

# **PUBLIC ACCOUNTS COMMITTEE (1972-73)**

## **SEVENTEENTH REPORT**

**( PART I )**

**(FIFTH ASSEMBLY)**

**Report of the Public Accounts Committee on the Appropriation  
Accounts, 1968-69 and Audit Report, 1970 and Finance Accounts  
1968-69 of the Government of Assam**



**ASSEMBLY SECRETARIAT: SHILLONG**

**July 1972**

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**PRESENTED TO THE ASSEMBLY ON 27-7-1972**



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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE  
1972-73

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4. Shri Abdul Rahman Choudhury
5. Shri Lakshmi Kanta Saikia
6. Dr. Bhumidhar Barman
7. Shri Abul Kasem
8. Shri Pushpadhar Chaliha
9. Shri Giasuddin Ahmed.

SECRETARIAT :

1. Shri U. Tahbildar, Secretary
2. Shri G. N. Deka, Under Secretary
3. Shri R. Sarma, Committee Officer



**REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON THE  
AUDIT REPORT, 1970 APPROPRIATION ACCOUNTS,  
1968-69 AND THE FINANCE ACCOUNTS, 1968-69**

**INTRODUCTION**

I, the Chairman of the Public Accounts Committee do present on behalf of the Committee, its Report on the Audit Report, 1970 Appropriation Accounts, 1968-69 and Finance Accounts 1968-69 of the Government of Assam in so far as they relate to the Departments of Power (Electricity) Mine and Minerals, P. W. (F.C. and I.), Industries, (Major and Cottage), on Animal Husbandry and Veterinary, Municipal Administration, Fishery, Forest, Home (Jail), Home (Police), Housing, Transport, Revenue, Supply, P. W. (R. and B.).

2. The Accounts and Report were laid on the Table of the House on the 11th November, 1970. The Committee examined these at its sittings held on 6th July, 1971, 7th July, 1971, 2nd August, 1971, 3rd August, 1971, 5th August, 1971, 6th August, 1971, 7th August, 1971, 9th August, 1971, 10th August, 1971, 27th August, 1971, 28th August, 1971, 19th October, 1971, 20th October, 1971, 22nd November, 1971, 16th December, 1971, 27th December, 1971 and 28th December, 1971. A list of Officers examined and time taken for examination has been appended to this Report as Appendix I.

3. Though the examination was conducted by the previous Committee, the report could not be finalised by that Committee owing to dissolution of the House. The present Committee considered the draft Report after considering the proceedings of the previous Committee and finalised its Report at its meeting held on 24th July, 1972.

4. A statement showing the summary of the main conclusions/recommendations together with comments of the Committee is given in Part II of this Report.

5. The Committee places on record its appreciation of the assistance rendered to it in the examination of these accounts by Shri R. S. Maunder, I. A. S. A. S., Accountant General, Assam, Meghalaya, Nagaland, Manipur, Tripura, Arunachal Pradesh and Mizoram and his staff. The Committee also expresses its thanks to the Officers of the Departments concerned for the co-operation extended by them in giving information to the Committee during the course of evidence.

Shillong :  
The 24th July, 1972.

**DULAL CHANDRA BARUA,**  
Chairman,  
Public Accounts Committee.



## POWER AND ELECTRICITY DEPARTMENT AUDIT REPORT, 1970

### Paragraph 54 at pages 54-55 of the Audit Report, 1970

1.1. The paragraph brings out the loans and interest liability of the Board particularly loans financed by Government.

The financial results of the Board for the three years 1966-67 to 1968-69 are given below :—

	1966-67	1967-68	1968-69
	(In lakhs of rupees)		
Capital invested ... ..	56,37.50	65,88.83	71,92.07
Total operating revenue ... ..	1,89.41	2,76.47	3,20.05
Total operating expenses (excludes interest on Government loans).	2,59.53	3,56.64	3,89.91
Loss ... ..	70.12	80.17	77.86

The capital invested comprised of the following :—

	1966-67	1967-68	1968-69
	(In lakhs of rupees)		
Loans from Government ... ..	53,52.90	59,62.90	64,52.75
Loans from L.I.C. ... ..	...	3,00.00	3,00.00
Other public loans raised by the Board.	1,62.10	1,62.10	2,44.59
Miscellaneous Capital receipts ...	1,22.50	1,63.83	1,94.73

The total amount of interest due to Government upto 1968-69 is Rs. 14.16.56 lakhs. Government granted moratorium for payment of interest for 7 years from the date of creation of the Board (June 1958). Further developments are awaited.

So far as Board is concerned the Statute itself directs what should be the qualification of the Members of the Board. Even those who are exceptionally brilliant may become the members of the Board of such technical affairs. If frequent changes are made the working of the Board may also suffer. The Committee came to know that all the members of the Central Government undertaking, there is a permanent tennure for at least five years.



In the matter of financing loans to the Board by the Government the Committee find that so far there was no payment of any instalment either of principal or interest. The Committee therefore wanted to know the Government policy in this respect whether the Government contemplate writing off of certain amount of loan or extend the period of moratorium? Government have so far invested Rs. 156 crores. Some other Government may give several crores by way of loans, etc., to the Board but they may not agree. In this particular point the Committee was informed however that inter State agreement was made for interim arrangement for two years. But the point is it may be considered expedient by one of the State Governments not to agree within two years. In such an agreement both the State Governments have the authority to direct the Board in policy matter.

So far this Board is concerned the financing and directing authority is the Assam Government. Now, since the Assam Government will not remain in this area of operation and separate Government will be in place of Assam Government it is doubtful whether the policy of the Assam Government in regard to the Board will continue to be the same. As far as present policy is concerned the joint Board will continue for a transitional period of two years. But after expiry of the period of two years the same problem will continue. The Department has no suggestion to make on this Scheme.

### RECOMMENDATIONS

1.2. In the line of Central Government or rather following the principle of Central Government for public undertakings all the Senior officers should be given one year option period but once option is taken, he should serve for at least three years.

The Committee was not happy with the two-year inter-State arrangement because what is going to be the policy of the Government of Assam is not known to the Government itself.

The Committee, therefore recommends that the Government should take a final decision on this issue to settle the matter once for all.

#### Paragraph 54(c) at page 54 of the Audit Report, 1970

1.3. The paragraph brings into focus the high quantum of transmission loss, etc., compared to the transmission lost, etc., in other States.

The quantity of energy produced and sold is shown below:—

		1966-67	1967-68 (In crores)	1968-69
K. W. H. generated	...	12.57	15.73	23.60
K. W. H. sold	...	9.15	11.24	17.57

3.75 lakhs K. W. H. of energy were lost in transmission during 1968-69 compared to 3.65 lakhs in 1967-68 and 2.67 lakhs in 1966-67. It worked



out to 16 per cent of the energy produced in 1968-69 and 21 per cent in 1966-67. The comparative figures of transmission loss in few other States are as follows :—

Mysore ... ..	15.26 per cent in 1967-68
Maharastra ... ..	13.4 per cent in 1967-68

1.4. The Committee finds that although it was not possible on the part of the Board to bring down transmission loss to the level of other States it has however come down to 16 per cent in 1968-69 as compared to 23 per cent in 1967-68 and 21 per cent in 1966-67. The Chief Engineer, Assam State Electricity Board explained that in case of West Bengal, State Electricity Board their loss in transmission is very less because they purchase power from the Damodar Valley Corporation and sell the power in bulk to the Calcutta Electric Supply Corporation. But in Assam since the Board has to generate power, the loss will be invariably more. This Board has a peculiar feature in the sense that every unit of electricity they supply they have to generate it.

### RECOMMENDATIONS

1.5. The Committee was rather glad to see that the transmission loss has come down to 16 per cent in 1968-69 as compared to 23 per cent in 1967-68 and 21 per cent in 1966-67 but at the same time it cannot be ruled out that there is no scope for further reduction by few percentages more. The Committee therefore hopes that the Board will be able to bring down this loss at least to the level of other States like Mysore (15.26 per cent) and Maharastra (13.4 per cent).

#### Paragraph 54(f) at page 57 of the Audit Report, 1970

1.6. Plant and machinery valuing Rs 53.38 lakhs purchased in March, 1966 for Nangalbibhra Thermal Plant in Garo Hills have been lying idle mainly due to stoppage of work by the erection contractor. Information regarding action taken by the Board against the Contractor for non-completion of erection work and compensation therefore is awaited (October, 1969).

It was explained to the Committee by the Chief Engineer, Assam State Electricity Board that it is quite insignificant because of working of that station is such that this is very well comparable with the diesel stations and when we supplying power to the diesel stations, the benefit will be very much. When Shri Medhi was the Chief Minister, he had contemplated taking up of this Thermal project of 2.2. MGW considering certain circumstances. It was thought that after the project is taken up Cement factory will also be taken up the same area.

Again it was more a promotional project than an economic project and such the money could have been easily made available from the Tribal Areas Department. Government is morally responsible for the loss. They should have some other project to make up the balance.

1.7. The Chief Engineer further explained that some of the project are remunerative where there was potential resources and these potential



resources were expected to be harnessed, such as coal, iron, oil, etc. When a project is made generally a rosy picture is painted, here also in this case a rosy picture was painted. But once this is done new vista arises. Everything is correlated, but ultimately nothing was found, similar position was found in Nangal Bibhra project. Mistake has been done from both the sides of Government as well as the Board. When a power station is to be started in a very remote place the cost is bound to be very great. Unnecessary expenditure can only be eradicated if a very careful supervision is planned simultaneously. Now, as this Project at Garo Hills, was a very costly one the responsibility ought to have been given to the Government instead of the Board taking it up.

## RECOMMENDATIONS

1.8. The Committee was convinced that this was essentially promotional project and it was taken up by the Board at the instance of the Government. As there is no dearth of money in the Tribal Areas Department the Government should give directions and bill should be routed to make the resources available from that Department.

### **Paragraph 54(h) at page 57 of the Audit Report, 1970**

1.9. This paragraph brings out that there were shortages of diesel and lubricating oil in four units alone amounting to Rs.96,126.

The Board caused an investigation into 4 or 5 units through their Accounts Officer and found that in only one station at Dhubri there is some misappropriation or misuse of diesel oils. In other stations this can be termed as waste which requires pre-filtration. It is therefore more a case of waste than of misuse.

### **Paragraph 54(j) at page 57 of the Audit Report 1970**

1.10. The paragraph bring out that mis-appropriation of revenue (Rs.2,28 lakhs) in 13 units of the Board was awaiting (March, 1969) finalisation for write off/recovery pending Departmental action/investigation.

The Chief Engineer, Assam State Electricity Board informed the Committee that legal action has been contemplated in consultation with the Legal Remembrancer.

## RECOMMENDATIONS

1.11. Final decision including details of misappropriation and recovery and result of departmental actions in each of these 13 units should be reported to the Committee within six months of the presentation of these report to the House.

### **Paragraph 55 at page 57 of the Audit Report, 1970—Avoidable Expenditure.**

1.12. Carriage of different materials and consignments pertaining to 4th units of Umru Power House at Dehal was entrusted to a contractor to



3rd May, 1967 on a short term tender basis on the stipulation that the contract was to remain in force till completion of the work or the final decision on annual carriage tender for 1967-68 whichever was earlier. Tenders had been invited for the annual carriage of materials on 10th March, 1967 specifying 4th April, 1967 as the last date for receipt of tenders. The lowest rates obtained in response to the above tender were much lower than that allowed to the contractor under the agreement dated 3rd May, 1967. Even that every Contractor's rates offered in response to the tender, were considerably lower than the rates allowed to him under the separate agreement in a number of items. No final decision was however taken on the tenders received and the contractor was allowed to carry on the work at the rate stipulated in the separate agreement entered into with him on the basis of short term tender. Non-finalisation of the contract resulted in an avoidable extra-expenditure of Rs.16,139 to the Board.

The Superintending Engineer, S. E. B. informed the Committee that the Chief Engineer accepted the tenders and recommended the rate.

The Committee finds that there was no intimation whether something has been done or nothing has been done.

### RECOMMENDATIONS

1.13. The responsibility should be fixed on the person or persons for which the expenditure had to be incurred and appropriate action should be taken.

Action taken should be reported to the Committee within 60 days from the date of presentation of this report to the House.

### **Paragraph 56 at page 58 of the Audit Report, 1970—Irregularities issue of materials.**

1.14. The paragraph brings out that contrary to rules of the Board, the Executive Engineer, Transmission Division, Barapani issued mild steel rods worth Rs.29,103 on loans to Assam Cements Ltd. in November-December, 1964. The Board has neither received back the materials nor made any recovery (September, 1969).

It has been intimated in April, 1970 that the matter has been taking up at the highest level for recovery in cash or kind.

The Secretary, Power and Electricity Department informed the Committee that they have realised the cost.

### RECOMMENDATIONS

1.15. The Committee was glad that the cost has since been realised. The Department also should see that no such issue takes place in future which is contrary to rules.



# PUBLIC WORKS DEPARTMENT (FLOOD CONTROL AND IRRIGATION WING)

## Finance Accounts 1968-69 at pages 128-131

2.1. The following table shows the balance at the beginning and close of the year 1968-69 under certain important heads—

	Balance as on 1st April 1968 (In lakhs of rupees)	Balance as on 31st March 1969
1. Remittances into Treasury ...	Dr. 1,15.81	Dr. 2,02.95
2. Transfers between Public Works ... officers.	Dr. 5,33.37	Dr. 4,38.01
3. Items adjustable by P. W. D. included under other remittances.	13,14.22	Dr. 14,26.69
4. Cash settlement suspense account	..	1,12.84

2.2. The Committee wanted to know as to how much of the balance under Serial No.1 relates to his wing? Do the Department obtain monthly consolidated treasury receipts schedules to verify that the moneys stated to have been remitted to the treasuries by the divisions have actually been remitted to the treasuries by the divisions and have actually been acknowledged by the Treasury? Can you furnish a statement showing the names of divisions and the months for which form 51 has not been sent to the Accountant General? What is the oldest item according to the records of the Department.

(2) Transfers between P. W. Officers is no longer being operated and the balance represents the old outstandings. Have you analysed why there remains an outstanding balance under this head? Out of the total balance shown here how much pertain to this Wing? In the face of outstanding balance how do you ensure that all materials stated to have been despatched have actually been received at the other end. Can you rule out loss or misappropriation?

(3) Items adjustable by P. W. D.:—Out of the balance how much according to the records of the Department pertain to this Wing? Can you state why could not this be adjusted immediately on receipt of advice of debit from the Accountant General? Does it not indicate under statement of expenditure?

A few illustrative example about the inordinate delay made by the Department in regard to such adjustment are cited below—

No. and date of debit advice	Amount	Remarks
	Rs.	
Gauhati E & D—WM2/C/862 dated 6th August 1966.	3,00,076.74	Not yet adjusted
Gauhati E & D—WM2/C/1002 dated 29th October 1966.	2,06,121.78	„
Nowgong E & D—WM2/C/321 dated 26 February 1966.	1,511.40	„
Nowgong E & D—WM2/C/511 dated 19th June 1965.	12,214.40	„



(4) Out of the balance shown under 'O. S. S.' how much according to the Department pertains to this Wing? Is it not required to be responded within 10 days by issue of cheque? Why could not these be responded and how do the Department propose to improve on this?

### RECOMMENDATIONS

2.3. (i) The Committee finds that balances of Jamuna Irrigation Division No. I Rs. 1,26,599 Jamuna Irrigation Division No. II Rs. 18,35,288 and Nowgong E & D also had Rs. 24,388, when all these are summed up there will be a big amount. Whatever is outstanding now with regard to ATD and ATC of transfers between P. W. Officers will be settled with the Accountant General by sending an assistant to the Accountant General's Office within a period of 2 months.

2.4. (ii) The Committee finds that this is a question of transfer between divisions. It is verified from the stock accounts. It is generally done by the invoices. They receive the invoices with the signature. Thus the matter of adjustment is very simple and P.W. deal with crores of cases. Some of these are delayed as long as years, i.e., case of 1963-64. This is an inordinate delay. At any rate the Department should settle the matter as early as possible by sending some assistants to the Accountant General's office for that purpose.

2.5. (iii) The Secretary himself is not satisfied with regard to the accuracy of the reports submitted from the divisions. He wants to further verify and submit the information within a month if not earlier.

2.6. (iv) This cash settlement should be quickly done, that is to say within 10 days. Why it was not done, explanation should be called for and if any suggestion is there it should be given. Otherwise there will be no meaning of the cash settlement.

### Paragraph 26 at pages 36-37 of the Audit Report, 1970

2.7. Financial aid to contractor.—(A) In March, 1965 the Chief Engineer entrusted construction of guide bunds, afflux bunds and lie bunds in Jamuna Irrigation Division II to a contractor at the estimated cost of Rs. 34.50 lakhs. The technical specification attached to the agreement stipulated that possibility of crack in concrete work in hot weather should be counteracted by keeping short gaps between compartments and then filling up the gaps in winter by providing contraction joints with copper and rubber scales and also diamond shaped asphalt seals. The agreed rate for concrete work was inclusive of all cost and payment for that item was to be regulated by clause 3.28 of the technical specifications which reads as follows:

"The rate for concrete work shall include transport of materials, mixing, laboratory tests from time to time, patch works, form works, copper and rubber or asphalt seals in joints, cleaning, grouting, pressure grouting



in floor where necessary, contractor's supervision, etc., complete in all respects and payment shall be made only as per unit rate provided under different items of schedule. This shall also include cost of grouting for embedded parts, anchor bolts, etc., and all materials."

Although all materials were to be supplied by the contractor, Audit noticed in June 1967 that supplementary agreement was executed in March 1967 modifying the above clause 3.28 to the effect that the cost of copper plates required for copper scales in joints and labour for cutting and bending the copper plates to proper size for the scales would be borne by Government. This resulted in extra expenditure of Rs 286 lakhs upto March 1967 for sixteen tonnes of copper plates and Rs. 0.75 lakh upto February 1969 as labour charges for cutting and bending copper plates to size.

2.8. Government stated in August, 1968 that the original analysis of the rate for cement concrete work did not include the cost of copper plates and hence it was decided to bear that cost.

The rules require that when materials not stipulated (in agreement) to be issued by Government is actually issued to a contractor the cost should be recovered either at the departmental issue rate *plus* storage charges or the market rate whichever is higher. During May 1965 to January 1967—66,666 bags of cement were issued to the contractors for the same work although the agreement did not stipulate such issue by the Department. The cost thereof was recovered according to the Departmental issue rate *plus* storage charges (rate varying from 9.88 to Rs. 11.20 per bag) without ascertaining the market rate. The issue rate of cement in some other agreements executed between 1962-63 and 1966-67 was Rs. 11.00 per bag. Had the cost of cement been recovered even at the rate of Rs. 11.55 per bag (issue rate Rs. 11.00 *plus* 5 per cent storage charges), the contractor would have been liable to pay Rs. 0.84 lakh more to Government.

## RECOMMENDATIONS

2.9. From the Audit Notes the Committee finds that the [poor] Executive Engineer and the Superintending Engineer is in the dark about it. Revision of rate came from the Chief Engineer. In the original issue there was a specific term on the contract and that term is violated and modified. As a result of the modification the contractor came. The Department cannot give any satisfactory explanation, why this particular contractor was rewarded.

2.10. In March, 1965, the Chief Engineer entrusted construction of guide bunds, etc., in Jamuna Irrigation Division to a particular firm at the estimated cost of Rs. 34.50 lakhs. The technical specifications attached to the agreement stipulated that possibility of crack in concrete work in hot weather should be counteracted by keeping short gaps between the compartments and then filling up the gaps in winter by providing contraction joint with copper and rubber seals and also dimension sheets as separators. The agreed rate was to be regulated by clause 3.28 of the technical specification which *inter alia* included "Copper and Rubber or asphalt seals in joints."



In spite of this specific mention, the Chief Engineer on an alleged representation from the said firm modified the contract and leading to financial aid to the said contractors at the cost of the Government to the extent of Rs.3.61 lakhs. When Audit pointed out this irregularity, the Government in August 1968 replied that the original analysis of the rate for cement concrete work did not include the cost of copper plates and hence it was decided to bear that cost. This in the opinion of the committee, is unacceptable. The contract as entered into by the contractor outside the contractual obligation. It is not shown to the Committee that the Department considered it reasonable to make corresponding reduction of rate for other items of the work included in the technical specification arriving at a decision to bear the cost of copper plates. This, in the opinion of the Committee illustrates how many of the top controlling officers instead of advocating the interest of Government, in fact, jeopardised it giving suspicious benefits to contractors. There should be a close watch over such matters in future.

