no such recommendation from either the original manufacturer i.e. BHEL or consultants (CEA) for keeping spare HP & LP rotor of turbine, no initiation in this direction was done.

However, after recommendation of SKODA and BHEL immediate steps were taken in this direction as explained in the preceding paras.

No individual is responsible for not purchasing or keeping spare rotors of the turbine or no generation loss can be attributed to this reason.

The Committee scrutinised the written reply of the Government/Board. The Committee was sorry to note that payment of advance for registering the purchase order was delayed due to shortage of funds which is not justified as loss of generation is tremendous. Delay in getting the P O registered will result in cost escalation besides recurring loss of generation. Earnest efforts should be made to get the delivery of equipment so that further loss of generation could be avoided.

3A 5 1 1 Consumption of coal

5 BHEL had guaranteed a heat rate of 2414 k cal/kwh for a minimum load upto 39 MW. Based on this heat rate with boiler efficiency of 83.5 per cent (heat rate 2891 k cal/kwh) the excess coal consumption during 1987-88 to 1991-92 was as under —

Sr No	Particulars	1987-88	1988-89	1989-90	1990-91	1991-92
1	Actual heat rate (K cal/kwh)	4451	4629	4567	3952	3689
2	Stipulated heat rate (with boiler efficiency of 83.5 per cent)	2891	2891	2891	2891	2891
3	Excess heat consumed (K cal/kwh)	1560	1738	1676	1061	798
4	Percentage of excess consumption	54.0	60.1	58.0	36.7	27.6
5	Total units generated (MKWH)	718 161	579 799	707 696	691 034	816 818
6	Average calorific value of coal received (K cal/kg)	4847	4820	5095	4895	4475
7	Excess fuel consumed in terms of coal (in tonnes) (3×5—6)	231139	209064	232797	149783	145658
8	Cost of coal (Rupees/tonne) as per operation and maintenance estimates	650	644	837	874	997
9	Cost of excess fuel consumed (Rupees in lakhs)	1502.40	1346.37	1948.51	1309.10	1452.21

It may be observed from the above table that the Power House consumed excess coal (9.68 lakh tonnes) valuing Rs 7558.59 lakhs during 1987-88 to 1991-92. There was, however, some improvement in the consumption factor during the years 1990-91 and 1991-92 on account of renovation of the plant. The excess consumption of fuel was attributed (February 1992) by the Thermal authorities to

- (i) deficiency in design of the equipment as a result of which there were frequent outages of the units, steam leakages from various pipe lines, joints, bends and valve bodies leading to heat loss
- (ii) deviation in the quality of coal from that for which the boilers were designed,
- (iii) poor quality of raw water used in the condenser, and
- (iv) unstable grid, creating conditions under which proper operating parameters get frequently disturbed and the units become prone to trip-outs causing heat loss.

However, corrective measures had not been taken by the Thermal authorities to set right these deficiencies

In their reply the Government/Board stated as under

- (i) "On line system has been adopted for plugging steam leakages from pipe lines, joints, bends valves etc without availing any shut-down by contracting specialised agencies
- (ii) Faridabad Thermal Power Station is designed for B/C grade coal for which collieries were linked Of late quality of coal has deteriorated. Power Station has to accept the coal which is supplied by the Coal India Limited

Efforts are being made with the Railway Authorities not to supply diverted rakes of other Power Station which are of much inferior quality

- (iii) A Clarifier is being installed under Renovation Scheme to clarify the raw water received from Gurgaon Canal before it is fed to the cooling towers
- (iv) The raw water for Faridabad Thermal Power Station is supplied by Irrigation Department through the Gurgaon Canal which is highly polluted and there is no way but to feed this very water to cooling tower/condensor

The Committee scrutinised the written reply of the Government/Board and observed that even after taking into account quality of coal, there was excess consumption All out efforts should be made to reduce the consumption through corrective measures

3A 7 Manpower analysis

6 The project report for the first two 60 MW units envisaged deployment of 2 35 persons per MW of installed capacity for the operation and maintenance of the Power House Compared to these projections the actual number of persons employed per M W of the installed capacity was much higher during the five years upto 1991 92 as indicated below

Sr No	Particulars	1987-88	1988 89	1989 90	1990 91	1991 92
1	Installed capacity at the end of the year (MW)	195	180	165	165	165
2	Number of employees required as per project report	458	423	423	423	423
3	Sanctioned strength of employees	1375	1417	1358	1361	1546
4	Actual strength of employees	1470	1441	1398	1423	1430
5	Expenditure on salaries (Rupees in lakhs)	312 49	362 43	381 55	436 53	474 11

It may be seen from the above table that

- (i) the actual number of staff in position was more than three times of the projections made in the project report
- (ii) the actual number of employees were even more than the sanctioned strength of employees during all the years except in 1991-92 when additional posts were sanctioned (February, 1992) to regularise the existing staff and
- (iii) the proportionate extra expenditure on excess staff vis-a-vis norms in project report and vis-a-vis sanctioned strength during 1987-88 to 1991-92 worked out to Rs 1377.91 lakhs and Rs 56.17 lakhs, respectively

In their reply the Government/Board stated as under

'The latest position regarding sanctioned strength and staff in position is as under as on 31.12.1994 —

1	Sanctioned O&M including personal posts	1446
2	Posted O&M	1350

The Committee constituted to review the staffing pattern of Thermal Plant Faridabad is submitting its report to the Board and the decision of the Board is awaited

The Committee desired that action taken on the report of the Committee constituted by the Board to review the staffing pattern be intimated to the Committee

3A.10.12 Civil works for electrostatic precipitators

7 Tenders for construction of foundation for electrostatic precipitator columns, control room building, ash channel of unit-II were invited in September 1988 to which only three firms responded. Part I of the tenders dealing with technical particulars was opened in November, 1988. The Central Electricity Authority (CEA), to whom the tenders were referred, recommended (January 1989) that the offer of ACE Build Private Limited, New Delhi (firm A) was technically acceptable. However, subsequently after discussion with Chief Engineer (Thermal) the CEA suggested (February 1989) that offer from three more reputed firms viz Simplex Concrete Piles (I) Private Limited New Delhi, Asia Foundations and Construction Limited, New Delhi and CEM India Company Limited, Delhi be invited on the apprehension that piling work in the central portion was a difficult task to be completed within overhauling period of 60 days.

Accordingly, tender documents were issued to these three firms but only one firm viz Simplex Concrete Piles (I) Limited (firm 'B') responded. Both, Part I of the tender dealing with technical particulars and Part-II dealing with price bid of the firm were opened in March, 1989. The price

bid (Part II) of firm 'A' which had agreed (January, 1989) to keep its rates valid for 3 months from the date of opening thereof, was, however not opened, in disregard of the recommendation of CEA. The Store Purchase Committee recommended (October 1989) the placement of order on firm 'B' at an evaluated rate of Rs 40 20 lakhs. However, the Thermal Standing Committee decided (October, 1989) to evaluate the two offers after opening the price bid of firm 'A' who had been adjusted by CEA to be technically competent.

The price bid of firm 'A' disclosed that the firm had offered to execute the work for Rs 30 49 lakhs but the offer had become invalid as the earnest money deposited by the firm had already been refunded in May 1989. Thereafter, the work was awarded (February 1990) to firm 'B' on single tender basis at negotiated rate of Rs 39 20 lakhs. A repeat order for carrying out work in unit I was also placed on firm 'B' in December 1990 at an estimated cost of Rs 29 28 lakhs. The value of work done and paid for both the unit was Rs 59 76 lakhs upto March 1992.

A comparison of rates quoted by the two firms for the quantities executed so far revealed that the work could have been got executed from firm 'A' at a cost of Rs 36 85 lakhs both for Unit II (Rs 23 83 lakhs) and Unit I (Rs 13 02 lakhs).

Thus, the award of contract at higher rates on single tender basis to firm 'B' without opening the price bid of firm 'A', which was lowest and considered technically suitable while evaluating the rates of firm 'B', resulted an avoidable expenditure of Rs 22 91 lakhs. The avoidable expenditure would further increase when the balance work is executed.

In their reply the Government/Board stated as under —

"As already pointed out the piling work specifically in the Central portion was quite difficult to be executed in a limited space (under existing heavy equipment) with limited head room. The proper and timely execution, under these constraints was foremost as the same was having direct bearings on the generation. The Consultants i.e. Central Electricity Authority who were well aware about the difficult nature of job were associated right from the beginning were also acquainted with the execution of piling jobs at other projects.