#### **Paragraph 27 at page 37 of the Audit Report, 1970**

2.11. **Dyke on Barak river.**—In 1963 the Executive Engineer Cachar Embankment and Drainage Division undertook construction of a dyke along the right banks of Barak from Gaurigram to Katigora (estimate Rs.11.82 lakhs). Although at end of August, 1965 8.50 lakh cubic metres (72 per cent of estimated quantity) of earthwork (cost Rs.7.48 lakhs) were done the dyke could not be completed to its designed section and height and gaps were left at places owing to non-finalisation of acquisition of land. In June, 1966 flood water spilled the embankment at places and passed through the gaps washing away 8.31 lakh cubic metres of earthwork worth Rs.7.31 lakhs. Besides, Rs.1.38 lakhs were also spent on protection of the remaining portion of the dyke from onslaught of flood. The case was reported to Government in January, 1969, reply is awaited (January, 1970).

#### **RECOMMENDATIONS**

2.12. As early as in 1963, it was decided that in the right bank of the river Barak from Gaurigram to Katigora, a dyke would be constructed as an urgent work. The estimated cost of the project was Rs.11.82 lakhs. The work started in early 1964, and the works started before finalisation of acquisition of the entire area of land required for construction of the dyke. However phases of the dyke were constructed and by the end of August, 1965 8.50 lakhs CM, that is, 72 per cent of the total estimated quantity of earth work was alleged to be done at a cost of Rs.7.48 lakhs. Gaps were left at places owing to non-finalisation of acquisition of land. It is alleged that by June, 1966, flood water damaged the constructed portion of the earth work and washed away 8.31 lakhs CM of earth work, worth of Rs.7.31 lakhs. In other words, more than 97 per cent of the earth work was alleged to be washed away, and this meant outright loss of Rs.7.31 lakhs. In addition to this, Rs.1.38 lakhs were also spent on protection of the remaining portion of the dyke. In other words, for earth work an amount of Rs.1.38 lakhs was spent. As the matter stand now, it is seen that even after long 8 years, the dyke has not been completed. The average estimate of the same work for an amount of Rs.52 lakhs is said to be submitted to the Government though the original estimates thereof was only Rs.11.82 lakhs. The Departmental witness



informs the Committee that a departmental enquiry was instituted against the officers responsible for this dismal state of affairs, and that the Inquiry Officer has submitted his report and it is under scrutiny of the Government. The Committee desires that the handing of the enquiry be intimated to it within three months from presentation of this report to the House with a detailed note intimating the latest position of the finding.

**Paragraph 23 at pages 37-38 of the Audit Report 1970: Extra expenditure on revision of agreed rates**

2.13. In February, 1967 the Executive Engineer, Cachar Embankment and Drainage Division entrusted 12,492 cubic metres of earthwork to a Sramik Bahini at the scheduled rate (Rs.1.30 per cubic metre) with the stipulation that the work should be completed in one month. (According to the Sramik Bahini Act, 1969 work could be allotted to a Sramik Bahini without invitation of tenders only at the schedule of rates). In April, 1967 the Executive Engineer on a representation from the Sramik Bahini made a further analysis of rate for earth work and raised it to Rs.3.40 per cubic metre. It included factors like extra lead and lift (at uniform rate for the entire work although this is variable), construction of temporary bridges for obtaining earth by crossing old borrow pits, etc. The Sramik Bahini executed 9,499 cubic metres of earth work and was paid Rs.0.32 lakh (September, 1967).

2.14. According to the agreement, the rate of Rs.1.30 per cubic metre included initial lead upto 30 metres and lift upto 1.6 metre and incidental expenditure connected with the lead and lift. Payment at the uniform rate for extra lead and lift) and incidental expenses resulted in extra expenditure of Rs.0.20 lakhs.

The matter was reported to Government in July, 1967 reply is awaited (January, 1970).

In connection with the discussion of this paragraph of the Audit Report, the Committee enquired of the Department whether it was in their knowledge and information that out of a large number of registered Shramik Bahinis, some, in actual practice, was found to be fake. The Departmental witness replied that they had no information and no knowledge. The Committee expressed its great surprise at this reply and attitude of the Departmental head. It is now a common knowledge that quite a large number, if not an overwhelming majority of the Shramik Bahinis, are not real but fake. It ought to be the endeavour of the Department to make enquiry suo motto without waiting for complaints from interested quarters to make spot verification of the Bahinis with a view to advise, guide and help the real ones, and do away with the fake ones. The Shramik Bahini Act was passed by the Legislatures with high hopes and honest belief. It was a great and important trust imposed on the Department to achieve the object of the Act at its capital. If the Department takes a casual attitude towards the Bahini, the very purpose of the Legislation is doomed. The Department at least from now on be more vigilant and attentive towards the Shramik Bahinis.



## RECOMMENDATIONS

2.15. Now the specific case under this paragraph shows that the Executive Engineer, Cachar, E. D. Division entrusted a particular earthwork to a particular Shramik Bahini at the schedule rate which was 1.30 p. per CM and the Bahini accepted it. Provisionally, the work was allotted without inviting a tender. According to the provision of the Shramik Bahini Act, 1959 the Shramik Bahini get the allotted work without tender only at schedule rates. It is presumed that when the Executive Engineer allotted the work, he knew the work that is to say he knew the site, whether there could be head-load or lead and lift, etc. Whether any pit or channel was to be negotiated. It is also presumed that the Bahini which accepted the allotment and that too without protest also knew what it was. It was also agreed that the work would be completed within one month, i.e., within March, 1967. But strangely enough in April, 1967 on a representation from the Shramik Bahini the Executive Engineer revised the rates by raising it from 1.30 P to Rs.3.40 P. per CM. This included extra lead or lift and other uniform rate for the entire work. The Shramik Bahini, however, even by September 1967 could not complete the work. It could execute only 9499 CM. on earth-work out of 12492 CM. entrusted to it from the above the following conclusions may be drawn:

(1) The revision of the rate, i.e., raising it above the schedule rate was done in violation of section 10 of sub-section 11 of Assam Shramik Bahini Act, 1959.

(2) At the time when the work was entrusted originally the Executive Engineer acted as casually, i.e., did not know or care to know the actual physical position of the project. Otherwise, he could not have later on found out that there were negotiable pledge and indispensable leads and lifts. Though the matter was petty one, the Committee has held the necessity of noting it as an illustration of how works are allotted without proper scrutiny. The Committee recommends that the officers entrusted with the allotment of works should at the very first instance apprise themselves of the objective of the situation, instead of later on agreeing into drastic revision which are prone to raise suspicion. The appropriate authority may as and when necessary allot work, the value of which does not include things without calling for a tender at schedule rate on receipt of an application from the registered Shramik Bahini.

(3) Such direct settlement could be given only at the schedule rate. If the rate is above the schedule rate then probably this settlement is not allowable under any other provision.

**Paragraph 29 at Page 38 of the Audit Report, 1970**

2.16. **Defective drainage.**—In Sibsagar Embankment and Drainage Division drainage of low lying areas on North Trunk Road between Jhanji to Metong was completed in May, 1967 at a cost of Rs.21.19 lakhs against the estimated cost of Rs.17.44 lakhs. During inspection in July, 1967 the Superintending Engineer, however, noticed that "vast area north of the National Highway as well as a part of the south was in water-logged condition". An estimate of Rs.17.76 lakhs was drawn up to remedy the defects. The Executive Engineer while preparing



that estimate reported to the Superintending Engineer that the original work was defective and failed to carry the discharge of water during the high flood of the river. Rs.9.04 lakhs were spent upto March, 1969 and shown against the first estimates. The second estimates provided for 5.81 lakhs cubic metres of earthwork which had been allotted (February, 1968) to contractors at the rate of Rs.2.50 per cubic metre against Rs 1.00 per cubic metre at which earthwork in the original work was executed. This meant extra expenditure of Rs.3.71 lakhs.

2.17. The Committee finds here that the original estimate was Rs.17.44 lakhs and the revised estimate came up to Rs.21.19 lakhs and was made by another Executive Engineer. When the original estimates was made it was not known to the particular Executive Engineer who made it that vast areas north of the National Highway as well as of the south was in water logged condition.

The Departmental witness said that from the records it is found that they could not say that subsequent addition would be necessary and the additions for which a second estimates was subsequently made. Of course, that was for 17.76 lakhs and again that was returned back to the Executive Engineer for submitting the previous one. And also it was found that the original estimates was defective and was not capable of discharging the logged water from the Metong river (and not Jhanji as said by one of the Executive Engineers.)

### RECOMMENDATION

2.18. Whatever the explanation of the Department may be there was some defect in the design itself leading to defective work and resulting in extra expenditure which is nothing but wastage of public money. The wide variation in the rate for earth work in the first and second estimates is also another factor for this extra expenditure. The Committee therefore recommends that the Department should be stricter in exercising control over the officers in future should fix responsibility for such defective work and discourage laxity in supervision by the Departmental Officers. After all they are spending public money.

#### **Paragraph 35 at page 41 of the Audit Report, 1970—Excessive stock**

2.19. This paragraph brings out that the value of stock held at the end of March, 1969 in respect of Public Works Department (Flood Control and Irrigation Wing) exceeded the ceiling limits shown as below:—

- |  |            |
|--|------------|
| 1. No. of divisions for which ceiling limit has been prescribed. | .....20    |
| 2. No. of divisions for which stock held exceeded the limit.     | .....7     |
| 3. Extent of Excess (In lakhs of rupees)                         | .....15.78 |
| 4. Percentage which the expenses bears to the reserve limit.     | .....58    |



## RECOMMENDATION

2.20. The excess should be regularised by revising the limit or otherwise.

**Paragraphs 69 and 70 at pages 72-75 of the Audit Report, 1970**

Outstanding Audit Objections and Inspection Reports.

2.21. The paragraphs indicate the position of outstanding audit objections and inspection reports for the year upto 1968-69 but remaining unsettled on 30th September, 1969.

As per Audit Reports there are outstanding audit objection of 35,74 items involving Rs.90.67 lakhs outstanding as on 30th September 1969.

The number of outstanding Inspection Reports are 176 and 1312 of paras.

2.22. The Department explained that the latest position according to the Department was 1055 Numbers of these 2 pertain to the year 1958-59 and as many as 10 pertain to 1960-61 and 210 pertain to 1963-64.

2.23. Asked as to why the old ones are not settled the Secretary of the Department said the clearance was of course very poor. The rest will be adjusted with the Accountant General on spot discussion. The Secretary further informed the Committee that they have sent letters to all Executive Engineer to depute their Accounts staff for this spot discussion and finalisation of this account.

## RECOMMENDATIONS

2.24. The Committee recommend that so far as the outstanding objections and Reports are concerned, that should be settled within the year 1971 covering the period at least for 1965-66. Those which are more than 5 years old they should be settled.

**Grant No.44—at pages 65 to 71 of Appropriation Accounts 1968-69 Navigation, Embankment and Drainage Works, etc.**

2.25. The expenditure exceeded the voted grant by—

Provision	Rs.1,56,17,871
Expenditures	Rs.7,08,30,300
Excess:—	Rs.8,64,48,171
	Rs.1,56,17,871

The excess requires regularisation. The voted grant closed with excess for the fourth year in succession.

## RECOMMENDATION

2.26. These expenditures had to be made because all these were very urgent expenditures which could not be avoided for public interest Finance, on being approached, suggested that it should be made from the savings. As there was no saving in the Department and at the same



time the expenditure was unavoidable in view of the public interest involved the expenditure exceeded to the tune of Rs.1,56,17,871.

2.27. While recommending the regularisation, the Committee is constrained to observe that this is the fourth consecutive years in which the department has incurred excess expenditure. If there is no cry for halt to this irregularity which is alleged to be regularised at a later stage, the purpose of the budgetary control is bound to be defeated. The Committee, therefore, hope that the Department will be very careful in future to avoid the excess expenditure.

## INDUSTRIES DEPARTMENT (MAJOR AND COTTAGE INDUSTRIES)

### AUDIT REPORT 1970

#### Paragraph 18 at Page 31 of the Audit Report 1970 delay in Settlement of Industrial Estate, Jorhat.

3.1. Tenders for the works for an industrial estate at Jorhat Sub-division (estimates cost Rs.14 lakhs) were invited during January-November 1966 with the stipulation that the works, depending on their nature and size, should be completed within one to six months. In March 1967 the Assam Government Construction Corporation Ltd., agreed to undertake the entire work at the estimated cost but construction of the factory sheds and road and water supply work (estimated cost Rs.11.08 lakhs) was entrusted to that corporation at 8 per cent above the scheduled rates. Preliminary works were taken up departmentally and other works were got done through contractors. The corporation was paid Rs.2.80 lakhs as ad-hoc advances in April 1967 and March 1968. Materials costing Rs. 1.41 lakhs brought by Government to site were issued to the corporation. No formal work order or agreement was executed with the corporation.

It was observed in January 1969 that excepting earthwork the major portion of the work including the four Factory sheds which were required to be completed by May, 1968 remained unexecuted. Ad-hoc advances paid and cost of the materials issued to the corporation also remained unadjusted (November 1969).

In a note (December 1969) the Department explained that the work being a major one, it was considered better to entrust it to Assam Government Construction Corporation which had already taken similar works of other departments. The rates agreed to were after negotiation and the Government Construction Corporation also, agreed to restrict the expenditure within the sanctioned limit of the scheme as a whole. The Assam Government construction corporation being a Government Company, formal agreement was not executed before issue of work order. The delay according to the Department was due to certain changes and alteration during execution and non-availability of some building materials.

3.2. The Committee wanted to know:

(1) The rules of Departmental construction of works do not permit execution of works departmentally costing more than Rs.15,000. What is



the explanations of the department for deviating from this procedure and rules. Did the department obtain concurrence of Finance or Public Work Department for such deviation? What was the difficulty in entrusting work to the Public Works Department?

(2) According to rule 15 of the Assam Financial Rules read with note I work can be entrusted to the Assam Government Construction Corporation without invitation of tenders at the detailed estimates framed by the Assam Government Construction Corporation on the basis of Public Works Department current schedule of rates with necessary variations including overheads. It is seen from the note submitted by the Department that the work was entrusted at 8 per cent above the schedule of rates by negotiation even before preparation of detailed estimates by the Assam Government Construction Corporation. Why was not Assam Government Construction Corporation asked to stick this rule and execute the work accordingly?

(3) Has the construction entrusted to the Assam Government Construction Corporation since been completed? If so, when and at what cost?

(4) The Assam Government Construction Corporation was given ad-hoc advances in April, 1967 and March 1968 even though work was started in August 1967. Why was advance given so much a-head of actual beginning of the work?

(5) According to audit observations value of materials handed over to the Assam Government Construction Corporation was Rs. 1.41 lakhs whereas according to the Department adjustment against this in March, 1970 was Rs. 0.63 lakh. Has the department investigated and reconciled the difference?

3.3. The Secretary, Industries gave the following explanation—

Earlier tenders were invited from private parties for 4 groups of buildings. Then by negotiation the Assam Government Construction Corporation was given the work on the basis of the lowest tenders received from the private parties. What happened was this, for groups 1, 2 and 3, the lowest tenderer was not found fit, so that Assam Government Construction Corporation was given at the rate of the second lowest tender. Similarly, for group 4 also, Assam Government Construction Corporation was given on the same principle.

The work however is not yet completed it is in progress but the work already finished fully covers the advances in cash and materials given to them

### RECOMMENDATIONS

3.4. The committee finds that delay in the establishment of the Jorhat Industrial Estate was due to the fact that the Assam Government Construction Corporation to whom the works were entrusted with could not complete the work as expected. But the fault and responsibility be with the Department itself for they deviated from the usual practice and Departmental rules beyond the permissible limit of work costing more than Rs.15,000. They obtained concurrence neither from the Finance



nor from the P.W.D. in doing so. There should have been no difficulty in entrusting the work to P.W.D. instead taking up departmentally in violation of the rules. Delay in establishment of the Industrial Estate in delay in industrialisation and the Department is only defeating the very purpose, i. e., industrialisation. The committee therefore recommends that the Government should take into consideration the time factor very seriously in future so that national cause as important as this one is more helped than jeopardised the traditional go slow method peculiar to the State of Assam should be abandoned. The Department should strive instead to keep pace to march hand in hand with the other States of India.

The department should also send to the Committee a report showing the adjustment of the value of materials amounting to Rs.1.41 lakhs.

### **Paragraph 19 at page 31 of the Audit Report 1970**

**3.5. Industrial Estate Betabari—**Despite apprehension that establishment of the industrial estate at the proposed site at Betabari would cost more owing to its unsuitability from the engineering point of view, Government of India in August 1962 approved construction of industrial estate at Betabari (Sibsagar district) on the understanding that no other suitable site was available. In March 1960 the State Government issued necessary sanction at an estimated cost of Rs.4.43 lakhs. In June 1965 when Rs.0.27 lakh had already been spent on development of the site, the construction Engineer of the State reported that the site selected was unsuitable and that land development at that site would cost much more than the estimate, an alternative site suggested by Assistant Director of Cottage Industries was not accepted in view of the progress the work had already made by them. The work is still under execution and till May 1969 Rs.5.83 lakhs had been spent, including Rs.1.75 lakhs on improvement of site against the estimated cost of Rs.0.37 lakh. The excess over estimated cost of Rs.0.37 lakh. The excess over estimate was stated to be due to earth work done for raising the site above flood level being more than the quantity estimated.

**3.6.** Government stated in March 1970 that the two alternative sites previously selected were not considered due to remoteness from the Railway station. The present site though costly was considered mainly from the view point of communication and power advantages. The cost of earth work also had gone up due to raising the level of the land to an average of 6 to 7 feet as against the original anticipation of 4 feet only.

**3.7.** The committee wanted to know in this connection total cost of site leveling, raising, etc., and how does it compare with the original estimate? Has it been completed? What is the total cost of construction and how it compare with the original estimates?

**3.8.** The Director of Industries informed the committee that the site leveling, raising, etc., has not yet been completed but works are still in progress. The Secretary Industries explained the position that originally earth filling was estimated to cost Rs.27.00. He said that the site ultimately selected was so low that it was found after the last years flood that the level had to be raised from the original estimate of 4 ft. to 6 or 7 feet at a cost of Rs.1.75 lakhs.



## RECOMMENDATIONS

3.9. Government of India in August 1962 approved construction of an industrial estate at Betabari (Sibsagar district) as no other suitable site was available. Earlier, *i. e.*, in March 1960 the State Government issued necessary sanction at an estimated cost of Rs.4.83 lakhs. When the site was finally selected by Government of India considering all aspects including the view point of communication specially nearness to railways and power advantages and where State Government sanctioned estimates was there and specially when Rs.0.27 lakh was already spent there was absolutely no reason for the construction Engineer to report about the unsuitability of the site and the Assistant Director of Cottage Industries had no business to suggest any alternative site. These proposals and counter proposals only brought about interruptions in the work and interfered with the progress resulting in delay in construction. The work is not only under execution till May 1969 when they have already spent Rs.5.83 lakhs including Rs.1.75 lakhs an improvement on the site (according to Audit report) but it is still incomplete till November 1971 according to the Departmental witness, *i. e.*, even after spending few more lakhs as if the Department had no other business than to spend money without paying due regard for the completion of the work in time.

3.10. The committee, therefore, recommends that Government should exercise stricter control over the Officers—pay more attention to the execution of work which should be the primary concern. After all they are meant to fulfil the purpose. The Department should submit a report within three months from the presentation of this report to the Assembly stating the progress of settlement of sheds and numbers still lying vacant.

**Paragraph 57 at Page 58 of the Audit Report, 1970**

3.11. This paragraph brings out that the following companies could not submit its accounts in time for 1968-69:—

- (1) Assam Government Marketing Corporation Ltd.
- (2) Assam Small Industries Development Corporation Ltd.
- (3) Assam Gas Company Ltd.

3.12. The Committee asked: what is the policy of the management in regard to valuation of closing stock? Has the management come to a firm decision in this regard?

3.13. The reply came from the Secretary Industries that a cost Accountant has been employed to give suggestions. The company will take necessary action for valuation of closing stocks at cost. In addition to this particular job of the cost Accountant he is to impart training to other people of the Department.

3.14. Asked as to the difficulties in collecting the Cocoon produced sufficiently in the State, the Secretary explained that sometimes it is found that the Cocoon price given by the private parties outside the State is more than what the Department is prepared to give. The price of Cocoon is, therefore, competitive.



3.15. Asked whether it is customary to value the closing stock at cost price the Secretary replied that there was no Cost Accountant before. The Department have valued the stock at cost price only from this year (1971).

The committee went on asking—in a monopolistic condition a firm may charge higher price in respect of their monopoly goods. The other goods of the same firms which have no monopolistic demand may be charged with lower price. So the entire outlook of the firm is dependent on the prevailing condition. So can we not think in terms of forming a managerial pool in our State as is prevalent in Kerala and other States?

3.16. The Departmental witness replied that the Department is thinking in the line. They also have to see that the young executives get the scope of promotion.

### Recommendations

3.17. Government should direct these corporations and companies namely (1) Assam Government Marketing Corporations Ltd., (2) Assam Small Industries Development Corporation Ltd., and (3) Assam Gas Company Ltd., to submit their accounts regularly as required under statutory provision i. e., under Section 166 of the Companies Act.

3.18. It is further recommended that the Department should take a definite policy with regard to the uneconomic emporia should do something to raise them to fruitful economic level of activity.

A report showing the action taken on the recommendation should be sent to the Committee within six months from the date of presentation of this report before the House.

### Paragraph 58 at page 58 of the Audit Report 1970.

3.19. The Assam Spun Silk Mills, Limited—

- (a) The Company was established in March 1960 with the primary object of helping the Eri and Muga Silk Industries. The share capital of the company (Rs. 80.38 lakhs on 31st March 1969) is fully subscribed by the Government.
- (b) According to its accounts the company made a net profit of Rs. 1.10 lakhs during 1968-69 as against Rs. 0.34 lakhs during the previous year; the accumulated loss as on 31st March 1969 was Rs. 8.05 lakhs. The profit for the year 1968-69 was however inflated by Rs. 1.24 lakhs due to valuation of the semi finished and finished stocks at selling price.

Against the annual installed capacity of Rs. 40,860 kgs. of spun silk yarn production during 1968-69 was only 20,156 kgs.—idle capacity thus resulted in heavy loss of production.



The proportion of recovery of spun silk yarn and noil yarn from out of the raw material was only 21 per cent and 20 per cent as against 42 per cent and 26 per cent respectively envisaged in the project report.

(c) Elastic baling press (value Rs. 23,700) was lying without use to the Mill since its erection in 1961-62.

(d) Finished products of the value of Rs. 1.50 lakhs were in stock for over two years.

(d) Rupees 0.56 lakhs representing the balance out of the amount advanced to Public Works Department for construction of building during 1957-58 to 1961-62 have been outstanding since 1961-62.

### Recommendations

3.20. Normally it is customary to value the closing stock at the market or cost price whichever is lower. But in this case the committee finds that in arriving at the profit finished and semi-finished stocks were valued at selling prices. The committee feels that the Management should evolve a firm policy in regard to valuation of closing stock for their future guidance. Making a serious study of the idle capacity of the Mill the Management should strive to reach the optimum working capacity.

3.21. The committee finds that the percentage of recovery of spun silk yarn and noil is falling short of anticipation. Either the project report was unrealistic or the Mill is not keeping pace with other similar private or public concern. The Management should study and ensure itself that there is no wilful negligence in working or pilferage which might result in such low rate of recovery.

3.22. The Department will do well to report to the Committee within three months of the presentation of this report in the House—

1. About the actual position of disposal of finished stocks lying over two years stating if the stock suffer any damage due to prolonged shortage and loss if any.

2. The actual position of outstanding advance given to the P. W. D. for construction of building with reasons for the delay if it is adjusted in the meantime or for remaining adjusted if it is still outstanding.

### Paragraph 59 at page 59 of the Audit Report 1970

3.23. Assam Tanneries Limited—Assam Tanneries Ltd., originally a Public Limited Company became a Government Company in 1961. The Government investment in the paid up capital of the company (Rs. 2.40 lakhs on 31st December 1968) amounted to Rs. 1.28 lakhs. The object of the company was to promote and manufacture of leather and leather goods. The company sustained a loss of Rs. 0.17 lakh during the year ended 31st December 1968 as against a loss of Rs. 0.08 lakh in the previous year. The accumulated loss to the end of 1968 (Rs. 1.83 lakhs) represented 76 per cent of the paid up capital.



Out of the 5 items (*i.e.*) bag tanned sole leather, 2. Drum pit tanned sole leather, 3. buffalos calf for Kattai, Cow hide for suitcase leather., and cow-calf for lining leather) envisaged in the production schedule, the activities of the company were confined to the manufacture of only three items (*i.e.*, 1 Bag tanned sole leather, 2. Buffalo-calf for Kattai, and 3. cow-calf for lining leather) production of these items was also far below the target.

Machinery valued Rs.13,302 on 31st December 1963 (depreciated value on 31st December, 1968 Rs. 7,554) were lying idle from the time of their purchase. Leather of the value Rs. 16,957 was lying in stock since 1965.

During the year 1968 the total value of leather produced by the company was Rs. 27,034 and that sold was Rs. 32,449 as against the amount of the capital of Rs. 2.21 lakhs invested in the company. The low production and turn over as compared to the previous year (production: Rs. 64,976; turnover: Rs. 69,042) was attributed by the management during audit in August 1969 as due to non-availability of a specific quality of raw hide suitable for production despite the company's best attempt for its procurement.

3-24. The committee wanted to know: what is the policy of Government in regard to participation in the activities of the company in the face of continued loss? Is it a deliberate decision to continue incurring of loss even if it means complete eating up of the capital invested? If not, has the Government taken stock to devise ways and means for its improvement or otherwise?

3-25. The Secretary, Industries replied that the loss was there when the Government took over the company. The loss incurred by the company till 1961 was Rs. 1,71,498. Since then the loss has come down gradually about Rs. 11,450.

3-26. Asked as to what was the purpose of the Government in taking over this company and whether the Government wanted to make it a commercially viable concern or there was any other idea inherent in this venture the Secretary of the Department said that the main intention of the Government was to rehabilitate the other industries and in this process to industrialise the State. The raw materials available in the State could be utilised in this country. There is of course, no large scale improvement in the matter of helping other industries. The Director of Industries also added that about 90 per cent of the sole leather is available in this State. But their quality is not good enough to be able to compete with other State. The State could export the raw hides even if this company would not have been there. But, then, in that case, the company would have to purchase some kinds of sole leathers from Kanpur with higher price. The cost of production here would have been more. It is because the company is within the market, the market price has considerably lowered. The Director further informed the committee that the Government took it over not to make it a demonstration of a training centre. This company was established 20 or 30 years back by the local people of Gauhati. After its liquidation the Government took it over to utilise the raw materials and to make it a profitable concern. It is however a fact, the Director admitted, that in spite of this Industry in the State, the



local hides did not get the market. The Industry incurred loss because its products have a very narrow market and the State is a very big purchaser of goods from outside the State.

3-27. The committee further asked what are the concrete steps taken to make the concern a profitable one the Secretary of the Department informed the committee that the main difficulty is of having sufficient working capital. In view of this difficulty the Department is getting a new scheme prepared by the Small Scale Industries Development Corporation. In case it is found not a viable concern, the Department would take a decision to close it down.

3-28. Asked whether there is any expert in the line in the Board of Directors the Director said that there are three directors and all of them are supposed to know the trade.

3-29. The committee also enquired whether there is anybody who has either training or experience in leather trade outside the State the Director said that they do not have this kind of man in the State.

### Recommendations

3-30. The committee finds on an examination of the Department that this particular Industry is not a losing concern continuously. For a marginal loss it may not be said as a losing concern. There is therefore room for improvement. The Department is already getting a new scheme prepared by the Small Scale Industries Development Corporation. The committee is also of the opinion that there is enough scope and prospect for this Industry.

The committee therefore recommends that the Department should arrange to give training to some persons outside the State in this trade or to get some person well experienced outside the State in leather trade. The committee hopes that the Industry then will be able to compete with Bata or other firms of Kanpur.

### Paragraph 60 at page 60 of the Audit Report 1970

3-31. Assam Industrial Development Corporation Limited, the company was registered in April 1965 with a capital of Rs. 54.50 lakhs fully subscribed by Government. The main object of the company is to develop industries in the State. Since its inception it has prepared some project reports none of which has been taken up for implementation so far. In the meantime the capital raised by the corporation has been placed in deposit with a scheduled bank. Interest on the deposits has been the main source of income of the corporation so far but it is subject to income-tax. Income from interest upto 31st. March, 1969 aggregated Rs. 3,15,550 against which Rs. 5,13,687 were paid as income tax. This indicates that there was no immediate need for the company to raise the entire capital.

3-32. The committee wanted to know what are the successful projects and what are the difficulties for the failure of some projects?

3-33. The Secretary, Industries, explained that they have taken up so many projects. But the main difficulties they face are managerial skill and finance. Though the Department know that some firms are not giving result they cannot close them down at least a time.



### Recommendations

3-34. It is seen that the raw materials stores and Assam conductor and tubes are giving profits. But the figures of profit in case of conductors and tubes are not correct. But the figures of profit in case of conductors and tubes are not correct. In case of Assam Ayurvedic products, there was profit in a particular year, but in another year there was more expenditure than the gross earning. The consulting Director was paid excessively. This particular affairs should be looked into the affairs of the three firms, namely, (1) Raw materials stores (2) Assam Ayurvedic products and (3) conductors and tubes will be looked into by the Departments

3-35. Cachar Textile Industries have proved to be failure. It is incurring loss almost every year. The committee recommends to the Government that it should be closed down and the good weavers there may be encouraged to purchase the loom.

### Paragraph 61 at pages 60-61 of Audit Report, 1970

3-36. The company was incorporated as a public limited company on 20th May 1965 with the object of setting up a cement factory at Cherrapunji. On 30th June 1967 the paid up capital of the company was Rs. 91.14 lakhs of which Government investment was Rs. 80 lakhs. During 1966-67 Rs. 1,00,560 were paid by the Government for the purchase of shares which the company has accounted for as share application money; no shares have been issued by the company so far (June 1967). The Government had called upon the company (March 1967) to pay interest at 6 per cent on his amount. Neither any payment has made nor any provision made on this account in the accounts of the company so far (June 1967).

With the assistance of a Yugoslav firm the company has established a plant (November 1966) with an installed capacity of 250 tonnes of cement per day. It was estimated originally to cost Rs. 278.35 lakhs. The actual expenditure however, amounted to Rs. 375 lakhs by December, 1966. The fixed capital invested in the plant comes to Rs. 410 per tonne capacity.

The factory originally scheduled to go into production by December, 1965 actually commenced production in December, 1966. The average rate of production of the plant during the period from December 1966 to November 1967 was 139 tonnes per day as against the capacity of 250 tonnes per day. The rates of production had, however, gone upto 200 tonnes per day by December 1968 against an average of 188 tonnes per day during the previous year.

In arriving at the loss of Rs. 18.27 lakhs sustained by the company during the year ended 30th June 1967 no provision had been made for interest (Rs. 4.10 lakhs) on loans granted by Government from time to time. Adequacy of the provision for depreciation could not also be verified for want of requisite information showing details of assets.

Detailed account of stores had not been maintained. Physical verification of store had also not been conducted properly. Certain cases of overpayment, avoidable expenditure, shortage of cash and stores amounting to Rs. 0.60 lakh had been brought to notice of the company (January 1969) their reply is awaited (February 1970).

(b) Outstanding loans:—(i) Rs. 4.20 lakhs and Rs. 3.75 lakhs outstanding against two companies since September 1956 were pending recovery; the cases were stated to be sub-judice (February, 1965).



(ii) Rupees 0.43 lakh advanced to an individual in 1957 (prior to the formation of the Government Company) for electrification had remained outstanding.

(iii) Advances amounting to Rs.1.49 lakhs were outstanding against contractors (Rs.1.11 lakhs paid during 1966-67) and offices of the company (Rs.0.38 lakh), some of them from 1964.

3.37. The committee finds that the Assam Cements Ltd. is not only running at a loss but the loss is increasing year by year. So it wanted to know the reasons of continuous loss.

3.38. The Secretary Industries explained that the Department have taken up expansion programme and another important reason is transport difficulty.

3.39. On being asked the Secretary further informed the committee that the price for cement is fixed by Government of India and that there is no local control. The Controller is in Calcutta. With regard to the system of selling Government of India's decision is that 60 per cent is to be given for Government purposes and the rest will be given to the public. The Secretary, Industries in giving the reasons for higher price of Assam cement in spite of the availability of lime stone, coal etc. said that the price of coal has gone up from Rs.20 to Rs.35 and the labour charge has also been increased and the other main difficulty is the transport which means accumulation of stock.

### RECOMMENDATIONS

3.40. The committee observed that the Assam Cements Ltd. are incurring losses for three reasons:

(1) Its size is smaller than unit size that is basic trouble with it.

(ii) Transport difficulty, and

(iii) finishing.

3.41. The committee therefore recommends that the Department should make an earnest endeavour to take all possible steps to improve and overcome these difficulties and thereby not only make good the loss by earning a good profit but also to turn the company into a profit giving concern onwards.

3.42. Further the Department should submit a detailed report giving all the informations within six months of the presentation of this report to the Assembly on the following:

1. Present position of issue of shares against payment of 1 crore by Government.

2. Non-payment or provision of interest on Government loan.

3. Maintenance of detailed account of stores and physical verification of stores conducted last.



#### 4. Recovery position of outstanding loans—

- (i) Rupees 4.26 lakhs and Rs.3.75 lakhs outstanding against to companies since September 1956 and stated to have been subjudice (February 1965).
- (ii) Rupees 0.43 lakhs advanced to an individual in 1957 for electrification.
- (iii) Rupees 1.49 lakhs outstanding against:
  - (a) contractor Rs.1.11 lakhs.
  - (b) Officers of the company Rs.0.38 lakhs.

#### PARAGRAPHS 69 AND 70 AT PAGES 72-75 OF THE AUDIT REPORT 1970

3.43. Outstanding objections and Inspection reports Para 69 outstanding audit objections—The irregularities and defects noticed in audit are reported to the departmental authorities. Half-year reports of outstanding audit objections are forwarded to the heads of departments for taking necessary steps to expedite their settlements.

The amounts held under objection for want of detailed contingent bills represent advances drawn on abstract contingent bills for which detailed accounts have not been submitted. The detailed contingent bills, containing full particulars of expenditure incurred with supporting documents and receipts, countersigned by the controlling authority are required to be furnished to Audit in the month following the month of drawal of the amounts. Delay in furnishing the detailed bills means that the expenditure remains unaudited for long. Non-submission of detailed bills in time may also result in fraud, defalcation, etc. remaining undetected.

The amounts held under objections for want of vouchers, sub-vouchers and payees receipts represent expenditure incurred but which could not be admitted in audit owing to non submission by the Disbursing Officers of vouchers. Supporting accounts and for stamped receipts of the payees. Consequently, it cannot be verified that the amount had been properly spent and paid; non-submission or delay in submission of these records may result in misappropriation, unauthorised.

#### Para 70 - Outstanding inspection reports

3.44. Important irregularities and defects in the accounts noticed during local audit and inspection are included in inspection reports which are sent to departmental Officers and heads of departments and also to Government where necessary. The points raised in the reports should be settled as expeditiously as possible if the object of the inspections is to be achieved. Half-yearly statements of outstanding inspection reports pending with the departments are also furnished to the administrative departments for their prompt settlement.

Delay in settlement of the objections mean continuous of the irregularities brought to notice.



## RECOMMENDATIONS

3.45. In spite of the committee's repeated recommendations stressing the need for quick disposal of the objections there remains outstanding objections and Inspection reports for settlement by the department.

3.46. The committee recommends to the Department to make an earnest attempt to reconcile the differences if any with the records maintained by the Accountant General and every effective steps should be taken to settle the old items at least from 1966-67 and submit a report in their regard to the Committee within three months from date of presentation of the Report to the Assembly.

## APPROPRIATION ACCOUNTS 1968-69

### Grant No.23 at page 48 of Appropriation Accounts 1968 69

3.47. The grant closed with a saving of 8.68 lakhs in 1968-69 for the seventh year in succession and out of this saving only Rs.7.82 lakhs were only surrendered.

## RECOMMENDATIONS

3.48. The committee finds that the Department had not learnt anything from past years' experience but went on providing funds beyond requirements. Again it has become almost a regular feature with the Department not to surrender the entire amount. This only indicates lack of proper financial control.

3.49. The committee recommends the Government to take adequate care in future and see that funds are not provided beyond requirement to a particular department at the cost of other needy departments. The whole budget should be well balanced to the extent possible.

3.50. The Department also should exercise full control over the expenditure with alertness and see that if and where savings occurs the entire amount is surrendered,



## ANIMAL HUSBANDRY AND VETERINARY DEPARTMENT

**Paragraphs 69 and 70 at pages 72-74 of Audit Report, 1970—  
Outstanding Audit Objections and Inspections reports:—**

4. 1. The paragraphs indicate the position of outstanding audit objections and Inspection Reports relating to the period upto 1968-69 but remaining unsettled upto December, 1969. The position of outstanding in respect of Animal Husbandry and Veterinary Department is indicated below:—

**Outstanding Audit Objections**

Year of objection	Number of items	Amount involved Rs.
1964-65 and earlier years.	334	17,01,981
1965-66	97	2,75,603
1966-67	381	10,53,826
1967-68	305	8,73,350
1968-69	1,083	75,96,390
Total	2,200	1,15,01,150

**Inspection Report**

Years of objection	Number of out- standing Inspec- tion report	Number of outstanding paras
1964-65 and earlier years.	104	469
1965-66	18	85
1966-67	44	186
1967-68	31	138
1968-69	58	334
Total	255	1,212

**Outstanding Audit Objections:—**The irregularities and defects noticed in audit are reported to the departmental authorities. Half yearly reports of outstanding audit objections are forwarded to the heads of departments for taking necessary steps to expedite their settlement. The Public Accounts Committee has also been repeatedly stressing the need for quick disposal of the objections.



The amounts held under objection for want of detailed contingent bills represent advances drawn on abstract contingent bills for which detailed account have not been admitted. The detailed contingent bills, containing full particulars of expenditure incurred with supporting documents and receipts, countersigned by the controlling authority are required to be furnished to audit in the month following the month of drawal of the amounts. Delay in furnishing the detailed bills means that the expenditure remained mandated for long. Non-submission of detailed bills in time may also result in fraud, defalcation, etc., remaining undetected.

The amounts held under objections for want of Vouchers, sub-vouchers and payee's receipts represent expenditure incurred but which could not be admitted in audit owing to non-submission by the disbursing officers of vouchers, supporting accounts and/or stamped receipts of the payee. Consequently, it cannot be verified that the amount had been properly spent and paid. Non-submission or delay in submission of these records may result in misappropriation unauthorised expenditure, etc., remaining undetected.

**Outstanding Inspection Report:**—Important irregularities and defects in the accounts noticed during local audit and inspection are included in inspection reports which are sent to departmental officers and heads of departments and also to Government, where necessary. The points raised in the reports should be settled as expeditiously as possible, if the object of the inspections is to be achieved. Half-yearly statements of outstanding inspection reports pending with the Departments are also furnished to the administrative departments for their prompt settlement.

Government has allowed fifteen days (one month in the case of Public Works Department) for disposal of inspections reports by departmental officers. The replies to the inspection reports, however, are not received in time. Delay in settlement of the objections means the continuance of the irregularities brought to notice.

## RECOMMENDATIONS

4. 2. The Committee recommends that the Department will do well to submit a report about the latest position to the Committee also within six months of the presentation of this report to the House.

### **Grant No.25 at pages 45-46 of Appropriation Accounts, 1968-69**

4. 3. Like previous year (1967-68) the grant closed with a saving of Rs.14.75 lakhs which occurred mainly under the group head F.3—other charges—(c) Scheme for Dairy Development—(11) Scheme for town milk supply and attributed mainly to non-availability of milk.