The Consultants based on paper submitted by three firms namely M/s Power Line Material Sales Corporation M/s ACE Build Pvt. Ltd and M/s Amar Singh Farma Engineers observed as under —

"That they are not the experts in the field of bored piling work, neither they are reputed firms credited with piling jobs. As the piling work in the Central Portion is a difficult task to be completed within a period of 60 days only. We should try to get the best firm in the field if possible. As such we suggest that the following reputed firms who are experts in the piling work may please be contacted by HSEB Limited tender

enquiry may also please be issued to them for submitting their price bid, giving them minimum time period to respond to the enquiry

Name of the reputed firms —

- 1 M/s Simplex Concrete Piles (India) Pvt Ltd
- 2 M/s AFCONS
- 3 M/s CEM India

In case the above firms do not submit their offer within the time period stipulated by you then HSEB may please consider to award the job as per our letter No CEA/FTPP/ESP 89/TCD-I/75 dt 25 1 89

Keeping in view the above mentioned circumstance the CEA's recommendations were followed by SPC and tender of M/s ACE Build Pvt Ltd was not opened. The earnest money of the firm was refunded as per their request.

The Committee examined the replies of the Government/Board and was sorry to observe that Earnest Money of the lowest firm was refunded though the deal had not been finalised. The work which was awarded to firm 'B' on single tender basis at higher rates was not justified, as the firm 'A' was lowest and technically suitable. The Committee may be apprised of the total extra expenditure incurred on this account on completion of work. The Committee also recommend that responsibility be fixed against the officers at fault.

3A 10 1 3 Replacement of defective soot blowers

8 To avoid deposition on tubes of water walls super heaters economisers air heaters for effective heat transfer and to enhance the life of various heat transfer surfaces soot blower system for units I and II was supplied by BHEL alongwith the boilers at an aggregate cost of Rs 715 45 lakhs. These soot blowers however never worked since the commissioning of the unit in November 1974/March 1976 due to problem in the automatic sequence control circuit. No action was, however taken by the Thermal authorities to set right the problem in control panel. Subsequently BHEL observed (February 1981) that the various parts of the soot blowers were not in workable condition and repair of the existing soot blowers was not possible.

However as a part of renovation of Thermal Power House, the soot blowers in units I and II were replaced with the new 'Copes Vulcon' type soot blowers cost of Rs 50 95 lakhs against purchase orders placed on BHEL in February/August 1985 for supply of material (Rs 40 23 lakhs) and for erection, testing and commissioning (Rs 10 72 lakhs). The soot blowers of units-I and II were commissioned in May 1990 and January 1989 respectively.

Thus the expenditure on soot blowers initially supplied by BHEL which worked out to Rs 13 75 lakhs approximately was rendered infructuous.

The Thermal authorities did not impress upon BHEL to give rebate of the price paid for initial supply of soot blowers which never functioned

In their reply, the Government/Board stated as under —

(i) The matter regarding defects in the control circuitry of soot blowers was taken up with the supplier (BHEL) ever since commissioning of Unit I & II. After long persuasions M/s BHEL agreed for the control panels to be sent to their sub contractors work for modifications. Therefore, the control panels were dismantled. But in the meantime the Renovation steering Committee comprising of C E A HSEB BHEL and ILK recommended to instal Technologically latest and improvised design copes vulcan type steam soot blowers under Renovation and Modernisation Scheme. Matter regarding price compensation for old soot blowers was taken up and pursued with M/s BHEL who have now agreed for Rs 7,71,200/ as compensation.

(ii) M/s BHEL was being impressed upon for the price rebate on old soot blowers ever since the proposal for replacement of old soot blowers. Copes Vulcan type soot blowers was recommended by the Renovation steering Committee. Meeting was also held with M/s BHEL in this regard in 1992 wherein M/s BHEL agreed to work out the cost element of soot blowers in the supply price of Rs 715.45 lakhs of two has loss of Unit I, II. Now they have offered Rs 7,71,200/ as cost compensation for old soot blowers which is more than 1% of the total cost of boilers. M/s BHEL from the example of recent supply of boiler to DESU Rajghat have informed that the price of soot blowers is about 1% of the total cost of the blowers. In our case they have offered rebate of more than 1%.

To keep a weight on M/s BHEL, payment of Rs 20 lakhs against new soot blowers apart from bank guarantee of Rs 2 lakhs has been withheld till their offer of price compensation for old soot blowers is approved by the T S C to whom a separate memorandum is being put up. The amount mentioned as above has not yet been released to M/s BHEL.

The Committee desired that the latest position of recovery of compensation on account of defective soot blowers be sent to the Committee at the earliest.

3A 11.1 Locking up of funds with suppliers

9 Against an allocation issued by the Cement Controller in May, 1987 Chief Engineer (Thermal), Faridabad placed (June, 1987) a purchase order on Jaipur Udyog Limited, Sawai Madhopur for supply of 750 tonne cement and deposited (June, 1987) Rs 6.53 lakhs with the firm. The firm supplied 101.45 tonne cement valuing Rs 0.88 lakhs in July, 1987. Neither the firm made supply of the balance quantity of cement nor refunded the amount to the Thermal authorities. Industries Department of the Government of Rajasthan with whom the matter was taken up by Chief Engineer (Material Management) Panchkula in some other case intimated (October, 1990) that the factory was lying closed since July, 1987 and the question of its revival was under consideration of the Board for Industrial and Financial Reconstruction, New Delhi. The balance amount of Rs 5.65 lakhs had not yet been returned by the firm (March, 1992). In view of the closure

of the firm the recovery of the amount had become doubtful. The loss of interest on the 'locked up' amount of Rs 5.65 lakhs from August, 1987 worked out to Rs 3.89 lakh (June, 1992).

In their reply, the Government Board stated as under:

Since M/s Jaipur Udyog Ltd is lying closed as such the amount could not be recovered, however, a claim is pending with the Board for Industrial and Financial Reconstruction New Delhi for balance amount of Rs 5.65 lakhs. In this case, nobody is personally responsible because the firm was closed since 1987 and every effort was made by CE/Thermal, Faridabad as well as by the office of the Chief Engineer/M M Panchkula for the recovery of the said amount.

The Committee recommend that efforts should be made to recover the amount and position of recovery be also intimated.

HARYANA STATE ELECTRICITY BOARD (REVIEW)

(Western Yamuna Canal Hydro Electric Project)

3B

10 With regard to the Review of Haryana State Electricity Board conducted by the Accountant General (Audit), Haryana the position is the same as is with Haryana State Minor Irrigation and Tubewells Corporation because the Haryana State Electricity Board and the Haryana State Minor Irrigation and Tubewells Corporation Limited are part and parcel of the Irrigation & Power Departments. The Committee, therefore, recommend that similar action in this case too may be taken under intimation to the Committee.

HARYANA STATE INDUSTRIAL DEVELOPMENT CORPORATION

4.1.1 Loss due to non obtaining of bank guarantee

11 In August, 1969, the Company on behalf of the State Government, purchased 9.5 per cent cumulative redeemable preference shares of Rs 5 lakhs of Prestolite of India Limited Faridabad under the underwriting scheme. The shares were to be redeemed on the expiry of 12 years from the date of allotment (December 1969). The Managing Director of the firm had given guarantee (August 1969) for payment of dividend and for buy back of shares, if not redeemed by the firm.

The firm paid dividend up to the year 1972-73 and thereafter it failed to pay any dividend. The Company issued a notice in March 1976 to the guarantor for payment of dividend. But the recovery could not be effected as the guarantor had expired and his heir obtained an injunction against recovery from the court on the ground that he did not inherit anything from the guarantor.

Meanwhile redemption of the preference shares also became due and the firm failed to redeem the shares due to adverse financial position and sought (February 1979) extension in period of redemption. Extension up to March 1986 was granted (January 1983) by State Government on the condition that the present Managing Director would pay dividend for seven years (upto 1979-80) in lump sum by 31st March 1984 would pay dividend for the next five years by 31st March 1985 shall purchase shares at par inclusive of dividend up to 1985-86 on expiry of the extended period if the firm failed to redeem the shares. The Managing Director was required to furnish a bank guarantee for fulfilment of these conditions.

An agreement incorporating the above conditions was executed in March, 1983 but no bank guarantee was furnished by the Managing Director.

As the firm as well as the guarantor failed to pay the accumulated dividend as per agreement a recovery certificate was got issued (November

1984) from Collector, Chandigarh in favour of Collector New Delhi to effect recovery of Rs 3 18 lakhs as arrears of land revenue from the guarantor. The guarantor filed (September 1985) a writ petition in Punjab and Haryana High Court against the recovery certificate which was dismissed in September, 1985. The Collector Chandigarh was again approached (July 1986) in the matter but the recovery certificate could not be served as the guarantor was not available at the given address. The firm had been closed in August, 1983. No steps were however taken to trace the guarantor up to May, 1991. In June, 1991 the Deputy Commissioner Police Delhi was requested to ascertain the whereabouts of the guarantor. But neither the whereabouts of the guarantor could be known nor any recovery was effected.