4. 4. The Committee asked why the experience of the last year was not taken as a guide before making budget provisions ?

4. 5. The Director explained that the amount was provided for purchase of milk. Actually in the budget we make a token provision but the transaction is made through the P/L Account. The provision was made only for the payment of milk bills.



To this the Secretary also added that the supplementary grant was obtained on the basis of an agreement for supply of milk to the Defence Department but subsequently they had withdrawn and the transaction did not materialised.

**Serial 9 of Appendix 11 to Appropriation Accounts, 1968-69 at Page 133**

4. 6. As against the estimate of Rs.33.10 lakhs anticipated to be recovered in reduction of expenditure the actual recoveries were 8.72 lakhs. In the last year (1967-68) no recovery was effected against the budget estimates of Rs.29.26 lakhs (Page 134 of Appropriation Accounts 1967-68).

4. 7. The Committee asked why there was no recovery in the year 1967-68 against the budget estimates of Rs.29.26 lakhs.

4. 8. The Directory explained that recover was made but it was not shown in the Budget. The amount was credited under "Receipts" head.

4. 9. Asked about the nature of recovery the Director, replied that this was the sale proceeds of milk.

**RECOMMENDATIONS**

4. 10. The Committee finds that Government do not keep watch these recoveries. They should keep control over the receipts also. The Department should give the details of recoveries to A. G. as assured by the both Director and the Secretary.

4. 11. The fact of doing should be reported to the Committee within three months of presentation of this report to the House.

**MUNICIPAL ADMINISTRATION DEPARTMENT**

**Statements 4 and 17 at pages 29 and 136-137 of Finance Accounts 1968-69**

5. 1. The Statements indicate that against the balance of Rs.3,67.85 lakhs outstanding on 1st April, 1968 an account of Loans to the Municipalities' an amount of Rs.4.12 lakhs being principal and Rs.0.72 lakhs being interest was recovered during the year 1968-69. Due to a further disbursement of Rs.56.10 lakhs, the outstanding loan at the close of 1968-69 amounted to Rs.419.83 lakhs, of this recovery of Rs.118.39 lakhs (principal Rs.62.10 lakhs, interest Rs.56.29 lakhs) was in arrears at the end of 1968-69. Recovery of Rs.54.01 lakhs was for more than three years old.

5. 2. The Committee wanted to know: What action has been taken by the Government to realise the arrears so far ?



5. 3. The Secretary Municipal, Administration replied that on account of difficulties experienced in realisation of principal as well as interest, a decision was taken by the Government last year to adjust the grant, from statutory or otherwise account of, local bodies on *ad-hoc* basis.

5. 4. Asked whether the entire realisable amount was adjusted the Secretary replied that a particular statutory grant was completely adjusted and in general cases, only 75 to 80 per cent, was realised towards liquidation of old loan.

5. 5. The Committee enquired whether the failure on the part of the Municipalities to pay the interest is due to their difficult financial condition or due to inefficiency of realisation, what is the guiding of the Government ?

5. 6. The Secretary replied that the failure is partly due to inefficiency and partly due to non-realisation of taxes from some projects like water supply scheme of Gauhati which was completed but its returns could not be obtained immediately after its completion.

5. 7. The Committee finds that it is about five years that Gauhati Municipality has been run by the Municipality and wanted to know that within these five years whether there has been any improvement ? If so, to what extent ? The Secretary replied that improvement is about 14 to 15 per cent.

5. 8. Asked whether all the Municipalities have agreed to keep Executive Officers to help realising the outstanding amount. The Secretary of the Department informed the Committee that only Nowgong Municipality has agreed to this proposal. The Committee wanted to know about the arrears from Municipalities and asked if there is any case of arrears from Municipalities since preparation days and are there cases where such Municipalities are situated now in Bangladesh (say, Sylhet Municipality).

5. 9. The Secretary, however informed the Committee that these accounts are maintained by the Accountant General and the Department have no detailed accounts about it.

5.10. The Committee then wanted the dates of sanction of loans to different Municipalities and of these which is the oldest. The Secretary informed that dates of different sanctions of loans are not available with the Department. The Accountant General assured the Committee that he will give the details. He told that he will also give the amounts which are not recovered up till now.

5. 11. Asked about the total number of Municipalities and Town Committees in the State the Secretary informed the committee that there are 21 Municipalities and 34 Town Committees in the State.

5. 12. The Committee wanted to know during last four years, i.e., up to the end of 31st March, 1971 how many Town Committees have been converted into Municipalities ? The Secretary could not give the exact figure but told that so far he can remember Rangia and Kokrajhar were converted into Municipalities last year.



5. 13. Asked whether this upgrading was done only because there was biggest population or there was public demands and whether these Municipalities have functioned efficiently the Secretary replied that when a town crossed 10,000 population, the town fund of that town is upgraded to a Municipality. Other factors are financial soundness. In cases of Rangia and Kokrajhar they have qualified to be a Municipal Board. The Deputy Commissioners or the Subdivisional Officers are to recommend for upgradation.

5. 14. The Committee further wanted to know about the function of the Municipal Administration Department in relation to the various developmental activities undertaken by various Municipal Boards with the help of loans/grants sanctioned by Government. To this the Secretary replied that the Department was primarily created for the implementation of the Act. If the Municipality Boards ask the Government for loan or grant for implementing some schemes, then the Government comes into the picture even outside the purview of the Act.

5. 15. The Committee finds that there are certain other schemes taken up by the Municipal Administration Department and when it wanted to know what are these schemes the Secretary explained that the scheme is scrutinised by the Public Health Engineer. Other schemes are generally like construction of bazar or improvement of road, sewage, etc.

5. 16. Asked whether the Municipal Administration Department had any role to play in the drainage scheme of Gauhati Municipality, the Secretary replied that the scheme was taken up by the Town and Country Planning Department. The Municipal Administration Department had to say in the matter.

5. 17. The Committee observed that there must be some agency to review the progress of the activities and asked the Departmental witnesses as to who reviews the progress. The Secretary impressed the Committee that the Health Department is reviewing the progress.

5. 18. The Committee finds that there are many cases of conversion and asked who decided the priorities? The Secretary replied that it depends upon the schemes sanctioned by the Government of India, to begin with.

5. 19. Asked what is the process of finalisation the Secretary replied that after the scheme is prepared, it is sent to the technical wing of the Health Ministry.

5. 20. The Committee asked : Do the Department also maintain accounts of loans given to the Municipalities? If so, does the outstanding balance as per that account agree with the balances exhibited in the Accountant General's accounts? If so, what stood in the way of communicating acceptances of balances in 98 cases? If not, what steps have been taken to reconcile the differences?



5. 21. The Secretary, Municipal Administration Department replied that they do not maintain any accounts of loans. The balances are to be kept by the Departments other than Municipal Administration Department. When asked how many types of loans are there the Secretary explained that there are two types of grants—one in the form of loan and one in the form of aid. The account of loan is maintained by the Accountant General. Even, whether the amount is utilised fully or not that also the Department get from the Accountant General.

5. 22. When asked to consider the desirability of independent check on the allocation of the amount given on loan the Secretary replied that the Department is not making the grants subject to utilisation certificates.

With regard to utilisation certificates, the Committee referred to 245 numbers of utilisation certificates involving Rs.9.05 lakhs respectively in respect of grants-in-aid paid by the Department upto 1968-69 and observed that with regard to these utilisation certificates, no certificates have been furnished by the Department.

5. 23. To this the Secretary replied that there is no mention about the Department in the Audit Report. Only, some of the major defaulting Departments have been mentioned here. The Secretary, further explained to the Committee that there is a Directorate of Municipal Administration now with a skeleton staff and the functions of Director are the following :—

- (1) It would be in overall control of the administration like maintaining and posting of Executive Officers in the various Municipal Boards.
- (2) Second aspect of the functions was assessment to lay down the yardstick and supervise the assessment which goes on in different times. A beginning has been made in this respect. After they complete the assessment in our town they would be sent to another town.
- (3) The third aspect is inspection. The Municipal Board Administration inspect the local bodies directly, even where there are no Executive Officers.
- (4) The fourth aspect was the development activities. In the Development aspect the Directorate would get involved, with the development scheme which are prepared by them. These development Schemes are water supply, road improvement and beautification, etc. The Directorate will maintain some liaison with the Health Department, Town and Country Planning Department, Government of India, etc., if necessary. When the Directorate will be able to perform all these four functions, it will be an effective instrument.

### RECOMMENDATIONS

5. 24. (a) The Committee felt that proper accounts of each Municipality should be maintained so that its payment position and financial control of the Municipalities are recorded. The Committee, therefore,



suggest that Government should keep proper accounts for each Municipality in respect of (1) dates of sanction of loans (2) year-wise break up of grants and (3) the purpose for which the grant was given so that they may have further appreciation of the payment position and financial control of Municipalities.

5. 25. (b) Before upgrading, the Government should consider not only the population aspect, but also the demand of the public as well as financial ability and effectiveness of that area to be converted into Municipality.

5. 26. (c) The Committee finds that there must be some agency to review the progress of the activities of the Municipal Boards. The Committee was informed that the Health Department are reviewing the progress. The Committee recommends that it should be the duty of the Municipal Department to review the progress of activities in each Board to see the popular demand. The Public Health Department is only in regard to the technical aspect. So, also is the role of Town and Country Planning Department.

**Paragraph 9 at pages 16-17 of Audit Report, 1970—Non Receipt of Utilisation Certificates**

5. 27. These paragraphs indicate that 24<sup>5</sup> numbers of utilisation certificates involving 9.05 lakhs in respect of grants-in-aid paid by the Department upto 1968-69 and had not been furnished by the department to audit till 30th September, 1969.

5. 28. The Committee wanted to know :—

- (1) What are the reasons for not being able to furnish these certificates in due time and in their absence how is the Department ensuring that grants-in-aid are being utilised properly ?
- (2) What steps have been taken by the Department to obtain the wanting utilisation certificate ?
- (3) Is there any machinery in the Department to verify that grants are utilised for the purpose for which these are sanctioned? Are there cases of diversion of funds ?
- (4) Did the Department sanction grants-in-aid in subsequent years to the non-Government bodies which defaulted in furnishing utilisation certificates for earlier years ? If so, on what considerations ?

5. 29. The Secretary explained that the Department do not know how many certificates are pending. All the earlier outstanding certificates which were indicated by the Accountant General were settled. The Department has however written to the Accountant General during the month of June this year (1971).

5. 30. The Committee was rather very sorry to learn that till June, 1971 no reference was made.



5. 31. The Accountant General clarified the matter and said that a reference had been made in this connection to the Finance Department with the idea that the Finance Department would circulate the same to the various Departments. The Deputy Secretary Finance also confirmed that this was circulated to the concerned Departments.

### RECOMMENDATIONS

5. 32. The Committee observed that the receipt of this utilisation certificate is an important factor for financial control. The Department must know the upto date position of the same. It is the responsibility of the Department also. The Secretary however, assured the Committee that the Department will make it a condition.

5. 33. The Department should make a report of the upto date position of the utilisation certificates showing the number so far received and that of outstanding on the date of report to reach the Committee within six months of the presentation of this to the House.

### FISHERY DEPARTMENT

#### Paragraph 47 at pages 48-49 of Audit Report, 1970 Loss of Revenue

6. 1. According to rules for settlement of Fisheries, Fishery Mahals in Subdivisional (excluding Sadar subdivisiob) should be sold at the Subdivisional catchery and the Subdivisional Officer should annually fix a date ordinarily not later than 15th February, for the sale of all registered fisheries held under leases expiring on the last day of the year.

But sale notice for a certain fishery mahal the lease of which expired on 31st March, 1963 was issued only in September, 1964 (1½ years after expiry of the lease) and the mahal settled for the period from October 1964 to March, 1967 at an annual rent of Rs.6,151 against previous annual rent of Rs.11,955. The sale notice was issued and the sale was finalised at the district headquarters. The delay in issuing the sale notice by 1½ years resulted in a loss of Rs.17,933 (computed with reference to earlier lease rent of Rs.11,955 per annum).

The Deputy Commissioner of the district stated in September, 1966 that the official responsible for non-settlement of the Mahal in time, having already retired, Government were contemplating action against him by suitable reduction in pension. Information about final action is, however, awaited (October, 1969).

It was intimated by Government in September, 1969 that the fishery was originally settled by Deputy Commissioner from 1960 to 1963. Although the same was to be transferred to Subdivisional Officer, Goalpara on 20th July 1961 along with other fisheries, the transfer did not actually take place due to manipulation of records by the dealing assistant. When this was deleted the Deputy Commissioner called for tenders from Dhubri (district headquarter) and settled the fishery with the highest



bidder. As no departmental proceeding was taken against the official at fault while he was in service (retired on 21st June, 1965) his pension could not be reduced. Thereafter the Government ordered the Commissioner to enquire into the extent of responsibility of Deputy Commissioner in the matter and submit a detailed report.

Here the Committee finds that the sale notice was issued after expiry of about  $1\frac{1}{2}$  years of the lease. Secondly, there is violation of fishery rules by not selling the Mahal in proper time and lastly, the Mahal was sold at a much lower price than it was fixed earlier.

The Committee would like to have the following information from the Government :—

- (1) Why the sale was not finalised at Goalpara when actually the fishery remains in Goalpara subdivision ?
- (2) Why it was taken to Dhubri. According to the rule, settlement of fishery mahals should be sold at the subdivisional catchary.
- (3) How many tenderers were there from amongst the local fishermen ?

6. 2. The Secretary explained that it was neither shown in Dhubri or Goalpara. In the original draft letter it was mentioned that, that particular fishery would be included in Goalpara but in the fair copy sent to Subdivisional Officer, it was not mentioned.

6. 3. Asked whether the sale notice was exhibited in all public places of Goalpara the Secretary replied that there is no mention about this particular fishery in the records available with him at the moment.

When enquired about the number of tenderers who submitted tenders for this fishery the departmental witnesses did not reply and the Committee observed that Government cannot say at this moment how many tenderers actually submitted tenders for this fishery.

The Committee further asked :

When the highest bid offered was 48 per cent less, compared to the previous rent, why a fresh bid was not arranged by issuing fresh sale notice ?

6. 4. The Secretary informed the Committee that it is also not available in records.

6. 5. The Committee enquired whether it is a fact the matter was not enquired into by the Commissioner ?

6. 6. The Secretary replied at it as enquired into by the Commissioner.



## RECOMMENDATIONS

6. 7. The Committee recommended that the following factors should be included in the inquiry report as terms of references :—

- (1) Why the sale was not finalised at Goalpara ?
- (2) Whether the sale notice was exhibited in all public places ; Goalpara ?
- (3) How many tenderers submitted their tenderers for this fishery ?
- (4) Why the fishery was sold at a price less by 48 per cent compared to the previous rent?

6. 8. The Committee was informed that the final enquiry report was not submitted to Government as yet and that it is expected within a month. The Committee observed that it is already late and recommended that it should be submitted as expeditiously as possible.

**Paragraph 70 at pages 74-75 of Audit Report 1970—Outstanding Inspection Report**

6. 9. The paragraph indicates the position of outstanding inspection reports relating to the period upto 1968-69 but remaining unsettled upto September, 1969.

The position of outstanding in respect of fishery Department is indicated below :—

Year	Position as on 1st October, 1969	
	Number of reports	No. of paras
1960-61 ... ..	8	10
1961-62 ... ..	1	1
1962-63 ... ..	4	10
1963-64 ... ..	20	40
1964-65 ... ..	5	5
1965-66 ... ..	14	14
1966-67 ... ..	8	22
1967-68 ... ..	17	69
1968-69 ... ..	10	36
	87	207



The Committee wanted to know :—

(1) What are the reasons for delay in settlement of outstanding inspection report ?

(2) What action has been taken for prompt settlement of the outstanding reports ?

6. 10. The Director explained to the Committee that the Department have got at present 49 inspection reports outstanding of which 11 are more than five years old and 38 are within two years. Most of these outstanding reports are in connection with the loan given for development of fishery. The Department have not been able to realise this loan in time. We have requested the Deputy Commissioner to realise this loan.

6. 11 When asked how many of reports are pending realisation for more than five years and whether they have got a list of it the Director replied that the list is not available now. Shri Sahajananda Bharali's case is the oldest one. A Bakijai case is instituted regarding this fishery. It was put to auction, but there was no bidder and the Government took over it at Re.1 as a token price. It is very difficult to control this fishery. It is found most uneconomic as there is lot of poaching. It is very difficult on the part of the Department to check poaching. List of other fisheries are not available. But the amount outstanding is :—

Principal—Rs 2,41,522

Interest—Rs 1,71,735

6. 12. The Committee then asked about loans, whether the Department have made any assessment ? How many cases are recoverable and how many are unrecoverable ?

6. 13. The Secretary explained that the Department want to recover the entire amount. Loans are not separately assessed because some amount cannot be realised.

6. 14. The Committee asked whether pisciculture form a part of the Department. The Director replied in the affirmative and informed the Committee that it is a part of the Department.

The Committee finds that there are very old tanks from the days of Ahom Kings, village tanks most of these have become unusable for taking water. Whether these also fall within the Department ?

6. 15. The Director explains that it also comes under the Department. The Panchayat Department have also got a scheme and fishery has been given consideration as one of the aspect.

6. 16. The Committee again enquired that if the people in villages want to develop a pond or a tank for fishery whether they can come for technical and financial guidance ?



6. 17. The Director explained that for financial loans it will have to apply to banks and bank gives loans. So far this Department is concerned, they give grants on 50 per cent subsidy basis. Pisciculture has become very popular and increasing day by day.

### RECOMMENDATIONS

6. 18. The Committee suggests that an assessment of the loans outstanding should be specifically made keeping in view what could be recovered, what could not be recovered and what could be written off. That should be a guidance in future.

6. 19. The Committee recommends that the Department should make a detail report to the Committee within six months of the presentation of his report to the House on the following :—

- (1) What loans are recoverable
- (2) What loans are not recoverable ?
- (3) What loans are to be written off ?

So far unrecoverable loans are concerned, the report should be so compiled as to give all details including names.

### FOREST DEPARTMENT

#### **Paragraph 48 at page 51 of Audit Report, 1970, Loss of Revenue**

7. 1. In March, 1962, certain reserve coupes were settled with the highest bidder for Rs.38,999 for working during March and April, 1962. According to sale notice, to lessee was to make good the loss to Government in the event of withdrawal of offer at any stage or for failure to deposit a certain percentage of bid money within the prescribed period when the Mahal was liable to be resold at the risk of the successful bidder. He, however, failed to deposit the bid money within the stipulated period of one month and prayed for extension of time for working the mahal on the ground of non-availability of labour which was gained on the condition that no concession would accrue for any shortage or deterioration of trees due to delay in operations. This was declined by the lessee and the Mahal was put to resale in September, 1962 and settled with another lessee for Rs.21,355 (November, 1962). As by the time resale was effected the lease period was over, the loss on resale could not be recovered from the original bidder. Failure to put the Mahal to resale on the expiry of the period within which the original bidder was required to deposit the bid money and the extension of time conditionally which enabled the bidder to escape the penal clause of the sale notice, resulted in a loss of Rs.17,644.

Government comments on the para asked for as early as August, 1969 were not received (June, 1971). In reply to a reference it was however intimated by the Divisional Forest Officer, Goalpara in December, 1969 that no agreement was executed with the highest bidder.



7. 2. At the very outset the committee asked why no reply to the para was furnished to the Accountant General? The Secretary replied that he shall have to check up the matters. Then the Accountant General asked that the period of settlement of the reserve coupes was for the period from 1st March, 1962 to 30th April, 1962. While granting extension of time to the highest bidder did the Government not consider it desirable in Government's interest to fix a date within the period of settlement by which the bidder should intimate his willingness as to the acceptance of the terms under which the extension was granted so that in case he falls back the mahal could be put to resale at his risk as provide in the original sale notice.