Thus, due to failure on the part of the Company to obtain bank guarantee from the guarantor as per the terms of the agreement and ineffective pursuance of the case the recovery of dividend and share money which accumulated to Rs 14 03 lakhs as on 31st March, 1992 had become doubtful as the firm was lying closed and whereabouts of guarantor were not known.

Responsibility for the loss had not been fixed by the Company (August 1992).

The matter was reported to the Company and Government in May 1992, their replies had not been received (August, 1992).

In their written reply the Government/Corporation stated as under —

After entering into supplementary Agreement dated 15 3 83 with Shri S S Sahni the Corporation immediately wrote to Shri Sahni vide letter dated 25 3 83 to comply with all the terms and conditions of the agreement. Shri Sahni however did not comply with any of the conditions of the agreement including the bank guarantee which he was required to give under the agreement. On failure of Shri Sahni to comply with the conditions of the agreement Recovery Certificate was issued through Collector Chandigarh to Collector Delhi for recovery of the amount as arrears of land revenue dated 5 3 85. Shri Sahni however filed a Writ Petition No 2902 of 1985 in the Punjab & Haryana High Court which was dismissed in limine vide judgement dated 24 9 85.

The Corporation had been making sincere efforts to trace Shri Sahni S/o Late Shri I S Sahni after dismissal of the Writ Petition by the Punjab & Haryana High Court. The recovery warrant was returned by the Collector Delhi with the remarks that Shri S S Sahni was not available at the address available with the Corporation. Shri Sahni was also traced at the address House No 1187 Sector 33 Chandigarh, which was communicated by the Collector Delhi which came to his notice during service of recovery warrants. There was however no constructed house at that time at this address. When the efforts of the Corporation did not succeed to trace

Shri Sahni it took the assistance of D C (Police), Greater Kailash I New Delhi to trace Shri Sahni at the earliest in June 1991, however Shri Sahni still could not be traced

With the sincere efforts, the Corporation had been making it succeeded in locating Shri Sahni in October, 1993 and his present address is Prop Sterling Motors Ltd 27/4, Kashmiri Gate near G P O Delhi Fresh recovery certificate has now been issued by D I Haryana on 6 6 94 through the Collector Chandigarh to Collector Delhi, for recovery of the amount of Rs 15 95,055 as arrears of land revenue

There had been no lapse on the part of the Corporation as soon after the supplementary agreement was signed with Shri S S Sahni He was requested through various letters by the Corporation to comply with the terms and conditions of the agreement On failure of Shri Sahni to comply with the conditions Recovery Certificate was got issued through Collector Delhi long back in 1985 for recovery of the amount as arrears of land revenue After dismissal of the Writ Petition filed by Shri Sahni against Recovery Certificate issued the matter was again taken up with Collector Delhi for recovery of the amount which however could not materialise as Shri Sahni was not traceable at the address available with the Corporation Even after this the Corporation did not stop efforts to trace Shri Sahni and ultimately succeeded in locating him Fresh certificate has been issued recently for recovery of the amount In view of this there has not been any lapse on the part of the Corporation

During the course of oral examination the Committee desired to know as to why the Bank guarantee was not obtained from the Managing Director and whether any responsibility was fixed the representatives of the Government informed that it was mentioned in the agreement that the Bank guarantee will be given but it was not given The Committee after detailed discussions decided on 8th August, 1995 that the case may be expedited and responsibility may be fixed under intimation to the Committee within a period of two months The Committee observed that the Government did not informed the action taken to the Committee during the last six months till the finalization of this Report

The Committee, therefore recommend that the information may be expedited immediately and officers/officials who have not cared to fulfil the assurance may also be proceeded against for their casual action within a period of two months under intimation to the Committee

4 1 2 Short recovery of transfer fee

12 The Company allotted a plot measuring 7339 21 square metres (about 2 acres) in industrial area Gurgaon to Duggal Rockford (Private) Limited New Delhi (firm A') in January, 1983 at the rate of Rs 34 39 per sq metre The rate was subsequently enhanced by Rs 16 per sq metre in October, 1986 and again by Rs 75 per sq metre in June 1989 The firm was required to complete construction within two years and start production within three years from the date of allotment

As the firm did not take any action for implementation of the project and also failed to pay the annual instalment of the cost of the plot, the Company resumed the plot in June 1989. But the plot was restored to the firm in March, 1990, after it paid the instalment amount and the restoration fee at the rate of Rs 50 per sq metre with the stipulation that the firm would implement the project within two years.

However immediately after restoration the firm applied (March 1990) for transfer of the plot in favour of Archana Handicrafts New Delhi (firm 'B') alongwith transfer fee at the rate of Rs 50 per sq metre. The case was got examined by the Company from Industries Department (single window service agency) which reported (March, 1990) that 2 acre land was more than the requirement of firm B. Accordingly the case was rejected and transfer fee was refunded to the firm in May 1990.

Firm B represented against the decision in October 1990 and the case was referred (January 1991) by the Company to the State Government for decision. The Government permitted, in February, 1991 the transfer of the plot in the name of firm B subject to payment of transfer fee as per the transfer policy and with the condition that the firm would complete the construction work within two years from the date of transfer of the plot.

The Government had in the meanwhile amended the transfer policy with effect from 29th January, 1991 according to which transfer fee equal to 50 per cent of the difference between current allotment price and the rate at which the plot was originally allotted was recoverable. As the current rate of allotment was Rs 595 per sq metre the transfer fee in this case worked out to Rs 17.23 lakhs. The Company however, recovered (April, 1991) only Rs 3.67 lakhs as transfer fee at the rate of Rs 50 per sq metre, resulting in short realisation of Rs 13.56 lakhs.

No action had been taken by the Company to recover the balance amount of transfer fee from firm 'B' (August, 1992).

The matter was reported to the Company and Government in March 1992, their replies had not been received (August, 1992).

The Government/Corporation in their written reply stated as under —

The facts of the case are that a plot No. 404/405 measuring 2 acres was allotted to M/s Duggal Rockford Pvt Ltd for setting up a readymade garment unit in the year 1983. The plot was resumed for non payment/non implementation of unit on 2-6-89. After the resumption order the party remitted the cost of plot and represented for restoration of plot. The request of the party was considered on payment of restoration fee @ Rs 50/ per sq mtr as per Govt Policy dated 27-2-90 and plot was restored on 16-3-90 and 2 years period was allowed for implementation of the unit. The extract of the policy regarding restoration is reproduced as under

"The concerned agency HSIDC/HUDA Directorate can consider to revoke the resumption order if such orders are made due to non payment or fulfilment of any conditions of the regular allotment letter. The competent authority may either itself or on the recommendations of SWS/SWA can restore the plot. On restoration the original allottee has to pay fee as per the norms fixed for the transfer of plot."

However on restoration the party approached for transfer of plot in favour of M/s Archana Handicrafts for setting up of a 100% export oriented unit. The case was referred to SWA as per transfer policy dated 27 2 90. The extract of the policy is given as under —

Transfer shall be allowed only where the PLA has been issued and the transferer is not in arrears and the plot is not cancelled/resumed provided that the transferee project has been appraised and approved by the SWA/SWS and the transfer/transferee has paid the following fees depending upon the location of the unit —

Udyog Vihar, Gurgaon including
Maruti Indl Estate

Rs 50/ per
sq mtr

The SWA however did not approve the transfer on the plea that land was not justified as per the project report of M/s Archana Handicrafts. Accordingly, the request of the transfer was rejected.

The proposed transferee M/s Archana Handicrafts represented to the Govt against the decision of SWA for transfer of plot in their favour. The transfer was approved by the Govt in favour of M/s Archana Handicrafts vide memo No 2(1) 26 IIBII 91 dated 18 2 91.

On receipt of approval from the Govt the Company wrote to M/s Archana Handicrafts vide letter No HSIDC, DEO/ A 7/91/9410 dated 12 3 91 to remit transfer fee at the rate of Rs 234 81 per sq mtr as per new transfer policy dated 29 1 91.

The Company also wrote to the Director of Industries for clarification regarding inclusion of enhanced cost in the original cost for the purpose of working out the transfer fee vide letter No HSIDC DEO, A 7/91/9411 dated 12 3 91.

The Govt in reply to our letter dated 12 3 91 issued clarification vide memo No IE/SWS/GGN/Archana Handicrafts/8829 A dated 27 3-91, and held that since M/s Archana Handicrafts appeared for interview before the SWA on 20 3 90, much before the new transfer policy dated 29 1 91, the charging of transfer fee as per policy dated 29 1 91 does not arise in this case. The letter further stated that transfer fee @ Rs 50/ per sq mtr be charged in the case of Archana Handicrafts. This clarification was further followed.

by Govt letter No IE/IDC/Policy/9190-A dated 1-4-91, giving clarification on the policy dated 29-1-91 circulated vide memo No IE/IDC/Policy/3330-A dated 31-1-91. It was clarified in this circular letter that "taking into consideration the provisions of allotment/transfer policy earlier issued vide Endst. No 2(T)-44-21B(II-89) dated 27-2-90 the transfer fee will be charged as applicable on the date of receipt of completed application alongwith fee from the transferer/transferee in the office of HSIDC/HUDA and GM/DIC transfer fee prescribed as per letter dated 31-1-91 need not be charged in such cases merely because the transfer case has been decided after the new policy came into vogue."

In view of the above, it would be seen that party submitted the complete case alongwith fee on 16-3-90. The transfer fee was refunded to the party on 10-5-90 after SWA rejected the transfer request of the party. Since SWA did not recommend the case of the party for transfer of plot the Company was left with no other alternative but to refund the transfer fee and refer the case to the Govt for decision. The Govt approved the transfer of plot in favour of M/s Archana Handicrafts vide its letter dated 18-2-91 by which time the transfer fee was changed by policy dated 29-1-91.

However as per clarification dated 1-4-91 and specific decision of the Govt dated 27-3-91 there is no short realisation of transfer fee in this case.

Since the policy for allotment/transfer is formulated by Govt and clarification regarding the case of M/s Archana Handicrafts was also given by the Govt the matter was placed before the BOD in its 176th BOD meeting held on 5-7-91 wherein the Board approved the transfer of plot No 404/405 in Udyog Vihar Ph III Gurgaon in favour of M/s Archana Handicrafts on payment of transfer fee @ Rs -50/- per sq mtr as per advice received from the Govt vide letter dated 27-3-91.

In view of the facts explained above since the policy is framed by the Govt and clarification was given by the Govt in this specific case, there was no point in recovering the transfer fee as per dated 29-1-91 in violation of the clarification issued vide Govt circular letter dated 1-4-91. As such, the para may kindly be dropped.

It was informed to the Committee during course of oral examination that parties applied in the year 1990-91 but the policy was changed in the year 1991. It was objected to by the Accountant General, Haryana that fee should have been charged according to the policy as was applicable on the relevant date. It was also informed to the Committee that the letter was signed by the Deputy Director under his signature in 1991 as it took some time in processing the policy which was approved by the Government in the year 1990.

The Deputy Director, however, informed that fees would be charged at the old rate. The Committee observed that since the Finance Department was not associated it may be reviewed within a period of two months under intimation to the Committee.

The Committee is, therefore, distressed to point out that in this matter also no action appears to have been taken. The Committee, therefore, recommends that required action be expedited by fixing responsibility of the officers/officials who are accountable within a period of two months and results achieved be communicated to the Committee for further action.

HARYANA BREWERIES LIMITED

4 2 2 Purchase of hops pellet/extract

13 To meet the requirement for the year 1990-91, the Company invited tenders for supply of 1000 Kg hops pellet with 15 per cent alpha contents or 500 Kg hops extract with 30 per cent alpha contents (as either of the two can be utilised for fermentation of beer), in February 1990. Of the two offers received (March 1990), Mewati and Company New Delhi (firm A) quoted rates both for hops pellet and hops extract of imported quality in German currency while Pyare Lal Sarin (Agencies) Private Limited, New Delhi (firm B) offered only hops pellet at the rate of Rs 750 per Kg (plus 4 per cent sales tax).

The Company invited both the firms for negotiations on 20th April 1990 despite the fact that the offer of firm B was valid up to 15th April 1990 only. During negotiations, the offer of firm A was rejected on the ground that the hops pellet/extract offered by it were without aroma though there was no such condition in the notice inviting tenders. However, firm B whose validity period of offer had expired on 15th April 1990 revised the rate of hops pellet from Rs 750 per Kg to Rs 850 per Kg (plus 4 per cent sales tax).

The Company placed (April 1990) order for 650 Kg hops pellet on firm 'B', on single tender basis, at its revised rate of Rs 850 per Kg (plus 4 per cent sales tax). No reasons for reducing the quantity to 650 Kg against the requirement of 1000 Kg hops pellet were on record. However, the firm supplied 750 Kg hops pellet in July 1990. Thus, the Company incurred extra expenditure of Rs 0.78 lakh due to non placement of order within the validity period of offer of firm B.

After the inadequacy of stock was pointed out by General Manager (Production) in November 1990, the Company, instead of inviting tenders, as provided in its purchase regulations contacted firms A and 'B' and two other suppliers of hops extract. After negotiations the Company placed (December, 1990) order on firm 'B' for supply of 500 Kg hops extract at the rate of Rs 3300 per Kg (plus 4 per cent sales tax). Had the Company purchased full quantity (1000 Kg) of hops pellet from firm B in April 1990 it would have saved Rs 2.08 lakhs being the difference in the cost of 250 Kg hops pellet (Rs 2.21 lakhs) in April 1990 and equivalent 125 Kg hops extract (Rs 4.29 lakhs) in December 1990.

Thus, the Company incurred an avoidable expenditure of Rs 2.86 lakhs due to non placement of order for the purchase of hops pellet within validity period (Rs 0.78 lakh) and for full quantity in the first instance (Rs 2.08 lakhs).

No responsibility for the lapse had been fixed by the Company (August, 1992).

The matter was reported to the Company and Government in May 1992, their replies had not been received (August, 1992).

The Government by way of written reply informed as under —

We were trying to obtain India hops from Kashmir and Lahoul Spiti at cheaper rates but remained unsuccessful. Meanwhile the offers validity period expired and we were forced to get hops at a higher rate —

Company assessed the requirement of Hops Pallet upto July and booked 650 Kg being bare essential. The quantity was reduced in the hope of getting the benefit of reduced price when fresh crop of year-1990 would be available during August/September —

Hops Pallet/extract had no wide market and it is available only with few parties. All the known parties were contacted for obtaining the rates. The advertisement would have also resulted in getting offer from the parties otherwise contacted.

No responsibility has been fixed by the management since the decision was taken at the highest level and it was a bonafide decision for seeking reduction in prices.

In view of above reply this para may kindly be dropped.

During the course of oral examination it was informed by the representatives of Government that one of the important reason for the lapse was that there has been lack of accountability since the decision for placing the order was taken at the highest level. It was a bonafide decision. Further it was informed that the concerned Company tried in the market for the hops but the same was not available with any other firm except the firm 'A & B'. Even firm A was not ready to supply adequate quantity of hops. Hence, the Company thought it better to negotiate with firm B. In reply to an observation of the Committee to the effect as to at what level decision was taken and who were the Members the representatives of the Government assured to supply this information within a week. The Committee is distressed to observe that the assured information was not supplied by the Government till the finalization of this Report. The Committee, therefore, recommend that required information may be supplied within a period of two months besides the action taken against the erring officers/officials.

HARYANA MINERALS LIMITED

4 3 1 Non recovery of repair charges

14 An order for supply of a gangsaw machine for cutting marble blocks was placed in September, 1984 on Rajasthan Udyog, Jodhpur for Rs 11.73 lakhs. As per the terms and conditions of the purchase order, the machine was to be supplied within six months and the firm was to give guarantee for the satisfactory performance of the machine for a minimum period of twelve months from the date of its commissioning. The firm was also required to furnish a bank guarantee representing 10 per cent value of the order towards satisfactory performance of the machine during the warranty period.

The firm furnished a bank guarantee, valid up to March, 1986, for Rs 1.17 lakhs representing 10 per cent value of the order in September, 1984 and the machine was commissioned in June, 1985.

The Company made no efforts to get the bank guarantee extended upto June, 1986, the date up to which warranty was valid. During the warranty period the performance of the machine remained poor on account of major and minor faults. Besides, the machine did not attain the assured cutting speed rendering its operation uneconomical. The Company did not get the defects rectified from the firm and instead incurred Rs 3.02 lakhs on the repairs of the machine and cost of segments, blades and cutters during the warranty period without giving due notice to the firm. The Company also did not lodge any claim with the firm.

Thus, failure on the part of the Management to give due notice to the firm before incurring Rs 3.02 lakhs on the repairs of the machine during warranty period and to lodge claim for the refund thereof resulted in non recovery of repair charges from the firm.

Although the Company had withheld a sum of Rs 1.86 lakhs due to the firm and its sister concerns no action was taken to fix responsibility for the lapse and to recover the balance amount of Rs 1.16 lakhs.

The matter was reported to the Company and Government in January 1992. The Management stated (February, 1992) that the poor performance of the machine was mainly on account of failure of blades and segments due to hardness of marble. The reply is not tenable as the performance of the machine was found to be poor and uneconomical due to manufacturing defects as was observed by various officers of the Company.