7. 3. The Secretary explained that the coupe was advertised for sale vide sale notice dated 25th January, 1962, for a period of two months from 1st March, 1962 to 30th April, 1962 fixing the last date of submission of tenders on 1st February, 1962. The coupe was settled with the highest tenderer at Rs.38,999. The usual working reason of the coupe is from November to April. In this connection, the decision to open up the coupe in the later part of the season was on account of the fact that it was apprehended that the wind fallen and dead trees would deteriorate in the coming rainy Assam if the trees were not operated in the present season. The bidder got settlement of the mahal but later submitted a petition that the labour was not available at the middle of the working season and that he be given extension of time for the next season. It was decided that extension would be granted upto 31st March, 1963., on payment of extension fees equal to the amount of earnest money paid by the lessee and a condition that the lessee should not claim for the shortage and deterioration of marked trees during mahal operation and the intervening period. The tenderer declined to accept extension of the mahal on these conditions.

7. 4. The committee asked when the mahal period was over? Why was the settlement not given earlier?

7. 5. The Secretary replied that while the matters were under the consideration, the mahal period was over, and it was not possible to re-sell the mahal at the risk of the successful bidder. The circumstances as explained above will show that the bidder did not withdraw the tender and hence clause 3 (b) of the sale notice was not applicable.

7. 6. The Committee further wanted to know whether the highest bidder was specifically asked to pay the first instalment and enter into an agreement before he was granted extension of time.

7. 7. The Chief Conservator of Forest replied that no extension was given to him.

### RECOMMENDATIONS

7. 8. The Committee recommends that the Government's interest always should be looked into by the Department. first in the matter of settlement of reserve coupes.



**Paragraphs 69-70 at pages 72-73 of Audit Report 1970 outstanding Audit objections and Inspection Reports**

7. 9. These paragraphs indicate the position of outstanding audit objections and inspection reports relating to the year 1968-69 but remaining unsettled upto 30th September, 1969.

The detailed position of outstandings in respect of Forest Department is that 760 Nos., of items involving Rs.14.67 lakhs raised upto 31st March, 1969 were outstanding on 1st October, 1969 (oldest item dated back 1959-60) and 145 Nos. of inspection reports involving 936 paragraphs were awaiting settlement (oldest item dated back as early as 1947-48).

7. 10. The Committee asked the Department whether they have reconciled the numbers with Accountant General? There are some objections as old as 1959.

7. 11. The Conservator of Forest replied in the affirmative and said that they have reconciled.

7. 12. The Accountant General with a view to clarify the matter both to the committee as well as to the Department asked the Department. What is your figure of outstanding objections?

7. 13. The Secretary replied that there were 241 Nos. outstanding upto 1968-69 and upto 1967-68 it was 208 Nos. Asked what was the value of this the Chief Conservator of Forest replied that the value was Rs.7,33,000 approximately.

7. 14. The Accountant General further pointed out that inspection reports are too many and are outstanding since 1954-55 the Chief Conservator of Forests, Assam replied that the inspection reports which were outstanding from 1947-48 as per 1970 audit report and audit objection involving Rs.10.81 lakhs as per Audit Report, 1969 has been reduced to oldest inspection report of 1954-55 and audit objection were reduced to Rs.7.33 lakhs and thus the position was greatly improved.

### RECOMMENDATIONS

7. 15. The Committee recommends that the Department should evolve a machinery to conduct a periodical review of the outstanding objections and inspection reports for their early settlement. The Department also should fix target dates for settlement of outstanding objections and report, at least upto certain period and work with determination.

### **Appropriation Accounts 1968-69 Grant No.53 at pages 88-89 of Forests**

7. 16. The grant closed with a final saving of Rs.4.84 lakhs (total provision : Rs.4,07.12 lakhs, expenditure Rs.4,02.28 lakhs). Out of the total saving, saving of Rs.2.22 lakhs occurred under B (a) conservancy and works V! communication and buildings and was attributed mainly



to non-sanction of construction of a two storeyed building at Gauhati for the office of the Conservator of Forests, Lower Assam circle. Further a net saving of Rs.2.10 lakhs under B (a) conservancy and works IX timber treatment and seasoning plant was attributed to less procurement of timber than anticipated owing to extraction difficulties Forests.

7. 17. The Committee asked whether the Department maintains any control register to watch the flow of expenditure? If it does, why a supplementary grant of Rs.2 lakhs was obtained in March, 1969 when there was also an order that this money was to be saved?

7. 18. The Secretary replied that in that year there were floods and a flood team from the centre had visited our state. The Secretary Forest accompanied that team in regard to revenue losses. The Department submitted a statement about loss on account of damage to forest roads and buildings and the team sanctioned a loan of Rs.2 lakhs. This was indicated to the Chief Conservator of Forests, simultaneously there was already a provision of two lakhs for that building approved as a new scheme. But the place selected was not considered suitable for that building. So, the Department dropped the scheme and decided to wait till a better site was available. But since the money was earmarked for specific scheme, a separate supplementary demand was taken.

7. 19. The Chief Conservator of Forests added that he was under the impression that money earmarked for a particular scheme should not be spent for anything else. So, the Chief Conservator of Forests, surrendered it and for repair to damaged roads and buildings a supplementary grant in March was obtained.

7. 20. When the Committee observed that the Department could have re-appropriated from some other head the Secretary admitted that there must have been some misconception.

7. 21. Asked whether the Department is maintaining any register about expenditure the Chief Conservator of Forests stated the position that in their Department the accounting procedure is that the District Forests Officers directly submit the accounts to Accountant General with copy to the Conservator. The Chief Conservator of Forests has taken the burden of going to Accountant General's office for verifying the figures and book them head-wise every months.

7. 22. It was pointed out that the Chief Conservator of Forests must obtain the figures directly from the District Forests Officer and Conservator of Forests.

The Chief Conservator of Forests admitted that he is getting the figures now. Only his officers go to Accountant General's Office to verify these figures.

## RECOMMENDATIONS

7. 23. It appears that the Department do not maintain any control register to watch the flow of expenditure for which such anomalies crop up.



7. 24. The Committee, therefore, recommends the Department to maintain such register and watch the flow of expenditure with care in future.

### HOME (JAIL) DEPARTMENT

8. 1. The receipt of the Department pertaining to Jail manufacture were as follows during three years ending 1969-70. The corresponding expenditure incurred directly in the manufacture of articles are shown against each.

#### JAIL MANUFACTURE

Budget estimates of receipts.	Budget estimates of recovery as reduction of expenditure.	Actual receipts.	Actual recovery as reduction of expenditure.	Actual expenditure
(In lakhs of rupees)				
1967-68 ... 0.84	3.00	0.76	Nil	2.46
	3.84			
1968-69 ... 0.88	3.00	1.08	Nil	2.67
	3.88			
1969-70 ... 0.82	3.00	1.77	Nil	2.44
	3.82			

*Note.* Provision for supply of blankets and uniforms to convicts and warders were being made simultaneously under 'District Jails' and 'Jail Manufactures.' The initial expenditure was being met from 'Jail Manufacture' and subsequently adjusted under "District Jails' by showing the transferred portion as reduction of expenditure under 'Jail Manufacture'.

8. 2. The expenditure connected with Jail Manufacture consists entirely of that spent on the purchase of raw materials. The labour content of the product does not involve any cost since the inmates of the Jail do the work free of charge.

The Committee wanted to know :

- (1) What were the various products manufactured in Jail during the period 1967-68 to 1969-70 ?
- (2) Was there any change in the type of products during this period ?



(3) If the products remain the same what are the reasons for wide fluctuation in receipt of the Department ?

(4) Why receipts is quite disproportionate to the expenditure incurred as well as against the estimates of receipts and recovery put together under Jail manufacture ? Has the Department ever investigated such wide variation ? Was it due to raw materials or finished products remaining in stock and if so, has the department investigated to find out whether the excess of expenditure over income really represents the value of stores, articles in hand and does not represent and loss ?

That the Department expected to receive in the year 1967-68 a sum of Rs.3.84 lakhs but against that expectation the Department actually received only Rs.0.76 lakhs.

Similarly in the year 1968-69 the expectation was for Rs.3.88 lakhs but against that the department received only Rs.1.08.

Again the Department expected in the year 1969-70, Rs.3.82 but against that expectation it received only Rs.1.77.

8.3. The Inspector General of Prisons explained to the committee that this procedure was discontinued after 1966.

8.4. The Special Secretary also added to that there is no point of showing the recovery for Rs.3.84 lakhs, since there is no receipt under this item.

8.5. The Committee enquired that in Tezpur Jail there is fairly large quantities of cloth production. These are sent for the use of the convicts of the Nowgong and Jorhat Jails. Do the Department show it in accounts ? The Committee finds that these are sold and the value is deposited under Head '18-Jails'. There is however another head, i.e., 'Jail' Manufacture head. So there may be some confusion about this.

8.6. In Jails there are so many convicts under R. I some of them are life convicts and some of them are trained and experts in bamboo and cane works. They manufacture these things and sell. In Jorhat Jail agricultural output is produced. Similarly in Tezpur Jail there is an expert in weaving. Similar was the process in these Jails. In this way there was some amount of Jail production. How is that production is going either stay or going down ? There is no emphasis ?

8.7. The Inspector General of Prisons assured the committee that emphasis is there and that they are pursuing more vigorously.

## RECOMMENDATIONS

8.8. The Committee also recommends that the Department should pursue vigorously so that production do not remain stagnant or go down. Instead it should increase the production of Jail manufacture.



**Paragraph 25 at page 35 of Audit Report, 1970**

8. 9. Unauthorised transfer of land without obtaining prior approval of Government (required under the rules). Twenty five Bighas of land belonging to the District Jail, Jorhat were given in 1961 to Jorhat Municipality (for use as trenching ground) by the Superintendent of the District Jail. No dues from the Municipality in the form of lease money or value of land have so far been recovered (February 1970). In November, 1964 the Department asked the Municipality to vacate the land on 1st April, 1965. The Municipality however, continues to occupy the land. In January 1968 the Inspector General of Prisons stated that the selection of alternative site for municipal trenching ground has become more complicated and there has been no further development.

In July 1970, Government stated that Municipal board was allowed disposal of the height soil as a temporary measure on Jail land on account of difficulty faced by them. There was no question of transfer of Jail land.

8. 10. The Committee wanted to know :—

(1) Did the Department enter into any agreement with the Municipality for temporary use of Jail land? If so, was it on payment of rent and has the rent due been recovered?

(2) Is the land still being used by the Municipality? If so, what steps have been taken by Government for releasing the land. Originally permission to use the land as a temporary measure was given upto 31st December, 1966. Has it been extended and if so, on what grounds? If not, why had the Municipal board been allowed such unauthorised use?

8. 11. The Committee finds that the land was given by the Superintendent of District Jail. The contention of the Government went on changing from time to time.

8. 12. The Inspector General of Prisons explained to the Committee that actually there has been no transfer. In November, 1964 the Department had asked the Municipality either to pay or to vacate.

8. 13. The Special Secretary added that it is a very old story. The Municipality had a trenching ground at Garamur which was developed to Engineering College. So this had to be abandoned. The Municipality bought a big area of land at Sawdangpather as a trenching ground. Some M. L. As. and Public leaders also know this.

8. 14. Asked whether it was not detrimental to the health of the convicts the Special Secretary replied that it is a big area of 25 bighas.

8. 15. When asked if there was any agreement the Special Secretary replied that no agreement was there, but only a temporary understanding was there. Out of 25 bighas Municipality used 10 bighas.



8. 16. The Committee observed that some documents should be there. There should be something on record, in writing, not verbal.

8. 17. The Inspector General of Prisons informed the Committee that Government is extending the permission on expiry of the period. The last permission also expired. The authority is renewing it now. Now, the circumstances are such that on the expiry of the term they cannot apply to the Government and Government extended the time.

8. 18. The Committee again enquired whether the land is still used by the Municipality. The Inspector General of Prisons informed that only 15 bighas out of 25 were still used. The latest permission was over by June, 1970 and it is going to be renewed by 31st December, 1971.

### RECOMMENDATIONS

8. 19. The Committee has already observed above that some documents should be there and that there should be something on record, in writing, not verbal. It now recommends that Government should come to a final decision about this matter. The Committee should be informed of its decision including terms and conditions of written agreement, if any.

### **Paragraphs 69 and 70 of the Audit Report 1970 outstanding Audit objections and Inspection reports**

8. 20. The paragraphs bring out the position of outstanding audit objections and Inspection reports relating to the year upto 1968-69 but remaining unsettled upto September, 1969. The position in respect of Home (Jails) Department is given below : -




## OUTSTANDING AUDIT OBJECTIONS

Year	Non-submission of DGC, bills, vouchers Sub-vouchers APR, etc.			Sanction to Miscellaneous conty. expenditure			Want of sanction to esti- mates or excess over estimates awaited			Other reasons			Total		
	Item No.	Amount	Item No.	Item No.	Amount	Item No.	Item No.	Amount	Item No.	Item No.	Amount	Item No.	Item No.	Amount	Item No.
1958-59	...	1	0.09	...	...	...	...	...	...	...	...	...	1	0.69	...
1959-60	...	63	1.18	...	...	...	...	...	...	...	...	...	63	1.18	...
1960-61	...	1	0.03	...	...	...	...	...	...	...	...	...	1	0.03	...
1961-62	...	28	0.88	...	...	...	2	0.02	...	...	...	...	30	0.90	...
1962-63	...	12	0.14	...	...	...	1	0.02	...	...	...	...	13	0.16	...
1963-64	...	46	2.44	2	...	...	1	...	...	...	...	...	49	2.44	...
1964-65	...	22	2.19	3	0.06	...	1	0.01	...	...	...	...	26	2.26	...
1965-66	...	43	1.97	1	0.3	...	1	0.03	...	...	...	...	56	2.03	...
1966-67	...	100	1.42	1	0.40	...	2	0.04	...	...	...	...	114	1.56	...
1967-68	...	495	16.95	3	0.2	...	1	...	...	...	...	...	535	17.27	...
1968-69	...	648	31.66	107	0.64	...	1	0.03	...	11	0.06	...	767	32.39	...
	1,459	58.95	173	1.15	...	10	0.15	...	13	0.06	...	1,655	60.31	...	...



## INSPECTION REPORTS

Year		No. of reports	No. of paras.
1954-55	...	1	1
1956-57	...	2	2
1957-58	...	2	4
1959-60	...	2	7
1960-61	...	3	12
1961-62	...	4	5
1962-63	...	4	9
1963-64	...	8	25
1964-65	...	4	13
1965-66	...	7	19
1966-67	...	8	27
1967-68	...	14	56
1968-69	...	18	95
		<hr/> 77	<hr/> 275

The Committee wanted to know : 

- (1) Why the objections and Inspection Reports could not be settled in time ?
- (2) What steps have been taken for settlement of the outstanding cases and what is the present position now ?

8. 21. The Committee finds the present position is fairly good. Because there was only one pending. The Inspector General of Prisons explained that for this also they have sent a reply and something have been disposed of in the meantime.

8. 22. The Special Secretary added that steps will be taken to dispose it as early as possible.

8. 23. The Committee however enquired if the Department had a separate cell. The Special Secretary replied that separate cell they have not got. The Committee also enquired whether they have not got Finance and Accounts Officer also. The Inspector General of Prison informed that there is only a part time Finance and Accounts Officer.



**Grant No.11 at pages 22-23 of Appropriation Accounts, 1967-68**

8. 24. The expenditure exceeded the voted grant by Rs.3,90,005 (provision Rs.51,07,000 ; expenditure Rs.54,97,005). The excess occurred mainly under "B-District Jails" and was due to adjustment of book debit bills relating to earlier years for supply of dietary articles by the Supply Department during the year and increase in Jail population.

**RECOMMENDATIONS**

8. 25. In view of the fact that this excess expenditure of Rs.3,90,005 was due to adjustment in audit office after 31st March and opening of temporary camp Jail in Mizo Hills, the committee recommends regularisation of the excess by the Legislature.

**Grant No.11 at pages 22-23 of Appropriation Accounts, 1968-69**

8. 26. The grant closed with an excess of Rs.8,47,502 (provision Rs.64,84,100 ; expenditure Rs.73,31,602) which occurred mainly under "B-District Jails and was due to increase in the number of prisoners in all Jails.

**RECOMMENDATIONS**

8. 27. The Committee recommends regularisation of the excess.

**Serial 5 of Appendix II to Appropriation Accounts 1967-68 at page 134 and Serial 5 of Appendix II to Appropriation Accounts 1968-69 at page 133**

8. 28. In both the years as against the estimates of Rs.3.00 lakhs anticipated to be recovered in reduction of expenditure the actuals were nil. It was intimated by Government in February, 1971 that from the year 1966-67 all expenditure are incurred directly from the minor head "B-District Jails" as per instruction of Finance Department and that the budget provision for recoveries was made erroneously.

8. 29. The Committee wanted to know :

When there is a decision of the Finance Department to discontinue the practice of exhibiting the recoveries as reduction of expenditure, why budget estimates an account of recoveries are being made from year to year ? Is it not an instance of defective Budgeting ?

8. 30. The Inspector General of Prisons explained to the committee that the increase mainly occurred in the later part of the year. The figure shows an average of 7794 as against the figure of 6500 for the same period in previous year. In April, 1969 there was an average of 7600. Moreover, continued and then it went on in August to 7700. In November it went upto 7900 and it continued at 7400, 7500 and so on. The minimum number was 7200 for the whole year. At any rate it did not exceed 8000, it is nearly 8000.



These were obligatory expenses because the Prisoners cannot be kept without food and clothing.

8. 31. The Committee wanted to know whether the Finance did not say anything or the Department could not convince the Finance. The Deputy Secretary replied that Department itself was satisfied that it was a legitimate demand. But unfortunately the amount was not given. The Inspector General also added that at the initial stage, for which the department moved, it was fairly correct. At the initial stage, of course, the Finance was not convinced. Subsequently, the particulars which the Finance asked for were also furnished.

### RECOMMENDATIONS

8. 32. Finance was rather arbitrary in making the cut. So long the Government is required to keep the prisoners, they are to give them food, medicine and clothing etc. Finance therefore should not be tardy in agreeing to obligatory expenses. It is a mistake both way. Budgeting was not accurate and therefore the excess took place.

The Committee therefore recommends the regularisation of the excess expenditure.

### HOME (POLICE) DEPARTMENT

9. 1. The following table shows the budget estimates for revenue and receipts and expenditure during the three years ending 1969-70 :—

Year			Receipts	
	Budget		Actuals	
	(In lakhs of rupees)			
1967-68	...	...	5.18	22.99
1968-69	...	...	5.24	7.54
1969-70	...	...	5.26	7.04
Year	Expenditure			
	Budget		Actuals	
1967-68	...	...	11,41.59	11,15.14
1968-69	Original supply.	11,10.75 40.19		
		11,50.94		10,06.26
1969-70	Original supply.	12,54.71 9.96		
		12,64.67		12,08.47



9. 2. The Committee wanted to know :—

- (1) What are the reasons for wide variation between budget estimates and actual receipts? Is it due to unrealistic estimates? If so, has the department taken steps to make the provision on a realistic basis?
- (2) During the year 1967-68, 1968-69 and 1969-70 the expenditure under police consisted of 11.3 per cent, 9.21 per cent and 9.60 per cent of the total revenue expenditure. Did the Finance Department at any stage examine the possibility of effecting economy in expenditure of the Department or call for suggestions from the Department in this regard?
- (3) Is any part of the expenditure on police re-imbursable by the Government of India? If so, what are the outstanding dues, if any? What is the cost of borrowed battalions, if any and how does it compare with the total expenditure. Does the Government propose to replace such borrowed battalions by its own and if so, has any action taken in this regard?

As regards the reasons for wide variation between the budget estimates and actual receipts the Inspector General of Police explained to the Committee that as the Police Department is not a revenue earning department, estimates could not be made at the time of preparation of the budget. Moreover, receipts of this Department represent mostly recoveries of expenditure for earlier years. The Department has also separate figures for re-imburement from the Government of India. These are some of the reasons for variations between budget estimates and actual receipts. Since the Police Department is not a revenue earning department the receipt side had got no direct bearing upon the expenditure estimates. Police is a service department, hence expenditure is estimated on the basis of requirement only.

9. 3. The Special Secretary also added that in principle, they do not accept any responsibility for re-imburement. From time to time being pressed by the State Government, they are given the grant by the Government of India.

9. 4. Asked as to what is the accumulated amount to be re-imbursable from the Government of India the Inspector General of Police informed the Committee that total claim, including arrears upto 1970-71 is Rs.20.88 crores.