The Government in their written reply informed as under

"The performance of machine mainly depends on diamond segments which are used for slicing of marble blocks. The segments procured from supplier Company did not give satisfactory results due to excessive hardness of Haryana Minerals Ltd. coloured marble which tended to lower the performance of the machine. The excessive hardness was due to proximity of Iron ore belt and quartzite contents which was noticed later.

on when we went for deeper mining. Therefore, the party kept on assuring that they are developing right kind of segment so that the problem was overcome. Considering the above, the party was opposing to extend the guarantee as there was no material fault with the machine but with the quality of marble of excessive hardness and the party therefore ignored all our arguments for extending the guarantee.

However Haryana Minerals Ltd has retained a sum of Rs 1.86 lakhs due to supplier and its sister concern to safeguard the interest of the Company which is more than the amount of bank guarantee. In view of the facts explained above no Officer of the Company was at fault. Hence no responsibility was fixed.

(ii) During the warranty period no major defects were observed except for minor which were rectified by the supplier Company free of cost. Since Haryana Minerals Ltd withheld Rs 1.86 lakhs due to Supplier of the machine and its sister concern, no notice was considered necessary as the money withheld was more than the guaranteed sum. The money is still lying with Haryana Minerals Ltd.

(iii) The amount of Rs 3.02 lakhs pointed out in the Audit para actually includes the cost of blades and segments which in no way constitute the repair expenditure. It will not be reasonable and justified to mix up the cost of segments with the expenditure made in repairs of machine. As an example, the cost of the ink required for filling in a fountain pen cannot be treated as cost of repairs made on the pen. In this connection we had explained the matter in detail vide our letter No HM/Accts/3486/88 dated 12-7-1993. The segments can be brazed 31 times are one set of blades. The blades procured from the supplier had given assured results. As far as segments are concerned, the performance of the initial stage segments was not satisfactory and hence the pro rata payment for the cost of segments was made to the party.

(iv) As explained above the Company has not incurred Rs 3.02 lakhs on the repairs of the machine during the warranty period as pointed out by the audit. Therefore the question of incurring extra expenditure of Rs 1.16 lakhs as pointed out in audit para does not arise. Hence no responsibility was considered necessary to be fixed against any officer/officers of the Company.

The Committee heard the representatives of the Government and decided to inspect the machine on the spot at Narnaul but could not visit Narnaul. The Committee recommended that the progress with regard to the extending of Guarantee in lieu of retention of an amount of Rs 1.86 lakhs may be intimated at the earliest.

HARYANA AGRO INDUSTRIES CORPORATION LIMITED

4.4.1 Extra expenditure due to improper storage of wheat

15 In pursuance of its wheat procurement activity, the Company procure 1.16 lakh bags of wheat from Karnal mandi during Rabi 1990. Out of this, the Company stacked 1.02 lakh bags during April 1990 to July, 1990 in an open plinth on the premises of Seema Rice and General Mills. As there was delay in making delivery of wheat to Food Corporation of India, an official from head office of the Company was deputed for inspection of wheat stock. The official reported (May 1990) that the open plinth hired by the centre incharge for stacking was a kutcha, uneven plot and there was risk of damage to the wheat stock.

The Managing Director, during his visit to Karnal in July, 1990, observed that the stock was lying uncovered and unattended and deputed two officials for clearance operation and assessing the damage to the wheat stock due to improper storage.

These officials cleared (July 1990—January, 1991) the wheat stock after segregation, cleaning, restacking and replacement/repair of bags at an extra cost of Rs. 1.84 lakhs. The extra expenditure could have been avoided had the wheat stock been properly stored in the first instance.

In reply to an Audit query, the Company stated (December, 1991) that the concerned delinquent official had been chargesheeted and enquiry proceedings were under process. Further action in the matter for recovery of the extra expenditure was awaited (August, 1992).

The matter was reported to the Company and Government in February 1992. The Company stated (April 1992) that CWC godown was not hired as it was 8 Kms. away from mandi and the rent was also high. The reply is not tenable as the Company failed to hire a proper godown and instead hired a kutcha uneven plot and the stock was not properly stored, resulting in damage to wheat stock.

The Government/Corporation by way of written reply informed as under —

Two employees i.e. Shri M.K. Gupta, the then Assistant Engineer of Karnal and Shri Ranjit Singh Kanwar, Supervisor of said Mandi, were charge sheeted and regular departmental enquiry were also conducted against them by the senior officer of HAIC. Shri M.K. Gupta was awarded with punishment of stoppage of his 5 annual grade increments with cumulative effect along with recovery of pecuniary loss with interest suffered by the Corporation. But Shri Gupta had filed a civil suit against the recovery of pecuniary loss against the Corporation and the Hon'ble Court has stayed the recovery.

Besides above, Shri Ranjeet Singh Kanwar, the then Supervisor of Karnal Mandi, has also been awarded punishment of stoppage of two annual grade increments with cumulative effect. It is requested that the issue may please be dropped.

The Committee scrutinised the written reply sent by the Government/ Corporation but was not satisfied with the action taken against the erring officers/officials. The Committee looking to the gravity of the loss decided that the case may be gone-through afresh to make the loss good. The Committee further decided that the Government may intimate the action taken in this regard.

HARYANA LAND RECLAMATION AND DEVELOPMENT CORPORATION

4.5.1 - Extra expenditure on purchase of stationery

16 For purchasing printed stationery centrally for the year 1988-89, the head office of the Corporation asked all the field offices to submit their requirement of stationery by 24th February 1989 failing which their demand would be treated as nil. In response no requirement was sent by Regional Manager, Karnal. The Regional Manager, Karnal, however formed a Committee in March 1989 for the purchase of printed stationery. The Committee opined that in view of pressing need, the stationery may be got printed locally through limited quotations. On the basis of limited quotations printed stationery valuing Rs 1.82 lakhs was purchased in March 1989 from Kwaliti Paper Products Company Karnal (Rs 1.67 lakhs) and Radhika Papers, Karnal (Rs 0.15 lakh).

A comparison of rates paid by Regional Manager Karnal for local purchase of printed stationery in March 1989 with those paid by head office for purchase of same type of printed stationery in April, 1989 revealed wide variation in rates. The value of printed stationery purchased by Regional Manager Karnal on the basis of rates paid by head office worked out to Rs 0.82 lakh as against Rs 1.82 lakhs paid by Regional Manager Karnal. Had the stationery been purchased centrally in head office extra expenditure of Rs 1 lakh incurred by Regional Manager Karnal could have been avoided.

In reply to an audit query, the Corporation stated (December, 1991) that necessary proceedings had been initiated for fixing the responsibility in the matter. Further action in the matter was awaited (August, 1992).

The matter was reported to the Corporation and Government in February, 1992. Their replies had not been received (August, 1992).

In their written reply, the Government/Corporation stated as under —

As per prevalent practice annual demand of stationery from the field offices was collected and centralised printing was got done from the Head Quarter of the Corporation. Shri R.K. Dwivedi, the then R.M., HLRDC, Karnal during March 1989 got printed stationery at a cost of Rs 1,97,771 without approval from the Competent Authority. Shri Dwivedi has simply written on the file of Karnal Office that he has obtained approval from the then Managing Director of the Corporation. As per prevalent rates of printing the same stationery could have been printed at a cost of Rs 51,234/. In this way R.M. Karnal incurred an excess expenditure of Rs 1,46,537.10. An enquiry into this case was also got conducted in which Shri R.K. Dwivedi, HAS Class II, Shri P.K. Tyagi, Manager Karnal, Shri Naresh Kumar Punia, SAO, Karnal, Shri Lal Chand Clerk and Shri Vijay Kumar SO were held responsible for this loss to the Corporation. Commissioner & Secretary to Government Haryana, Agriculture Department was requested

by the HLRDC to charge sheet Shri R K Diwedi. He has been charge sheeted under Rule 7 of the Punishment & Appeal Rules 1987 vide Commissioner Agriculture memo No 307 Agri I(5) 94/6407 dated 1-4-1994. He was also asked to make the loss good from him. Final action is awaited from the Government. Reasons for not sending the requirement of stationery to H Q was intentional on the part of Shri R K Diwedi.

- In this deal 5 officials/officers were involved and necessary disciplinary action has been taken against these officials/officers as noted against each

1 Shri P K Tyagi, Manager HLRDC, Karnal now Kurukshetra

After conducting enquiry and also adopting proper procedure, recovery to the extent of Rs 48 480 70 being 1/3rd of the total loss caused to the Corporation in this case, was imposed on the officer. However, Shri P K Tyagi challenged the recovery in the court at Kurukshetra. The next date in this case has been fixed for plaintiff evidence on 13 3 1996. The recovery is being effected since March 93 in the instalments as per rules.

2 Shri N K Punia, Sr Accounts Officer

Shri N K Punia was charge sheeted under rule 7 of Haryana Civil Services (Punishment & Appeal) Rules 1987 vide memo dated 9 1-1992. The charge sheet was sent to him at his USA address as he left for abroad on 17 9 90 but the charge sheet in question has been received back unclaimed. Thereafter, the charge sheet was published in the News papers, as it could not be delivered to the official because his present address is not available with the Corporation. The charge sheet has already been finalised & Shri N K Punia was dismissed from the services of the Corporation w e f 29 9 1995.