The Committee observed that it appears from the budget estimates of 1968-69 recovery due is Rs.1,68,596 on various side and asked : what is the reason for less recovery?

9. 5. The Inspector General of Police explained that less recovery was mainly due to non-recovery of cost for development of third Assam Police Battalion for S. S. B. work from the Government of India. The Department thought that they could not get the money from the Government of India. But this Battalion was reverted to the



State Government in September, 1967. Hence there was no recovery for that year. The matter, is however, still under correspondence with the Government of India. The estimates for Rs.38 lakhs was meant for this recovery.

An amount of Rs.3 lakhs on account of expenditure on passport and visa between India and Pakistan under Budget Department, estimated during 1968-69 remained unrecovered due to non-availability of figures of expenditure on this account. Figures are mixed up with other heads of accounts.

9. 6. When asked how many borrowed Battalions are there at present the Special Secretary informed that at present Nine Battalions are working.

9.7. Asked whether they have more or less the same Battalion as against the previous year the Inspector General of Police informed that it remained the same.

Enquired about the cost of a borrowed battalion the Inspector General of Police told that it costs about 34 lakhs per Battalion for a year.

9. 8. The Committee wanted to know whether the Government propose to replace such borrowed battalion, by its own ? If so, has any action been taken in this regard ?

9. 9. The Special Secretary informed the Committee that as a matter of fact, this was recommended by the Public Accounts Committee last year. The Department have been able to raise one Battalion in a year. To this the Inspector General of Police added that in borrowing Battalion from outside, actually the Department do not gain financially. But out of them the Department got trained men and vehicles. The Deputy Inspector General of Police also added that since 1964 the Department is raising practically one battalion each year.

9. 10. Enquiring about the State's additional requirement the Committee asked whether this has been met by the State's own Battalion ? To this, the Inspector General of Police replied that the problems are increasing every year. So meeting the total requirement by the State's own Battalion is not yet possible at present.

9. 11. When enquired about the amount received from the Government of India and asked to give two years figures the Inspector General of Police replied that the State Government received Rs.3.75 crores during 1967-68 and Rs.2.08 crores during 1968-69.

9. 12. Asked about the Central Reserved Police whether the State Government is to pay the Special Secretary replied in the affirmative.

## RECOMMENDATIONS

9. 13. Here the Committee is concerned about raising the State's own police battalions to replace the borrowed ones. The Committee therefore recommends to raise its own Battalion as far as possible to do away with the borrowed ones ultimately.



**Paragraph 41 at page 43 of Audit Report, 1970**

**UNUSED NEWLY PURCHASED SHEETS AND PAINTS**

9. 14. During September, 1966 to February, 1967 the Inspector General of Police purchased 719 bundles of black corrugated iron sheets (value Rs.0.79 lakhs) for construction of border outposts in North Cachar Hills. Of those, 289 bundles were diverted during August, 1967 to October, 1969 mainly to Police establishments outside North Cachar Hills and the balance of 430 bundles (costs Rs.0.47 lakhs have been lying unutilised (November, 1969). Plans and estimates of the works for which the sheets were purchased have not also been approved yet (November, 1969).

Fifty drums of paints (value Rs.0.09 lakhs) were purchased for painting the black corrugated iron sheets to prevent rusting and corrosion. Of these, forty-four drums (value Rs.0.07 lakhs) remained unutilised.

The matter was reported to Government in October, 1969 ; final reply is awaited (January 1970).

9. 15. The Committee asked why the reply was not sent to the Audit in time ?

9. 16. The Inspector General of Police explained to the Committee that due to some unavoidable circumstances, the Department could not send the reply in time. The reply was already sent to the Accountant General on 15th July, 1971.

9. 17. The Committee finds that during September, 1966 to February 1967, the Inspector General of Police purchased 710 bundles of black C. I. Sheets at the cost of Rs.79,000 for construction of Border Outpost in the North Cachar Hills and asked the Department about the actual position.

9. 18. The Inspector General of Police explained that a Border Out post which was burnt down by Naga Hostiles had to be renovated with C. I. Sheets roofing. Accordingly action was taken for supply of required quantity of C. I. Sheets to Subdivisional Officer, Haflong, in charge of Police. There was a time lag between placing of demand and procurement of C. I. Sheets. On account of urgency certain improve devices were adopted with local materials for making the Border out post fire-proof in the remote places where Border Out Post is not connected with jeepable roads. Lots of difficulties cropped up in the matters of transport of C. I. Sheets. Meanwhile, situation in the North Cachar Hills under went change and as such the C. I. Sheets were eventually diverted elsewhere.

9. 19. Asked whether all the C. I. Sheets have since been utilised the Inspector General of Police replied in the affirmative.

The Committee wanted to know whether galvanised sheets were not available ?



9. 20. The Inspector General of Police replied that at that time there was scarcity.

The Committee then asked why these paints remained unutilised?

The Inspector General of Police replied that subsequently these paints were utilised.

9. 21. Asked about the utilisation of C. I. Sheets, the Special Secretary explained the whole position giving figure of utilisation in North Cachar Hills. In this connection, the Inspector General of Police and Deputy Inspector General of Police also stated that the reasons of non-utilisation of the said articles leading to blocking the capital were due to the circumstances which were beyond their control.

### RECOMMENDATIONS

9. 22. The Inspector General of Police stated that there was scarcity of galvanised sheets at that time. The Committee observed that though there was scarcity, some at least could be procured. From the view point of economy procurement of galvanised sheets ought to get topmost priority. The Committee therefore, recommends that in future preference should be given for galvanised sheets instead of Black Corrugated Iron Sheets which entail extra-expenditure and procured over by giving topmost priority under similar circumstances, if necessary. With a view to avoid extra-expenditure incurred for painting black C. I. Sheets to prevent rusting and corrosion.

### **Paragraphs 69 and 70 at pages 72-75 of the Audit Report, 1970, outstanding Audit objections and Inspection Reports**

9. 23. The paragraphs indicate the position of outstanding audit objections and inspection reports in respect of Home (Police) department relating to the year upto 1968-69, remaining unsettled upto September, 1969. It would be seen there from that objections for Rs.310.84 lakhs were outstanding on 1st October, 1969. It would also be seen that 190 numbers of inspection reports involving 716 paragraphs were awaiting settlement (oldest item dated back 1953-54). The detailed position of outstandings is given below :—







## INSPECTION REPORTS ?

Year	Reports	No. of paragraph
1953-54 ... ..	1	10
1954-55 ... ..	3	3
1955-56 ... ..	1	8
1956-57 ... ..	5	21
1957-58 ... ..	11	45
1958-59 ... ..	6	9
1959-60 ... ..	14	57
1960-61 ... ..	7	22
1961-62 ... ..	13	59
1962-63 ... ..	14	38
1963-64 ... ..	14	25
1964-65 ... ..	15	27
1965-66 ... ..	19	60
1966-67 ... ..	12	44
1967-68 ... ..	32	177
1968-69 ... ..	23	111
	<hr/> 190	<hr/> 716

9. 24. The Committee wanted to know :

There are some audit objections which remained unsettled.  
What is the present position about the settlement ?

9. 25. The Inspector General of Police explained that the unsettled audit objections are not much. Anyway, the Department have separated the audit branch to clear the arrears. They had two Finance Accounts Officers. But during the last year, they had only one. So, the arrears could not be completed. Now, the position is progressing quickly. They will clear the arrears very soon. They have asked the Deputy Inspector General to go to the districts and inspect offices and see the progress of disposal of audit objections.

## RECOMMENDATIONS

9. 26. The amount of outstanding audit objections should be cleared immediately.



9. 27. The Committee also finds that certain pension cases are also lying pending. What are the reasons for not settling these cases ?

9. 28. The Deputy Inspector General of Police explained that the introduction of new gratuity rule in 1964 has affected the normal workload. At present, the Department have placed some officers to look into these pension cases.

9. 29. The Committee also wanted to know that in comparison with most of the states like Bihar, etc., we spend much more money in Police Department. But, why our Police personnel do not get much amenities ?

9. 30. The Inspector General of Police explained that the basic pay is much higher than many other states and also quantity of ration is much higher in this State.

9. 31. The Committee enquired that though the basic pay is higher in our State than many other States the Committee finds that the housing conditions of our Police personnel (Constables) are very poor and horrible. What are the reasons for this ?

9. 32. The Inspector General of Police explained that once the housing conditions were really very poor. But now the Department are trying to improve it. The Inspector General of Police also told the Committee that he has noted it and assured them that he will look further into the matter.

### RECOMMENDATIONS

9. 33. The Committee felt that the Department in Secretariat level should study the Police Commission Report very carefully. They will find there, the conditions of Police barracks. The Committee, therefore, suggests a colony of Police instead of giving them housing accommodation in scattered way for efficient Police administration in the State.

### **Serial 6 of Appendix II to Appropriation Accounts, 1968-69 at Page 132**

9. 34. As against the estimates of Rs.107.23 lakhs anticipated to be recovered in reduction of expenditure during 1968-69, the actuals were Rs.64.88 lakhs.

The Committee wanted to know—

Are the estimates of recoveries made in the budget unrealistic ?

Why could not the assurance as given in the budget estimates be fulfilled ? Is the variation due to short re-imbursement of the cost of Central Reserved Police from the Central Government ? Can the Department state the amounts so far due not recovered on this score from the Government of India and action so far taken for its speedy realisation ?

9. 35. The Accountant General informed the Committee that there was also a short fall in the year 1967-68,



9. 36. The Inspector General explained that this was because of the fact that the Government of India fail to keep their commitments.

9. 37. Enquired about the position of the recoveries. The Inspector General of Police explained that Deputy Inspector General went to Delhi, the Department have estimated Rs.20.88 crores and they have accepted this amount. The Department have received so far only Rs.2.50 crores out of this.

### RECOMMENDATIONS

9. 38. Inspector General of Police stated according to his calculation approximately Rs.20.88 crores were due for recovery from various agencies including the Government of India against which Rs.2.50 crores has been received so far ; demand for the balance had not yet been accepted by the Government of India. The Inspector General of Police stated that he has already preferred claim and accepted by the Government of India.

9. 39. The Committee, therefore, recommends that the State Government should recover the balance as accepted by the Government of India.

### HOUSING DEPARTMENT

#### General

10. 1. The following table shows the expenditure of the Department during the 3 years ending 1969-70 : -

			Budget provisions (In lakhs of rupees)	Actuals
1967-68	...	...	6.27	4.70
1968-69	...	...	11.00	10.70
1969-70	...	...	21.95	4.93

It appears from the above that the budget provisions and the expenditure of the Department is fluctuating from year to year. The Committee therefore wanted to know the reasons for this fluctuation. It seems that the expenditure of this Department is not systematic. It is very erratic. Why such a big amount remained unspent?

10. 2. The Secretary, Town and Country Planning Department explained to the Committee that it is due to incomplete construction works of the Harijan houses at Shillong. Money had to be surrendered as Finance gave late sanction on 28th March, 1968. Asked when the proposal for sanction was sent to Finance there was however no reply from the Department. The Assam Government construction corporation was given the contract. The Corporation signed an agreement for executing the works. But subsequently the Department have terminated their contract. Asked whether there was any penal clause in the agreement there was however no reply from the department.



10. 3. Asked whether this non-spending was due to the failure of the corporation or it was due to the failure of the Department the Secretary explained that it was due to late sanction. Late sanction was due to the fact that the Corporation progress of work was very slow.

By 28th March, the Corporation completed work and for which this amount was to be paid. The sanction came by 28th, but the Department did not pay to the Corporation. Therefore the Committee wanted a clear statement from the Department why even in 3 days' time which appeared to be sufficient the payment was not made? The Secretary of the Department explained the procedure that the Accountant General is to issue an authority. For every sanction, before money can be drawn, the Accountant General is to give an authority. There was, however, no reply from the Department when asked to furnish the date of completion of the work.

10. 4. Asked how many houses were constructed for weaker section of the community the Secretary replied that 94 houses in Shillong and 72 at Gauhati were constructed for Harijans. The entire amount, however, could not be spent. An amount of 6 lakhs remains to be spent. There was, however, no reply from the Department when asked why this amount was spent in other places? The Corporation was, however, appointed directly by the Department. The Director of Housing, however, exercised supremacy over the construction corporation in the matter of construction.

10. 5. The Committee was keen to know whether approval of the Finance Department was sought for direct contract rather than through the Public Works Department and asked the Department whether they were delegated the power by the Government, if so what is the delegation of power given to the Director of Housing and what is the amount?

10.6. The Secretary explained that it was decided that the Director of Housing will act as Chief Supervising Officer and some powers have been delegated to him. The Director of Housing also assured the Committee that some notifications delegating powers to the Director of Housing to accord technical sanction would be collected and sent to the Committee. He further informed the Committee that the power of the Superintending Engineer is upto Rs.4 lakhs.

10. 7. The Committee wanted to know clearly whether there was any standing direction from the Finance Department that the construction must be given to the Assam Government Construction Corporation? The Director replied that there is no direction that it should be given but it seems that it may be given.

#### OBSERVATIONS

10. 8. The Departmental witness says that a saving of Rs.1.50 lakhs was due to the failure on the part of the Assam Government Construction Corporation to complete with Harijan colony at Shillong within the contracted period.

The Department gave contract direct to the Assam Government Construction Corporation and not through the Public Works Department.



The Assam Government Construction Corporation themselves did not execute the work. They got it executed through another contractor *viz.*, Bridge and Building.

### RECOMMENDATIONS

10. 9. The Committee finds that the Department having their own staff and the Director himself being technically qualified man the Department could do the work themselves and there was no necessity of giving the work to the Assam Government Construction Corporation. The Assam Government Construction Corporation themselves did not execute the work. They got it executed through another contractor, *viz.*, Bridge and Building. Although the Director told the Committee that everything was done by the Assam Government Construction Corporation and technical staff of the Department was deputed for supervision, yet as far as document is concerned, the supervision is done by the Assam Government Construction Corporation. The Secretary told the Committee that technically, the Director is the supervisor.

10. 10. The Department should submit a detailed report showing the break up of the work done by the Department and the Assam Government Construction Corporation within six months of the presentation of this report to the House. This report should contain details of the total amount earmarked for taking up such kind of project and how it is split year by year in small amount. Also a copy of the notification delegating powers to the Director of Housing to accord technical sanction should be furnished.

### **Finance Accounts 1968-69 Statements 4 and 17 at pages 29 and 136-137**

10. 11. The Statements indicate that against the balances of Rs.1,11,09 lakhs and Rs.17.77 lakhs outstanding on 1st April, 1968 on account of "Loans under Low Income Group Housing Scheme" and "Loans under Middle Income Group Housing Scheme" only an amount of Rs.6.55 lakhs and Rs.1.04 lakhs respectively was recovered during the year 1968-69.

The detailed accounts of 'Loans under Low Income Group Housing scheme' are being maintained by the Department. The outstanding balances under low-income group and middle income group housing loan on 31st March, 1969 were Rs.1.08 crores and Rs.0.21 crores respectively. Government intimated that as against this, arrears in recovery on 31st March, 1969 under Low Income Group Housing Scheme was Rs.37.35 lakhs (Principal Rs.18.05 lakhs, interest Rs.19.30 lakhs).

Referring to statements 4 and 17 at pages 29 and 136-137 the Committee at the outset ascertained from the Secretary of the Department that the same Secretary appeared before the Committee last year also who might remember that the Committee was very keen about the relation of the loans (arrears) under these Low Income and Middle Income Group Housing Schemes. The Committee find that only an amount of Rs.6.55 lakhs and Rs.1.04 lakhs respectively were recovered during 1968-69. The detailed have been maintained departmentally. What was the amount ?



10. 12. The Secretary explained the position. He said that the total amount was Rs.51.74 lakhs out of that 30 lakhs was recovered and some 18 lakhs is outstanding. Rs.16.75 lakhs on account of principal and Rs.17.58 lakhs for interest as on 31st March, 1969. Out of Rs.34 lakhs (Principal and Interest) in the subsequent years (two) Rs.5.65 lakhs on account of principal and Rs.2.65 on account of interest. Outstanding after realisation Rs.11.09 lakhs principal and Rs.14.92 lakhs interest. In these two years some fresh loans have been taken but they would not be due. The Department, however, cannot show now exactly what is the net due. In spite of the administrative machinery the position of recovery has not improved to the expected extent. The main reason for this is that many of these cases go to Bakijai.

10. 13. Asked whether it is a fact that many of the loanees do not receive the notices the Secretary explained that the loanees get the notices but there may be delay. The Committee held that like the life insurance, the procedure should be such that even if they do not get the notice, they should pay it. If notices go timely, they will feel like paying and asked whether the Department can plough back the realised amount.

10. 14. The Secretary explained that the realised amount is ploughed back in the sense that it comes to the States General revenue. If the Department can show better realisation, they can ask for bigger allocations. But, unfortunately, the position is going from bad to worse year to year.

10. 15. Asked whether the Department had any concrete proposal for the improvement of the position of recovery the Secretary explained that there are many Bakijai cases—706 cases are there. 75 land sale cases were instituted. As a result of coercive measures some payments have been made. In six cases properties were also taken over but the sale was not very remunerative. At the time of sale, adequate bid was not there.

10.16. The Committee then wanted to know that the topics under paragraph 20 at page 32 of Audit Report 1970 reveals that so far as the village housing project scheme is concerned practically no loan has been granted for construction of house. But how this amount of Rs.3.04 lakhs was spent on this particular scheme during the period from 1962-63 to 1968-69.

10. 17. The Secretary explained that this amount was spent on establishment charges. The staff is still there, 3 Overseers and one Lower Division Assistant. If the amount is sanctioned they will be utilised. There is no separate staff for the low income plantation labourer housing scheme.

10. 18. The Committee held that for 7 or 8 years the scheme has not materialised. Why these people are allowed to be spoiled? They are not responsible, it is the Department. After this lay out what benefit the people are getting? Why should staff remain idle and get public money? Why should they get pay and allowance? They are not responsible, it is the Department. Where these people are posted and what are those places?



10. 19. The Departmental witness explained that from last year they are being utilised for plantation labour housing scheme. They are posted at Gauhati and Shillong. They are scrutinising the scheme at Gauhati. They are also engaged in supervising the work of construction of rural housing scheme in last year. These people are being employed there. They will be under the rural housing scheme and village housing scheme. They have been doing technical work. Of course the Low Income Group Housing Scheme should have been implemented in the rural areas also instead of a separate Scheme. But it is not only in our State but in all State Government of India last year shifted in this particular region for implementation of the scheme as it was. Now they intend to provide homestead for agricultural labourers. So, there is also probable scheme in favour of providing homestead land and financial assistance for construction of house for landless agricultural labourers. Government of India is giving cent per cent subsidy for homestead of landless agricultural labourers.

### RECOMMENDATIONS

10. 20. In Kerala agricultural labourers are different from the landless agricultural labourers of Assam. So, also the cases of Andhra Pradesh, Maharashtra and Punjab. In those States there are farms, some of which are wholly mechanised and some of which are partly mechanised. In those farms they engage agricultural labourers.

10. 21. Here the position of peasants are not like that of Bengal or U. P. At the time of framing rural housing scheme the Department did not take into consideration the rural condition of the State. This should be noted by the Department very carefully for their future guidance.

10. 22. The Department should come forward with some concrete proposals to effect improvement of the recovery of loan to raise the percentage of realisation every year so that we can get more loans from Government of India on the one hand and to enable the Department to plough back a greater amount of money every year with a view to cover under the scheme bigger area and a bigger number of population. The Department should be more enthusiastic than even the beneficiaries. Then and then only the purpose is served.

10. 23. There were certain cases where the loan was not utilised for the purpose it was sanctioned. Somehow or other the loanees manage to bring report in his favour stating that the money was utilised properly. Thus it appears that there is lack of supervision on the part of administration. It is said that generally after receiving the utilisation certificates of the 1st instalment the second instalment is disbursed by the authority. But after issuing the 1st instalment if there is no proper inspection as is done in the case of House Building advance to Government servant the money may not be utilised in spite of the certificate of utilisation. Sometimes it so happens that before utilisation the report of construction comes. The authority in charge of the housing scheme in the district level (Deputy Commissioner) should verify whether the money has been utilised for purpose of construction or not. The second instalment should be issued only on verification made by the appropriate authority.



**Paragraph 20 at page 32 of Audit Report 1970—Village Housing Project**

10. 24. To serve as inspiration to the adjoining areas, in 1958-59 Government initiated a scheme for encouraging building of houses in selected villages. It envisaged selection of four to six villages in each development block, preparation of layout plan for the villages and building plans and specifications for the houses. It also provided for granting loans to villagers for construction of houses.

One hundred and fifty villages were selected in 1962-63 upto March, 1969 layout plans for only sixteen villages (fifteen upto March, 1962 and one upto March, 1965) were completed. Till then no loans were given nor any house constructed. Government spent Rs.304 lakhs (Rs.2.67 lakhs on pay and allowances of staff and Rs.037 lakhs on contingencies) on the scheme during 1962-63 to 1968-69.

Government stated in January, 1970 that delay in implementation was due to delay in taking up survey work owing to non-selection of villages in time by the Department and delay in completing layout plans was due to shortage of technical staff in Town Planning Organisation and that no loans could be issued to villagers due to apathy towards the scheme.

10. 25. The Department having disputed the figures of expenditure after the printing of the Audit Report the same were verified by audit locally in August, 1970 and it was found that Government actually spent Rs.2.15 lakhs on pay and allowances and Rs.0.18 lakhs on contingencies during the period from 1962-63 to 1968-69.

10. 26. The Committee asked the Departmental witnesses.

There are certain schemes you have taken up, i.e., village Housing Scheme. We have heard long before that no such schemes have been implemented. Did you implement any such schemes?

The Director of Housing replied that the Scheme is not implemented in the sense that loans have not been issued.

10. 27. The Committee then asked that this was a scheme under which certain number of villages would be selected and taken up. How many villages have been selected?

10. 28. A reply to this came from the Director who said that since then 100 villages have been selected in 1958-59. Out of this, after selection some layout plans for 16 villages were prepared. But that was also done long time ago. These are in the Department now. A long time lapsed since then. Now, it may not be possible to make use of these layout plans. After the preparation of these schemes for building model houses even for six villages out of 15 villages, the Block Development Officer have not been able to inspect the people who want to apply for this amount of loans for building houses. Then the position was reviewed last year and the Department felt that it was not necessary to go to the length of preparing plans and all that. The amount of



loans for sanction was Rs.2,000 but subsequently it has been raised to Rs.3,000. The Panchayats were asked to obtain applications for such loans. But it shows so far there has not been any interest evoked in this field. For this lack of interest of the people we raised it to Rs.3,000. Till now, it seems, the people are really not able to construct the type of house we give them to construct under the Scheme.

10. 29. Asked whether the Department is supplying them the C. I. Sheets and other house building materials at controlled price the Director replied in the negative. They only ask the people to apply for loans, but cannot assure them that C. I. Sheets will be available.

### RECOMMENDATIONS

10. 30. The Committee finds that the village Housing Project Scheme is a complete failure. The Plan and layout do not attract applications from loanees. The plan and layout should be based on local conditions peculiar to the people of Assam. The State Government should be able to suggest such modifications as to suit our people so as to get the response from them for the successful implementation of the scheme.

### Paragraph 70 at pages 74-75 of Audit Report, 1970, Outstanding Inspection Report

10. 31. The paragraph indicates the position of outstanding inspection reports relating to the period upto 1968-69 but remaining unsettled upto September, 1969. The position of outstanding in respect of Housing Department is indicated below :—

Year	Total No. of reports.	Outstanding paragraphs in these reports.
1960-61 ... ..	1	
1961-62 ... ..	5	9
1962-63 ... ..	3	9
1963-64 ... ..	3	4
1965-66 ... ..	8	29
1966-67 ... ..	5	22
1967-68 ... ..	4	3
1968-69 ... ..	5	13
Total ...	34	99



Important irregularities and defects in the accounts noticed during local audit and inspection are included in inspection reports which are sent to Departmental officers and heads of Department and also to Government where, necessary. The points raised in the reports should be settled as expeditiously as possible, if the object of the inspections is to be achieved. Half-yearly statements of outstanding inspection reports pending with the departments are also furnished to the administrative Departments for their prompt settlement.

Government has allowed fifteen days (one month in the case of Public Works Department) for disposal of inspection reports by Departmental officers. The replies to the inspection reports, however, are not received in time. Delay in settlement of the objections means the continuance of the irregularities brought to notice.

10. 32. The Committee wanted to know :

- (1) What are the reasons for delay in settlement of the outstanding inspection reports ?
- (2) What actions have been taken by the Department for the settlement of these outstanding items ?

10. 33. The Secretary Housing, *i.e.*, Town And Country Planning Department explained that most of the objections are relating to the non-recovery of loans. Generally most cases are non-capital loans and many of the cases are pending for Bakijai. So this will wait for settlement of the cases.

## RECOMMENDATIONS

10 34. All Departments file Bakijai cases and several thousands are pending in every court all over the State. At Gauhati about 21 thousands Bakijai cases are pending. Only those who follow, will get some results. Same is the position of Income-tax, Sales-tax and Professional tax. The Department should follow the Bakijai cases to achieve the result without the responsibility continues.



## TRANSPORT DEPARTMENT

General —

11.1. State Transport Organisation has been converted into Corporation with effect from 31st March 1970 (Accounts upto 1968-69 have appeared in the Report of the Comptroller and Auditor General for the year 1969-70).

What is the position of finalisation of accounts upto 1969-70?

11.2. The Secretary of the Transport Department replied that the accounts for the year 1969-70 were submitted October/November 1971.

11.3. The Committee then wanted to know as to what is the cause of colossal loss during the year 1968, while in the previous year the organisation had earned a net profit of Rs.3,25,075. The loss of 1968 was to the tune of Rs.6,95,401. Have the Department made any assessment?

11.4. The Departmental witness, explained to the Committee that it was mainly due to the increased payment of Dearness Allowance sanctioned by the Dis Committee. Asked about the total amount paid as dearness allowance the Departmental witness said that it was to the extent of Rs.14 lakhs.

11.5. The Committee again asked as to what was the Dearness Allowance paid in the previous year and what was the Dearness Allowance paid in the previous year and what was the Dearness Allowance paid in this particular year.

11.6. The Departmental witness explained to the Committee that in the previous year, it was about Rs.7 lakhs and in the current year, the total payment made was Rs.8 lakhs. It means a greater amount i. e. about one lakh more is paid. It is because of 5 per cent increase on account of fuel, spare parts alone.

When asked whether there was some increase in freight and fares the Departmental witness replied in the negative.

The Committee also asked whether the fares for State Transport buses are higher than that of the private buses?

The Departmental witness explained that it was slightly higher. The Department cannot revise the rate because the state Transport Organisation is not a monopolistic organisation like Railways.

Asked whether any restriction has been made in regard to private buses the Secretary replied that there is some restriction.

The Committee further asked if the Department had any thought of de-nationalising the short distance routes.



The Departmental witness explained that the Jorhat-Mariani route has been de-nationalised. Transport Department is also considering de-nationalising some more short distance routes wherever it is found uneconomical.

11.7. The Committee next wanted to know as to what are the elements responsible for higher costs of State Transport buses?

11.8. The Departmental witness replied that it is because the prices of spare parts have gone high. The private buses have advantages that they do not always follow the conventional rule of carrying the passengers as per rules. But that rule is strictly followed by State Transport. In regard to seats, there is specification and that is applicable to both State Transport and private buses.

11.9. The Committee expressed its surprise when it finds that the number of vehicles were less, the Department made profit. But the position is contrary in spite of the number of vehicles are more in the current year and asked the Department to explain how it has happened.

11.10. The Departmental witness explained that the Department had to purchase the general spare parts from local markets against tenders at higher rate when not available with D. G. S. & D.

11.11. The Committee again expresses its surprise when it found that although the number of vehicles on road increased by 44.9 per cent the gross income raised by 10 per cent only and wanted to know about the gross income per vehicle.

11.12. The Departmental witness informed the Committee that the gross earning per vehicle is Rs.200 per day approximately. On being asked to clarify whether the number of vehicles on the road actually was increasing or decreasing or static the Departmental witness replied that the number of shut-down vehicles is increasing due to non-availability of genuine parts necessary for repair and maintain in running condition. There are various other factors for the loss.

11.13. The Committee then examined the loss and earnings. There are many routes where there is demand for seats, for example, Gauhati-Shillong route and Shillong-Silchar route. But there are routes where vehicles run half-empty, for example, Gauhati-Goalpara line and most of the lines in the South Bank. For obvious reason they simply run the vehicles with few passengers. Probably in the North Bank also vehicles run half-empty.

Has the Department any figure of this? May be, there was great rush in the Gauhati-Shillong route and many other may run vacant. What is the result of Departmental study about this? Have the Department studied at all that there is a route where we find full capacity and many passengers are not getting seats?

11.14. The Departmental witness informed the Committee that Gauhati-Goalpara and Silchar-Aijal routes are losing routes due to less number of passengers. Every day one bus goes from Silchar to Aijal and one comes from Aijal to Silchar.



11.15. The Committee wanted to know that when there is no sufficient number of passengers why the Department cannot make it alternate day service i. e. one day comes and the following day goes.

11.16. The Departmental witness informed the Committee that there is a public demand for daily service. There was a Government order as regards Silchar-Aijal bus service on the basis of public demand.

11.17. Asked about the amount of loss in this route the Departmental witness informed that about one crore of rupees is to be realised for placing State Transport trucks at the disposal of Deputy Commissioner, Cachar for Mizo Hills besides annual loss of about 3½ lakhs of running passenger buses on this routes. At the instance of Government vehicles were handed over to the Supply Department. It was after a high level discussion Government handed over the vehicles to the Deputy Commissioner, Cachar.

11.18. Asked about local purchase the Departmental witness informed the Committee that in order to keep maximum number of vehicles on road in the interest of the organisation and the general travelling public local purchase of spare parts not in stock had to be resorted to when it becomes unavoidably necessary.

### RECOMMENDATION

11.19. In spite of rise in the price of parts, fuels and oils, there has been no increase in fares and freight. The Committee recommends that the Department should review this matter for increasing fares and freights.

The Government may give direction to the Corporation that so far as the short distance routes are concerned, except the national highway, the buses should run packed. The Bazar Buses should be drastically restricted.

### Paragraph 65 at pages 63-64 of the Audit Report, 1970— State Transport Organisation—Financial results of the working of the organisation.

11.20. The paragraph reads as under—

- (a) The working of the organisation for the year ended 31st March 1968 resulted in a net loss of Rs.6,95,401 as against a net profit Rs 3,25,075 during the previous year (financial position given in appendices III and IV). The Department has explained (April, 1969) of Audit Report that the loss during 1967-68 was due to abnormal increase in interest on capital, depreciation on capital assets, cost of establishment due to revision of daily allowance, price of petrol, diesel oil and lubricating oil, price of spares and maintenance and repairing cost of vehicles and also due to abnormal condition prevailing in Mizo Hills.



The following factors also appear to have contributed to the loss—

- (a) Heavy accumulation of book debts with consequent increased drawals from the Government Treasury and corresponding increased interest charges on Government capital.
- (b) Although the number of vehicles on road increased by 44.9 per cent in 1967-68 as compared to 1966-67 in gross earnings registered increase only by 10.4 per cent during the same period. There was thus fall in revenue per K. M. from Rs.1,3235 in 1966 to Rs.1,3223 in 1967-68 and
- (c) Avoidable extra-expenditure of Rs.99,102 due to local purchase of stores.

For the purpose of *proforma* accounts interest on capital has been calculated at 4 per cent as against the borrowing rate of Government of 5 to 6 per cent for 1967-68. Had interest been calculated at higher rate the loss for the year would have been more.

- (d) Out of the eight sections only two sections earned profit totalling Rs.7.11 lakhs while the remaining six sections run at a loss aggregating Rs.14.06 lakhs resulting in an over all loss of Rs.6.95 lakhs during 1967-68. The net loss in these six sections during 1965-66, 1966-67 and 1967-68 are shown below—

	1965-66	1966-67	1967-68	Total
	(In lakhs of rupees)			
1. Goalpara—Saikhowaghat service ...	...	...	— 1.42	— 1.42
2. Dhubri—Jogighopa service ...	— 1.28	— 1.69	— 3.10	— 6.07
3. Shillong—Jowai—Khliehriat— Badarpar and Shillong—Dawki —Tamabil service.	— 0.22	— 1.33	— 1.88	— 7.43
4. Gauhati—Tezpur—North Lakhimpur service	— 3.59	— 0.89	— 3.30	— 7.78
5. Silchar—Badarpar—Karimganj— Haliakandi service.	— 1.38	— 2.59	— 0.63	— 4.60
6. Aijal service ...	— 0.23	— 3.51	— 3.73	— 8.17

As regards various factor which according to Audit also contributed to the loss for the year ended 31st March, 1968 the Government stated in April, 1970 as follows—

- (i) **Heavy accumulation of book debts.**—The outstanding book debts are mainly recoverable from various departments of the Government both State (Rs.1,24,43,855) and Central (Rs.13,92,575) for which the matter has been taken up with the Departments concerned.



- (ii) **Disproportionate increase of revenue.**—The low rate of increase in revenue is due to the fact that there had been no increase in Tariff rates since 16th September 1965 although the cost of operation was increased considerably.
- (iii) **Avoidable extra expenditure due to local purchase of stores.**—The Divisional Engineers and Assistant Engineers used to purchase the stores locally to meet urgent requirements when central stores could not supply their requirements against indent submitted to central stores. In order to keep the maximum number of vehicles on road in the interest of the organisation, local purchases of spare not in stock had to be resorted to when it became unavoidably necessary.
- (iv) **Interest charges on capital.**—Interest on capital has been charged at the prevailing rate at the time.
- (v) **Loss sustained by six sections.**—The loss was due to an abnormal increase of operational expenditure, unforeseen situation on account of the disturbances in Assam in January, 1968 natural calamities created by flood during the year and also for operation of services on uneconomic sectors as public utility service. Moreover plying of private vehicles and Bazar Buses, etc., also contributed towards loss specially in sections I and II (In Kamrup and Goalpara Districts). Loss in Section VIII was due to the abnormal conditions prevailing in Mizo Hills and as this route was not nationalised, the State Transport Services had to be operated along with private operators.

**Appendix IV at pages 86-89 of the Audit Report, 1970  
Government capital and sundry debtors.**

While the Government capital invested increased from Rs.4,37,12,381 in 1966-67 to Rs.4,66,27,382 in 1967-68 (6%) the outstanding on account of sundry debtors registered on increase of 42 per cent (Rs.1,95,22,230) over the previous years outstandings (Rs.1,37,33,652); of the outstandings Rs.20,000 only was considered bad and doubtful.

**Note below the consolidated profit and loss account at  
pages 88-89 of the Audit Report, 1970**

According to the Divisional Engineer, Central Workshop, Gauhati and Assistant Engineer, Tezpur, Stores valued at Rs.94,204 were found short (October 1968). Besides the Controller of stores, Central stores, Gauhati reported in August, 1968 that 72 packages containing spares were lying unaccounted for in the Central stores for last 8 to 10 years. In addition, spare parts costing Rs.1.66 lakhs acquired long ago remained unutilised.



In connection with (c) avoidable extra expenditure of Rs.99,102 due to local purchase of stores the Departmental witness explained to the committee that in order to keep the vehicles on road in the interest of the organisation, local purchase of spares not in store had to be resorted to when it is unavoidably necessary. Considering the losses of daily earnings after vehicle remaining shut down for want of repairs, excess expenditure on local purchase may not be considered as unavoidable.

11-21. The Accountant General pointed out at this stage that for the purpose of *proforma* accounts, interest on capital has been calculated at 4 per cent as against the borrowing rate of Government of 5 to 6 per cent for 1967-68. Had interest been calculated, at the borrowing rate the losses for the year would have been more?

11-22. The Departmental witness explained to the Committee that interest on capital has been correctly charged at 4 per cent as per prevailing Government orders. No instruction from the Government has been received to calculate interest at 5 to 6 per cent.

11-23. The Committee asked: Has the pursuance with other Departments for settlement of outstanding book debt yielded any tangible result? What are the major items of amount outstanding from Government Departments?

The Departmental witness explained:—

Deputy Commissioner, Cachar	Rs.68,00,000.00
Education Department	Rs.24,00,844.87
Medical Department	Rs. 1,00,089.00
Industries Department	Rs.28,00,000.00
Defence Department	Rs.3.92 lakhs

11-24. The Committee then wanted to know whether this matter has been pursued and the Secretary informed the Committee that the Commissioner of Hills would take up the matter with the Defence Department.

### RECOMMENDATIONS

11-25. The Committee advise that while in the year 1966-67 the Department earned a net profit of Rs.3,25,075 in the year under review it has shown a net loss of Rs.6,95,401. This is in spite of the interest on capital being calculated at only 4 per cent per annum which is far below the usual current rate of interest or even the interest that the Government itself pays for its debts. It is also seen that out of 8 sections, 6 sections incurred an aggregate loss of Rs.14.06 lakhs and only 2 sections, viz., Gauhati-Shillong and the Gauhati-Barpeta Road earned a profit totalling Rs.7.11 lakhs. Now that, Meghalaya is going to be full State, the Department will be finding itself in an enviable position if the present State of affairs continue.



From the examination of the Department it emerged that the following are the reasons for the loss incurred:—

- (1) The organisation is, in fact, not running on commercial or specialised lines. There is no proper cost accounting and study on other points of running and earning performances of individual vehicles on register. Information as to the mileage run by the vehicles, expenditure incurred on the maintenance, repairs and up-keep of such vehicles and earnings money by the vehicles are lacking. If the organisation is to run even on no profit no loss basis, the management must be more realistic and commercially minded and equipped. There should be a proper assessment which the Committee did not receive.
- (2) It is learnt that the vehicles are not put to optimum use. While a number of vehicles remain out of commission awaiting repairs, sometimes even for minor repairs or body repairs, many vehicles remain idle for months. Others remain idle for lack of tyres and so on. The Committee is of the opinion that the mechanical Department of the organisation and particularly the workshops should be geared up to meet the full need. So long as the gearing up is not completed, some private workshops may also be taken. The point is that no vehicle which is repairable and usable should remain idle. All vehicles should be brought to running condition whether they are repaired in the Organisations or workshops.

The Committee noted that in the year under review, the Organisation incurred an avoidable extra expenditure of Rs.98,102 due to local purchase of stores. On behalf of the Department it has been argued that the Divisional Engineer and Assistant Engineers used to purchase the stores locally to meet urgent requirements when Central stores could not supply their requirements against indent submitted to Central stores. In order to keep the maximum number of vehicles on road in the interest of the organisation, local purchases of spares not in stock had to be resorted to when it became unavoidably necessary. That being the position, the organisation should give special attention to the proper functioning of the Central stores. There should be made an item-wise exhaustive physical verification on these parts and spares which have become obsolete and unusable should be immediately disposed of even a scrap if necessary and these parts or spares which are often needed should be sufficiently in stock. There should be no delay in meeting the indents when sent from the outlying workshops or agencies. These spares and parts which are usually in demand should be kept in stock in every station of the organisation. There should be at least scope for local purchase though this may not be completely wound up. The organisation should make a point to make purchases not only centrally but from the manufactures in order to avoid extra charges and more particularly in order to avoid spurious materials. It is also recommended that the organisation make an immediate study of the outstanding book debt with the concerned Departments, like Defence, Home, Supply, Education and Medical so that the points of dispute may be settled quickly and amounts realisable are realised.



**Paragraph 66 at pages 64 to 66 of the Audit Report 1970—Abnormal delay in carrying out repairs to vehicles sent to workshop**

11.26. The following table shows the strength of the fleet owned by the State Transport Undertaking and the number of vehicles which were inoperative as on 31st March, 1966, 1967 and 1968—

	1965-66	1966-67	1967-68
Total strength of the fleet	698	608	761
Inoperative vehicles	253	220	214
Percentage of inoperative vehicles to total fleet.	36%	36%	28%

The following table gives a picture of the percentage of inoperative vehicles to total fleet in few other State Transport Undertakings—

	1965-66	1966-67	1967-68
Maharashtra	11.4	13.3	13.1
Mysore	15.2	12.6	15.9
Kerala	10.6	9.5	8.6

A review undertaken by Audit in May-June 1969 has revealed that there were at that time a total number of 272 vehicles under repair for a period ranging from 4 months to 3 years or more. The table below gives a break up the vehicles according to the period of retention in workshop for repair or disposal.