As regards the recovery of Rs 48,840 70, the matter is being placed before the Board of Directors for writing off the loss as there left no other alternative.

3 Shri Vijay Kumar, Section Officer

He met with an accident and expired on 4 12 1990. Hence no charge sheet was issued to this official.

4 Shri Lal Chand, Clerk cum Typist

After adopting proper procedure his two increments without cumulative effect have been stopped vide order issued under Endst No HLRDC/PF/92/9010 11 dated 17 11 1992.

5 Shri R K Diwedi, HAS II

Shri R K Diwedi HAS II has since been charge sheeted under Rule 7 of the Haryana Civil Services (Punishment & Appeal) Rules 1987 by the Government vide memo No 6047 dated 14 1994. The case is under finalisation with the Government in Agriculture Department.

The Committee orally examined the representatives of the Government and recommend that the action may be expedited against the defaulting officers/officials and the Committee may also be intimated about the action taken within a period of two months.

HARYANA STATE ELECTRICITY BOARD

4 6 1 Extra expenditure on construction of feeder channel-

17 Raw water requirement (50 cusecs) of four units (up to stage II) of Panipat thermal power project (PTPP) was being met through a feeder channel of 80 cusecs capacity taking off from parallel Delhi branch of Western Jamuna Canal. The feeder channel, alongwith a return channel (40 cusecs capacity) was got constructed through Irrigation Department during stage I-of the project. The State Government sanctioned (March, 1978/March, 1982) the supply of 50 cusecs water for four units (up to stage II) 80 cusecs for five units (up to stage III) and 130 cusecs for seven units (up to stage IV). Unit five was commissioned in March 1989 and units six and seven were to come up later on.

The Thermal Standing Committee (TSC) of the Board, keeping in view the silting problems of the existing channel, decided (February 1988) for construction of a new parallel feeder channel along the existing feeder channel for augmenting the supply of raw water for unit five and capacity of additional feeder channel should be such that both the feeder channels would meet the requirement of all the units of the thermal plant.

- Despite the fact that the State Government had sanctioned the supply of 130 cusecs water for all the seven units, the TSC decided (October 1988) for construction of an additional parallel feeder channel of 180 cusecs capacity by remodelling the existing return channel through Irrigation Department, as a deposit work.

The work was started by the Irrigation Department in April 1989 and was completed in August 1990 by lining the channel up to RD 15725 and interconnecting it with the existing feeder channel at RD 15725 at a cost of Rs 80 lakhs. The balance portion from RD 15725 to RD 17500 could not be completed due to heavy seepage from the nearby ash slurry discharge line. For completion of the feeder channel the ash slurry discharge line was to be shifted atleast at a distance of 1000 feet from the feeder channel. Further, due to linkage with the existing feeder channel the new feeder channel had to run at a much lower discharge which could cause problem of silting.

Thus the construction of a new feeder channel of 180 cusecs capacity instead of the required 50 cusecs capacity had resulted in extra expenditure of Rs 57.78 lakhs (calculated proportionately). Further the new feeder channel constructed at a cost of Rs 80 lakhs could not be put to a gainful use due to its non completion and linkage with the existing feeder channel. The new feeder channel is yet to be completed (May 1992).

The matter was reported to the Board and Government in March, 1992. Their replies had not been received (August, 1992).

The Government intimated the position as under —

'The matter regarding construction of 2nd feeder channel with designed capacity of 180 cusecs was duly discussed with Irrig.

gation authorities and consultants and the reasons for construction of feeder channel of 180 cusecs capacity are given as under —

- (a) The requirement of 180 cusecs was assessed keeping in view the past experience of 1st feeder channel, which even though designed for 80 cusecs was yet supplying water upto 40 to 50 cusecs only during most of the period of the year due to heavy siltation. On the same analogy drawn from established experience in respect of channel No I, a margin of additional 50 cusecs was provided to take care of loss of discharge due to siltation while finalising the capacity of the proposed feeder channel No II. Accordingly its capacity was finalised at 180 cusecs.
- (b) At the time of recharging after closure of all the units additional water quantity to the extent of 10% is required which has also been kept in view while finalising its capacity.
- (ii) This was not due to ill planning. The detailed reasons for keeping the discharge capacity of feeder channel No II to 180 cusecs have been explained in Para (i) above. Hence no responsibility is fixed on any officer/official in this regard.
- (iii) Yes, the water requirement of all the existing units is being fulfilled by this feeder channel upto RD 15725 beyond which it has been linked with feeder channel No I. The portion between RD 15725 to RD 17500 of feeder channel No II could not be completed due to high subsoil water level and dewatering problem. However as a stop gap arrangement it stands interconnected with feeder channel No I and the requirement is being met with through this system.
- (iv) Due to high sub soil water level between RD 15725 to 17500 being in close proximity to Ash disposal area an electrical connection has been requested by IB Department as continuous dewatering is required to be done at site to lower the water table. A 200 KVA/11 KV/400 volt transformer has been commissioned in Raw Water Pump House Stage IV from where a service line will be taken to the feeder channel site. Matter is also being pursued with IB Department to complete the work between RD 15725 to 17500 at the earliest.

The Committee orally examined the representative of Government Board in its meeting held on 9th January 1996. The Committee was not satisfied with the replies of the representative of Board and observed that the planning was not made properly and desired that responsibility for wrong planning may be fixed under intimation to the Committee with a period of six months. Besides the Committee desired further information which was asked by 31st January 1996. The Government sent the incomplete information vide letter No. 47/4/94-2MIP dated 15th January, 1996. The Committee therefore recommend that immediate action as per the observations made by the Committee and assurance given may be expedited.

462 Infuctuous expenditure on purchase of reduction gear box

18 Unit I of Panipat thermal power plant was commissioned in November, 1979. Reduction gear box of turbine of the unit developed noise in November, 1984 and failed in May, 1989.

The plant authorities purchased one gear box from Panki thermal power station Kanpur for Rs 17.50 lakhs without verifying its date of purchase/warranty period or working condition. The gear box was installed on 12th July, 1989, but it failed beyond repair on 27th July 1989. On enquiry it transpired that the gear box was purchased by Panki thermal power station from Bharat Heavy Electricals Limited (BHEL) in November 1980 and its warranty clause was no more valid.

Another gear box was arranged from Ahmedabad Electricity Company Limited, Ahmedabad on loan basis and was got installed in August, 1989 at a cost of Rs 0.81 lakh. An order for supply of a gear box was placed (September 1989) on BHEL at a cost of Rs 22.16 lakhs. After the gear box was received (March, 1991) from BHEL it was handed over to Ahmedabad Electricity Company Limited in June, 1991 in lieu of their gear box already installed in the unit.

Thus the purchase of gear box from Panki thermal power station, Kanpur by the plant authorities without verifying its date of purchase/warranty period or working condition resulted in an infuctuous expenditure of Rs 17.50 lakhs.

No responsibility in the matter had been fixed by the Board (August, 1992).

The matter was reported to the Board and Government in June 1992. Their replies had not been received (August 1992).

The Government/Board in their written reply stated as under —

- (i) As the Reduction Gear Box of Unit I had failed in May, 1989 and the unit had to be run to meet out the severe power crisis in the State, it was decided to get gear box replaced with new one. The gear box was not available with BHEL and PSFB. It was only available with Panki Power House Kanpur in its spares inventory. So it was decided to procure the same from Panki Power House Kanpur. There was no occasion for the department to go in for checking or verifying the date of purchase/warranty period of the equipment in question particularly when there was non availability of item with BHEL and PSEB. It is immaterial even if the guarantee/warranty had been known, the Board had no option but to avail and use the available gear box from Panki Thermal Power Station only.

The working condition of the gear box could only be known when it was actually put in operation. After the receipt of the gear box at site it was inspected by BHEL site.

engineer and was found to be in order. The same was installed under the supervision of BHEL site engineers. Thus there was no doubt about the healthiness of Gear Box even at this stage. It worked trouble free without any noise initially for 34 days but later it developed trouble resulting into breaking of teeth. The damaged teeth have been got tested from BHEL Hyderabad and Shri Ram Test House, Delhi and the result shows the metallurgical failure. This indicates manufacturing defect and as such the matter stands referred to BHEL Hyderabad/Delhi for free replacement of the equipment. Last reference stands made on 21.11.1994.

- (ii) The authorities on a given time conducted in the best interest of the Project under the then available circumstances. The issue is still being deliberated and followed up with top authorities of BHEL. In view of the position brought out above, no body can be held responsible.

The Committee during the course of oral examination on 9th January, 1996 was not satisfied with the plea advanced by the representatives of the Board with regard to the infructuous expenditure incurred on the purchase of Gear Box. The Committee desired to peruse the Guarantee/warranty given by the Power House, Kanpur (Panki) as also the proceeding of the work done by the machine for three days and its failure and the correspondence made in this behalf by 31st January 1996 in order to see the difficulties for changing/removing the defects. The Committee in the said meeting also desired that Sh. J. L. Arora, Chief Engineer (Operation & Maintenance) may hold a personal meeting with the Executives of the firm by 31st January, 1996 and intimate the Committee about the decision arrived by 15th February 1996. The Committee is sorry to observe that none of the assured action was completed till the finalization of this Report. The Committee, therefore, recommends that action may be initiated against the officers who are accountable under intimation to the Committee immediately.

4.6.3 Extra expenditure on purchase of cables

19. Chief Engineer Panipat thermal power project placed an order (September 1987) on Vikas Cable Company, Delhi (firm 'A') for supply of cables including 31 Km type K and L cables (cost Rs 13.47 lakhs) for Automatic Turbine Run System (ATRS).

The cables were inspected by Executive Engineer (Construction) in January 1988. The test certificates were approved and despatch authorisation was given by Chief Engineer (Construction) in March 1988.

In February 1988, the project authorities on the basis of inspection accepted delivery of 31 Km cables by making full payment to the firm. During erection (November, 1988) of these cables defects e.g. taped joints, twisted joints, colour coding etc., were noticed and Bharat Heavy Electricals Limited (BHEL) who were responsible for supply and erection of main equipment did not agree for using these cables for ATRS services. The firm was requested (December, 1988) to replace the cables under warranty clause of the purchase order. However, the firm did

not agree to replace the cables on the ground that these were manufactured strictly as per specifications and were inspected by Board's officer before despatch

To meet the requirement the Board procured (December, 1988) 5 Km cables from Ropar thermal power project at a cost of Rs 3.97 lakhs and 26.360 Km cables from BHEL at a cost of Rs 27.09 lakhs. The purchase was effected without giving a formal risk purchase notice to the firm.

As the firm did not replace the defective cables the matter was referred to two arbitrators (June, 1989/August, 1989). The Board filed a claim of Rs 31.06 lakhs before the arbitrators. Since the two arbitrators gave (May 1991) conflicting awards the matter was referred to the umpire who dismissed (January, 1992) the Board's claim without assigning any reason.

Out of 31 Km cables purchased from firm A, 8 Km cables (value Rs 3.15 lakhs) were used on other services. The balance 23 Km cables (value Rs 10.32 lakhs) were still lying unused.

Thus, due to improper inspection by Executive Engineer (Construction) the Board had to incur an extra expenditure of Rs 17.22 lakhs on the procurement of cables from other sources. Besides funds of the Board to the tune of Rs 10.32 lakhs were lying locked up in defective cables since February, 1988 resulting in loss of interest amounting to Rs 7.59 lakhs.

The Executive Engineer (Construction) who carried out the inspection was held responsible for the lapse, and a charge sheet was issued to him in September, 1989. Further action in the matter was awaited (August, 1992).

The matter was reported to the Board and Government in May 1992. Their replies had not been received (August, 1992).

The Government by way of written reply informed that —

- (1) On having recommended the replacement of cables by M/s BHEL vide D.O. No. BHE/TSX/GM dated 30.11.88, notice was served on M/s Vikas Cables Co. vide letter No. SPL/1Z/CE/PA dated 2.12.88 for replacement of cables within one month otherwise the same shall be purchased at firm's risk and cost. M/s Vikas Cables vide letter dated 6.12.88 agreed to replace the cable but later on resiled from its promise. The matter was discussed in PTSC on dated 9.12.88 and the firm was again asked vide letter No. Ch 21/PTP/Stg III/E 315 dated 14.12.88 to replace the cable without any financial burden on HSEB. Subsequently as per PTSC decision dated 30.12.88, the firm was again asked vide letter No. Ch 42/PTP/Stg III/E 315 dated 13.1.89 for the replacement of cables. As desired by TSC the complete case was got vetted from L.R. HSEB Panchkula and it was confirmed by L.R. vide memo No. Ch 911/LR 4 185 dated 9.2.89 that action being taken by project authorities is on right lines.

All the cables were purchased on the risk and cost of M/s Vikas Cables as per decision of PTSC dated 30.12.88. The case was again discussed in TSC on 22.4.89 at Panipat and it was decided that M/s Vikas Cables be asked for depositing Rs. 33.05 lacs in respect of ATRS cables supplied by M/s BHEL/PSEB as the purchase has been made at the risk and cost of the firm. But the firm has neither deposited the amount nor replaced the defective cables.

(ii) The next date of hearing of court case has been fixed on 1.8.95 in the court of Sr. Sub Judge Panipat.

(iii) Sh. N. N. Narula, Xen was charge sheeted and further action on the charge sheet has not been finalised.

The Committee orally examined the representatives of Government/Board and was not satisfied with their version. The Committee was distressed to note that exemplary punishment was not awarded to the officer concerned who put the Board in heavy loss. The Committee, therefore, recommends that whole case may be reviewed by the Board which is the punishing authority and necessary steps for the recovery of the amount in question may be taken within a period of three months under intimation to the Committee.

4.6.6 Loss due to delay in dismantlement of idle line.

20. After commissioning of 66 KV sub station Palla, the 33 KV Delhi Faridabad line (erected in 1964) became redundant in August 1988 as the Bhakra Beas Management Board authorities stopped feeding the line from its 220 KV substation Shakur Basti, Delhi. It was reported (September, 1988) by substation Engineer that there were chances of theft on the line. In February 1989 the Superintending Engineer (Operation) Faridabad requested Chief Engineer (Operation) to accord approval for dismantlement of the line. Action was not taken on the request of substation Engineer and Superintending Engineer by the Board authorities.

Since the line was idle theft of 10800 metres of conductor was noticed in July 1990. With a view to avoid recurrence of theft the Executive Engineer requested (July, 1990) the Superintending Engineer to obtain necessary sanction for dismantlement of the line. The approval was finally conveyed by Chief Engineer (Planning) in August, 1990. Meanwhile three more thefts of 4770 metre conductor had occurred in August 1990.

Despite urgency for dismantlement in view of frequent thefts the estimate of Rs. 1.55 lakhs for dismantlement of the line was submitted for approval only in January, 1991 and was sanctioned in March 1991. The theft of conductor till the date of submission of estimate was stated to be 25335 metres (value Rs. 7.60 lakh.)

The dismantlement work was started in March 1991 when the theft of conductor from the line had swelled to 35420 metres valuing Rs. 10.63 lakh. Complaint of thefts were lodged with the police from time to time but no trace of culprit/material could be found by the police. The dismantlement work was still in progress (May, 1992).

Thus inordinate delay in dismantlement of the idle line resulted in theft of conductor from the line resulting in loss of Rs 10 63 lakhs to the Board

Responsibility in the matter had not been fixed by the Board (August, 1992)

The matter was reported to the Board and Government in June 1992 their replies had not been received (August, 1992)

The Government by way of written reply, informed that —

- (1) The 33 KV line from Rohtak Road (Sakurbasti) Delhi to Faridabad which was consisting of structure of 432 poles and passing through the populated area of Punjabi Bagh, Naraina Rajauri etc in Delhi territory was an important line from 220 KV Sub station BBMB Sakurbasti, Delhi to the Industrial Town of Faridabad. Line remained energised upto 6-10-88. Thereafter the supply to this line was discontinued by BBMB Delhi due to damage of controlling equipments at their Sakurbasti Sub Station. The SSE HSEB Palla and the Xen, T&S Maintenance Division Faridabad requested the BBMB authorities for energisation of this line but SSE, BBMB refused in 1/89 to energise the same.

Then it was an major policy matter for the HSEB authorities to decide whether to dismantle the line or to keep the line intact to have a right of way to power from Delhi territory as in the former case if dismantled) the HSEB was to lose this important source of supply of power which the Board was getting since 1965

No doubt SSE Faridabad and S.E. (OP) Circle, Faridabad requested for dismantlement of the line keeping in view increasing trend in theft of conductor from the line as the line had become redundant while examining feasibility of dismantlement of the line. The Board authorities were of the following opinion —

- 1(a) This line may be divided into two parts i.e. one from BBMB Delhi to Kapashera to be utilised and maintained by the Xen, City (OP) Division, Gurgaon and the remaining part from Kapashera to Faridabad proposed to be dismantled in view of the fact that once a line is dismantled from the territory of Delhi it would be a herculean task to lay it again as also the Board did not want to lose its right to get supply from this source, and, or
- (b) The Xen (OP) Division, Bahadurgarh in October, 1989 also proposed to utilise above line for use of Delhi Bahadurgarh circuit No. 1 of that line under his control and S.E., (OP) Circle, Faridabad also consented his proposal, or

- 2 (i) When it was finally realised that the replacement of the damaged equipment was not forthcoming and the Faridabad area could have alternate source of power supply from local factors at Faridabad dismantlement of the line might be done

Although the Board authorities decided to dismantle the Delhi Faridabad line as per Chief Engineer/Planning Memo No Ch 63/PE 11 492 dated 28 8 90 yet the competent authority was constrained to view the matter in over all perspective. However in view of loss of possibility of power evacuation from BBMB (Delhi Sub Station) to HSEB forever and very difficult situation regarding dismantlement of line in Delhi territory rethinking had also been continuing at the highest level of HSEB BBMB and DESU to see if somehow the dismantlement of the line could be avoided and the line could be saved for use by DESU or by HSEB. Moreover, at later stage in the meeting held in the office of Chief Engineer (OP) HSEB Delhi on 27 6 91 a decision to hold up the dismantlement of the line for the time being was also taken while discussing the feasibility of handing over of 220 KV Sub Station Delhi to DESU proposed by the CEA despite of the fact that dismantlement of the line had already started in March 1991.

From the above it is clear that the line remained energised upto 6 10 88 from BBMB Delhi and the matter remained under correspondence with BBMB Delhi for energisation of the line as per past practice. There were also two proposals for utilising the Board's assets (line) instead of dismantlement before finally deciding to dismantle the same conclusively and due attention was paid to the requests of the SSE and SE (OP) Circle Faridabad and action was also prompt.

- (ii) The 33 KV line was 88 621 K M long comprising of structure 01 to 432 Nos. Preparation of estimate involved pole to pole survey and actual tape measurement of conductors and material on individual structures, by physical verification of the line by a Committee of two officers. After the decision to dismantle in 8/90 and final go ahead some time in 11/90 the time taken is reasonable and practicably minimum required as the estimate was submitted in 1/91 and sanctioned in 3/91. Actual work of dismantlement started in 4/91. The work has since been completed.

- (iii) As stated in the reply to Question (i) and (ii) above Board's authorities were of the opinion to utilise the Board's assets (line) and efforts were also made for the same. But fast and uncontrolled growth of colonies enroute the part of the line and difficult terrain in Aravali Hills through which the other part of line passed helped the unscrupulous persons/thieves in the theft of conductor from the line and even the best of efforts by the Delhi Police through whose territory

the line existed could not check/deter the culprits effectively. There were the repeated thefts which compelled the Board's authorities to take final decision to dismantle this line.

No officer/official of the Board is therefore considered responsible in view of prompt and reasonable action taken by the Board's authorities and the field staff/officers in dismantlement of the line and also in each individual case of theft/loss that took place on this line.

After going through the written reply sent by the Government the Committee has observed that inordinate delay in dismantling of idle line resulted in theft of Conductor with the result that loss occurred to the Board. The Committee is therefore, not convinced and accordingly recommend that the matter may be reviewed as the reasons advanced for inordinate delay are not convincing. The Committee, further recommend that the responsibility of the officers/officials may be fixed and intimated to the Committee within a period of two months. The Committee also recommend that the steps taken to prevent the theft of electricity may also be intimated to the Committee.

4.6.8 Avoidable expenditure on acquisition of land

21. In order to improve the existing power distribution system and release more electricity connections the Board decided to construct a 33 KV substation at village Jamba, Karnal. Notification under the provisions of Section 4 of the Land Acquisition Act, 1894 for acquiring 5 acre land at village Jamba was got issued by the Board from the State Government in April, 1979.

As per instructions of the State Government publicity of the notification was to be got done by the Board through the revenue patwari of the area within one week of the publication of the notification. However the officials of the Board failed to arrange the publicity of the notification within the stipulated period with the result that the State Government had to withdraw (March 1980) the notification issued in April, 1979. However, the Board without completing the legal formalities took possession of the land measuring 5 acre 7 canal and 7 marla in October 1980. Fresh notification for the land was got issued by the Board on 7th May 1981 and the publicity was got done from the revenue patwari on 6th June 1981 after a delay of 29 days. The gram Panchayat however resolved (September, 1982) to ignore the delay in publicity of the notification subject to payment of adequate compensation of the land alongwith interest thereon. Accordingly the land could be legally acquired in January, 1983.

The Land Acquisition Collector Karnal awarded (February 1985) compensation at the rate of Rs 0.25 lakh per acre which was based on the prevailing market rate of January, 1983 against the rate of Rs 0.04 lakh per acre prevalent during April, 1979. Further the Land Acquisition Act, was amended by the Parliament in September, 1984 with retrospective effect from April, 1982 which inter alia enhanced the compulsory acquisition charges to 30 per cent of the amount of compensation as against 15 per cent applicable before the amendment.

Thus, the Board had to incur extra expenditure of Rs 2 30 lakhs on account of increase in rate of land (Rs 1 24 lakhs) payment of enhanced compulsory acquisition charges (Rs 0 41 lakh) and interest thereon (Rs 0 65 lakh). The extra expenditure could have been avoided had the publicity of the notification been got done from the revenue patwari within one week of the publication of notification in April 1979.

No responsibility in the matter had been fixed by the Board (August 1992)

The matter was reported to the Board and Government in March, 1992. Their replies had not been received (August, 1992)

The Government by way of written reply informed that —

- (i) In the first instance the publicity of notification could not be made due to non completion of formalities in short period of seven days such as —

1 Non supply of location of sub station Kila No /Khasra No by the revenue authorities

2 Resolution by the Panchayat duly passed by the B D O and P O

In the absence of the above records the beat of drum could not be made. As the formalities could not be completed within seven days upto third occasion, so the relaxation was allowed by the authority.

The construction work was undertaken during 10/80 and the sub station was commissioned on 25 11 81

2 As regards the rate of land at the rate of 4,000 per acre at the time of publication of notification dated 21 4 79 it is nowhere mentioned in the record that the said cost was fixed by revenue authority or Deputy Commissioner. There was also no agreed rate between the HSEB and Gram Panchayat Jamba. But the revenue authorities have certified that the rate of land of village Jamba was at the rate of 15 000 per acre during the year 1979 80 and the payment was made to the Sarpach Gram Panchayat Jamba during 2/85 much after taking possession of land (10/80)

- (ii) As stated above the delay caused in publicity was due to non submission of requisite information by the Revenue Authorities and as such no one is responsible

The Committee after going through the written reply have observed that the record was not available with the result the publicity could not be made. Further no record with regard to the certification of rate of land by revenue authority was sent by the Government. The Committee, therefore, recommend that the Board may take up matter with the Revenue Department to find out the officers/officials who did not supply the requisite information with the stipulated time. The information may be supplied to the Committee within a period of two months.

4.6.10 Non clubbing of connections

22. The Board has classified industrial consumers into three categories on the basis of connected load viz small power for load up to 20 KW, medium supply for load up to 70 KW and large supply for load above 70 KW.

Since the tariff for large supply is higher than other categories, the Board in order to avoid loss of revenue on account of splitting of load decided (January 1981) to dispense with the provisions of allowing more than one connection in the same premises.

During audit of operation sub division, Cheeka, in April 1991 it was observed that the Janta Rice and General Mills Cheeka having a connection of 56.48 KW (extended to 62.45 KW in December 1990) since October 1978 was issued another connection of 67.88 KW in November 1990 in disregard to the Board's instructions issued from time to time. Instead of clubbing the connections the consumer continued to be billed for two separate connections in the same premises since November, 1990. This resulted in under charge of revenue of Rs 1.13 lakhs for the period from November, 1990 to December, 1991 for which the records were available. The connections have neither been clubbed nor responsibility fixed by the Board (August 1992).

The matter was reported to the Board and Government in February, 1992. Their replies had not been received (August, 1992).

The Government by way of written reply informed that —

- (i) & (ii) The connection was released by the then SDO Sh B. M. Sondhi on the understanding that this is the separate premises because the connection was sought by the consumer in a separate shed and a wall was existing between the two industries but later on it was held that the firm is the same and the nature of the business is also the same. Moreover, the sales tax No. was also the same and therefore the amount is rightly chargeable. A sum of Rs 1,34,904.88 (SOP Rs 51,934.11 + E.D. Rs 82,970.77) was debited to the account of the consumer on 11.3.92 and the recovery of the said amount along with surcharge has been made from the consumer vide SDO (OP) Sub Division Cheeka RO 4 No. 34/147 dated 7.10.94.

- (iii) Shri B M Sondhi SDO is responsible for releasing the second connection in the same premises in disregard to the Board's instructions regarding clubbing of the connections. A Show Cause Notice is being issued to him.

After orally examining the representatives of the Board the Committee observed that since the loss has been recovered the administrative action is required to be taken by fixing the responsibility of the officer at fault. Since the case has been sufficiently delayed, the Committee recommends that action in the matter may be expedited within a period of a month, with a report to the Committee.

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