Name of Workshop	Tezpur	Jorhat	Dhubri	Silchar	Nowgong	Gauhati
No. of Vehicles awaiting disposal or repairs --						
For two to three years or more.	—	2	7	2	5	21
For one to two years	4	15	11	1	5	41
Six months to a year	5	12	3	4	1	64
Less than six months	1	13	5	6	2	42
Total	10	42	26	13	13	168

Grand total—272

The number of vehicles which were beyond economic repair and awaiting disposal has not been assessed.



When this was brought to the notice of the Department it explained (November 1969) as follows—

“In none of the workshops adequate facilities are available for expeditious repair to vehicles under repair. All the workshops suffered for want of proper working space, artisans and materials. Since the inception of this Department in 1949 proper attention to Engineering section was not paid and with the increase in fleet of vehicles the lay-off period of a disabled vehicle also started increasing. The accumulation started visibly increasing from 1956 and proper attention to increase the capacities of workshops was not undertaken”.

The potential earning capacity of the vehicles has been computed by the Department as follows—

(a) Bus	...	...	...	Rs.277 per day.
(b) Truck	...	...	...	Rs.371.50 per day.
(c) 1st Class car	...	...	...	Rs.108 per day and
(d) 2nd Class car	...	...	...	Rs.248 per day.

The Department has admitted (November, 1969) that it is “losing revenue owing to abnormal period of time taken for completing major repair of vehicles which is an avoidable waste”. The amount of loss suffered by the department due to avoidable lay off of the vehicle has however not been computed. Steps taken by the Department to remedy the situation have also not been stated.

The Government stated in June, 1970 that as a remedial measure for removing the defects and avoiding delay in repair of vehicles in the State Transport Workshop, the following steps have been taken by the Deputy Director (F) of Chief Accounts Officer, Assam Road Transport Corporation, Shillong—

- “(i) Undertaking periodic inspection by the Chief Automobile Engineer to assess the progress of repair of vehicles with a view to minimising delay in repairs.
- (ii) Reviewing the capacity and floor space of workshops by reference to repair work in hand and wherever necessary proposal for increasing the strength of staff should be submitted to this Department with full particulars.”

### RECOMMENDATIONS

11.27. The Committee also noted that there is abnormal delay in carrying out repairs to vehicles sent to workshops. The percentage of inoperative vehicles to the total fleet stood at 28 per cent in the year 1967-68, as against Maharashtra's 13 per cent, Mysore's 15.9 per cent and Kerala's 8.6 per cent. A review undertaken by Audit in the middle of 1964 has revealed that there was at that time a total number of 272 vehicles under



repair for a period ranging from four months to three years or more. This being brought to the notice of the Department, it was said that in none of the workshops adequate facilities are available for expeditious repair to vehicles under repair. All the workshops suffer for want of proper working space, artisans and materials. Since the inception of this Department in 1949, proper attention to Engineering Section was not paid and with the increase in the fleet of vehicles the lay-off period of a disabled vehicles has also started increasing. The accumulation started visibly increasing from 1956 and proper attention to increase the capacities of workshops was not given". In view of this frank admission of the Department the Committee strongly recommends that the organisation do give proper attention to the Engineering Section and do provide proper working space and adequate number of artisans and proper materials, so that instead of waiting there may be performance.

The Government had stated in June 1970 that as a remedial measure for removing the difficulties and avoiding delay in repair of vehicles in the State Transport Workshop, the following steps were being taken by the Deputy Director, Finance, and the Chief Executive Officer, Assam Road Transport Corporation, Shillong.

- “(i) Undertaking periodic inspection by the Chief Automobile Engineer to assess the progress of repair of vehicles with a view to minimising the delay in repairs.
- (ii) Reviewing the capacity and floor space of workshops by reference to repair work in hand and wherever necessary proposal for increasing the strength of staff.”

The Committee would like to have a report within six months from presentation of this report to the House on the following points—

- (a) What is the present position of the inoperative vehicles? How many vehicles are lying idle and how long for defective body engine or want of tyres, etc.? How it compares with the total fleet strength (in items of percentage)?
- (b) Have the workshops now been provided with adequate facilities for expeditious repairs?
- (c) Has the revenue earning from the vehicles registered any substantial increase after the remedial measures were taken by the Department to avoid delay in repairing of the vehicles and, if so, what is the average rate of earning per day per vehicle of various type.
- (d) What is the periodicity of inspection by the Chief Automobile Engineer in respect of vehicles requiring repairs?



**Grant No. 74 at page 109—Capital outlay on Road and Water Supply Schemes—A—Road Transport**

11.28. The expenditure under the grant exceeded the provision by Rs. 12,261 (expenditure Rs. 67,01,839 provision Rs. 66,89,578).

The Committee asked why adequate supplementary grant or an advance from the contingency fund was not obtained to cover the expenditure ?

**RECOMMENDATIONS**

11.29. In view of the excess being rather small and in view of the explanation given, it is recommended that the excess be regularised.

**REVENUE DEPARTMENT**

12.1. **General**—The budget estimates and actuals of receipts and expenditure under the major head Land Revenue during the two years under review were as follows—

Receipt			Expenditure		
Budget Estimates	Actuals		Budget Estimates	Actuals	
(In lakhs of Rupees)			(In lakhs of Rupees)		
1967-68	582.98	521.27	1967-68	148.83	155.37
			S. D.	6.54	
1968-69	617.96	504.19	1968-69	174.66	174.68
			S. D.	0.02	
					137.88
					158.16

It would be seen that there were shortfalls in actual recovery against the estimated receipts in both the years whereas there was increase in actual expenditure in 1968-69 over that of 1967-68. There was also shortfall in actual recovery in 1968-69 over that of 1967-68 ; the revenue declined by about 3.4 per cent resulting in a fall of net revenue under the head.

12.2. When asked for reasons for shortfall the Secretary, Revenue gave the following reasons for shortfall in actual collection in 1968-69 over that of 1967-68. The Secretary said that on account of the reasons stated below the revenue collection was far less than that of the previous year—

- (1) Estimates of Receipts and expenditure were modified sometime without consulting the Revenue Department.
- (2) Royalty to crude oil/minerals was included in the receipt figures over which the Department had no control.



- (3) There was suspension for collection of revenue during the years under reference due to heavy floods in the State.
- (4) Revenue year starts from July whereas the Budget years is from April due to which correct picture can not be shown.

The Secretary, Revenue read out the circular issued in connection with suspension of collection of revenue and gave the total collection of land revenue for the years under review—

(i) During 1967-68	...	...	Rs.2.28 crores
(ii) During 1968-69	...	...	Rs.2.22 „

Asked as to whether the shortfall in collection was due to large collections remaining in the hands of Mauzadars, the Secretary said that he would furnish a detailed statement later on showing amount defalcated, amount realised and action taken against the Mauzadars.

12.3. The Committee further asked whether the collection records of Mauzadars were being inspected regularly to rule out possibility of retention of unauthorised money by the Mauzadars ?

12.4. The Secretary, Revenue replied in the affirmative and said that though as a rule Sub-Deputy Collectors had to carry on inspection of Mauzas twice a year, regular inspections could not be done due to dearth of officers.

12.5. Asked whether the Department was in a position to realise the arrears by Tahsil system, the Secretary, Revenue said that problems were so intricate that realisation of arrears could not be done effectively. He gave the following figures of year-wise land revenue collection—

					Rs.
1966-67	...	...	...	...	2.17 crores
1967-68	...	...	...	...	2.28 „
1968-69	...	...	...	...	2.22 „
1969-70	...	...	...	...	2.85 „

On being pointed out by the Accountant General that the figures given by the Secretary was not identical with those maintained by him in his office the Secretary, Revenue was asked to send monthly statements to the Accountant General regularly to which he agreed to comply.



12.6. The Secretary, Revenue further gave the following year-wise figures of arrear demand and current demands of land revenue and local rates for four years preceding the year under review—

Current Demand				Arrear Demand
1966-67	2.53 crores	...	...	3.91 crores
1967-68	2.65 „	...	...	4.20 „
1968-69	2.69 „	...	...	4.61 „
1969-70	2.79 „	...	...	5.13 „

12.7. The Secretary of the Department further explained to the Committee that Mauzadars are now a days allowed to keep in hand Rs.2,000 out of the collected revenue and that revenue Fisheries are under the Veterinary Department. This has been transferred to the Veterinary Department some years back.

Next, the Committee asked—

12.8. Is there any scheme regarding “preparation of tenants” and “Adhiars record of rights”? If so, when was it taken up and when was it envisaged to be completed? What is the progress of complitation now and what is the expenditure so far incurred *vis-a-vis* its approved outlay?

12.9. The Secretary, Revenue replied that they have such a scheme— This scheme was taken up from the beginning of the third Plan. They have taken up such schemes in many districts for a record of rights. They are again having a plan for recording record of rights of tenants and Adhiars in Goalpara, a part of Cachar District as well as in Kamrup and Sibsagar Districts. They have passed the revised Tenancy Act.

12.10. On enquiry as to the approved outlay in the plan budget the Secretary, Revenue informed the Committee that in the 4th Plan, the total amount is Rs.121 lakhs for four schemes under Revenue Department. With regard to consolidation the Secretary told that they have started in the Kamrup District. Since they have no viable irrigation schemes it was not found useful to spend their energy in this respect. About the settlement of landless labourers the Secretary of the Department informed the Committee that settlement of landless labourers are being processed.

## RECOMMENDATIONS

12.11. The Committee asked the Department to give a note reconciling the accounts as shown in the Budget and Finance Accounts. The Secretary informed the Committee that it would take a long time to collect treasury chalans and he will have to ask D. Cs and S. D. Os for it. The Accountant General however pointed out that it should not take much time because monthly budget figures are there. The Secretary assured the Committee that he will give April to March figure. This report should be submitted to the Committee within three months of presentation of this report to the House.



**Paragraph 2(b) at page 3 of Audit Report, 1970—**

12.12. The para indicates that amount of rupees 5.55 crores being "Land Revenue and Local rates" was awaiting realisation at the end of March, 1969.

Asked about the reasons for heavy outstanding the Secretary of the Revenue Department explained to the Committee that during the two years much progress in realisation has been made and they have been able to bring the arrear figure down. They are also taking some measures for further realisation.

**RECOMMENDATIONS**

12.13. The Committee recommends that some extra-ordinary measures should be taken by the Department to make the realisation up-to-date. A report showing measures taken, year-wise break up of the arrears and recoveries thereof and cases of recovery waived if any during the last five years should be sent to the Committee with three months of the presentation of this report.

**Paragraph 5 (c) at pages 7-8 of Audit Report 1970:—Arrears in recovery of loans**

12.14. The paragraph brings out the position of arrears in the recovery of loans at the end of March, 1969. In regard to "Advances to Cultivators" the amount overdue for recovery is Rs 3,23.00 lakhs.

12.15. The Secretary, Revenue explained to the committee that there are small loans given to the cultivators. These are broadly two kinds of loans, one is rehabilitation loan and the other is seed/cattle loan. It is of no use to pursue the cases of loans below Rs.50.

**RECOMMENDATIONS**

12.16. The Committee was sorry to observe during detailed discussions with the Department that these loans are not issued in time for which the cultivators are burdened with the loan but their purposes for which the loan was wanted are not served. The Committee recommends the Government to issue these loans in future in just time or not issue at all.

**Paragraph 5(d) at page 9 of Audit Report 1970—Acceptance of Balances**

12.17. The sub-para indicates that the Departmental officers administering the loans and advances had not communicated the acceptance of balances. Outstanding for recovery in their jurisdiction. In regard to "Advances to Cultivators" and "loans to land-holders and other notabilities" which are administered by Revenue Department, 25 Nos. and 16 Nos. of acceptances, involving Rs.826.58 lakhs and Rs.23.44 lakhs were awaited from the Department at the end of March, 1969.



The Committee examined the Department on the point and asked the Secretary, Revenue the following questions one by one—

(i) What could be the reasons for not communicating acceptance of balances by the Departmental officers? Are not proper records for the purpose maintained by the department ?

(ii) Is it not a lapse on the part of the Departmental Officers ?

12.18. The Secretary, Revenue replied that the respective Deputy Commissioners and Subdivisional Officers keep control over this. They are dealing with these matters and are responsible for this.

### RECOMMENDATIONS

12.19. If it is a lapse on the part of the Departmental Officers namely the D. Cs and S D. Os who are responsible for acceptance of balances it is also a lapse on the part of the department who could see that the respective officers do their job dutifully. In this case the department should reconcile the differences if any between the balances as per records of the Accountant General's office with these of department and communicate acceptance early.

#### **Paragraph 5(e) at page 10 of Audit Report 1970—Proof of Disbursement of loans**

12.20. In respect of loans drawn on abstract contingent bills the disbursing officers are required to submit to audit detailed bills showing names of payees and amount paid to it within the month following the month of drawal of money from treasury. The audit para indicates that 196 numbers of detailed bills involving Rs.63.37 lakhs in respect of drawals on account of "Advances to Cultivators" upto 1965-66 were not furnished to audit till 31st March, 1969. In absence of the detailed bills proof of disbursement of loans cannot be verified in audit and expenditure remains unaudited for long. Non-submission of detailed bills in time may also lead to fraud, defalcation, etc., remaining undetected.

12.21 When asked whether the Commissioner has no control over the Secretary, Revenue explained to the Committee that the Commissioner is the countersigning authority. The Accountant General clarified the matter saying that department need to get the information. The Secretary thereafter told the Committee that the department get only a six months statement. He however assured the Committee to insist upon respective D. Cs and S. D. Os to meet the Audit Objections of the period concerned immediately.

### RECOMMENDATIONS

12.22. When the Board of Revenue Bill was discussed in the Assembly it was stated at that time that this Board of Revenue will act on behalf of the Government as some sorts of Revenue Tribunal but now it has got no administrative works to do. Now, Commissioner is the symbolic Head of the Board of Revenue.



In this case the Committee recommends that the department will do well to verify individual cases of disbursement of loans to satisfy themselves and furnish detailed bills to audit so that any fraud or defalcation in this connection if any come to light or do not remain undetected.

**Para 9 at pages 16-17 of Audit Report 1970—Non-receipt of utilisation certificates.**

12.23. The paragraph indicates that 65 (Revenue General 64 ; Revenue Reforms 1) numbers of utilisation certificates involving an amount of Rs.4.64 lakhs in respect of grants issued by the department upto 1968-69 were not furnished to audit upto September, 1970.

12.24. The Secretary of the department explained the position saying that actually in regard to revenue loan cases it is very easy to provide utilisation certificates. All the grants are spent by respective D. Cs and S. D. Os. These grants are spent on emergency relief to the people. This is very simple proposition. It goes under Head "64—Famine Relief".

### RECOMMENDATIONS

12.25. The Department will do well to take appropriate steps to obtain the utilisation certificates numbering 65 from the respective D. C./S. D. Os concerned and furnish the same to audit. The department shall report to the Committee of the steps so taken by them intimating the position within three months of the presentation of this report to the House.

**Para 21 at pages 32-34 of the Audit Report, 1970—Arrears in recovery of loans and non-maintenance of proper records.**

12.26. The paragraph brings out the position of outstanding loans and non-maintenance of proper loan accounts by the Deputy Commissioner, Nowgong. The paragraph further indicates the position of outstanding loans pertaining to the office of the Subdivisional Officer, Jowai at the end of September, 1968 as disclosed on a test check of the account of the S. D. O. conducted in October, 1968.

12.27. The following is the explanation given by the Secretary, Revenue. He read out a telegram, dated 3rd February, 1970. The content was that the records of loan have since been maintained by D. C., Nowgong. The department is also receiving assistance from Government of India regarding expenditure on flood relief. Some part of the expenditure is reimbursed by Government of India. Sometime Government of India give assistance in respect of seeds in the form of loans not in the form of grants. This also varies from time to time. Government of India change their terms. Assistance will be given by Government of India in terms of the comprehensive statement of loss of natural calamities like floods and erosion, the number of people affected, etc. given by us. Then Government of India send a team. They come generally after the floods and the department take them round to the affected places. For houses affected by flood/erosion the department give house building/repair grants.



## RECOMMENDATIONS

12.28. There is a very disusal picture, because the total number due for recovery according to S. D. C. was 88,31 thousand and interest 12,48 thousands. Out of this recovery as on 31st March, 1969 totalled to 46,682. Out of one crore not even half a lakh is recovered.

The point is therefore recovery. This lapse is mainly due to non-maintenance of proper loan records. In the absence of complete records it is not possible to keep a watch over the disbursement and realisation of loans.

The department should furnish the following to the Committee within three months of the presentation of this report to the House:—

- (i) a detailed district-wise statement showing the amount of principal and interest an account of cattle loan due for recovery and that actually recovered upto 31st March 1972.
- (ii) Actual position in details of outstanding rehabilitation loans and cattle loans pertaining to the office of the Subdivisional Officer Jowai.

**Paragraph 46 at pages 47-48 of Audit Report, 1970 —  
Arrears of land revenue.**

12.29. (a) According to information furnished by Government the arrears in collection of land revenue and local rates in seven plain districts of the State at the end of June, 1968 were Rs.4,54,39 lakhs. District-wise details of the arrears are shown below—

District	Arrears on 30th June, 1968	
	On current account	On arrear account
	( In lakhs of rupees )	
Lakhimpur ... ..	17.54	56.68
Darrang ... ..	12.96	19.06
Sibsagar ... ..	23.15	24.91
Nowgong ... ..	25.02	45.63
Kamrup ... ..	47.79	90.61
Goalpara ... ..	20.51	51.23
Cachar ... ..	6.72	12.58
Total ... ..	1,53.69	3,00.70

Total arrear—4,54.49



(b) According to Rules, Mauzadars are required to remit to the treasury at least once a month the whole of the land revenue and local rates when there are any collection and the Deputy Commissioner or the Sub-divisional Officers are required to inspect and verify the records of collection and remittance at least once in six months. A test audit of the accounts of four subdivisions conducted during May to August, 1969 disclosed that mauzadars did not remit the receipts regularly in time and, in contravention of rules retained with them heavy balances. Departmental inspections of the accounts of the mauzadars was also not done regularly. Accumulation of heavy cash balances with the mauzadars led to the following misappropriations which are stated to be under departmental investigation:—

Subdivision	No. of cases	Amount	Remarks
( In lakhs of rupees )			
Nowgong	13	1.47	Rs.0.40 lakhs have since been realised and one Mauzadar was dismissed from service and another Mauzadar placed under suspension.
Dibrugarh	13	3.96	12 cases appeared in Audit Report, 1968, para 64; only Rs.1.12 lakhs stand recovered so far.

When the Committee asked about the present position of arrear in collection of revenue in respect of plain districts mentioned in the audit paras the Secretary, Revenue gave the following informations to the Committee—

- (1) There were 13 cases of misappropriation in Nowgong district. An amount of Rs.1 46,813.65 has been misappropriated by the Ex-Nazir and his staff of the D. C.'s Office, Nowgong. Amount realised from mauzadars through Bakijai cases is Rs.56,360 and the amount deposited by mauzadars on good faith with Nazir is Rs.90,453.65.
- (2) Revenue Department is concerned with the recovery of Rs.17,300 in respect of Gormbat mauza and of Rs.73,153.65 in respect of Marigaon mauza. Mauzadar of Marigaon appealed before the High Court against the Bakijai proceedings. High Court gave verdict that no amount could be realised from the mauzadar by resorting to sales proceedings. Government have instructed the D. C. to file civil suits against these two mauzadars for recovery.
- (3) Regarding recovery of Rs.56,360 the amount will have to be recovered if at all from the Ex-Nazir and his staff. For, this amount cannot be realised from the mauzadars concerned.



## (4) Mongaldoi Subdivision—

- (i) *Rangamati*.—Amount defalcated is Rs.7,843. Amount realised is Rs.4,710. Regarding recovery departmental proceedings have been started.
- (ii) *Sepajhar*.—Amount defalcated is Rs.56,121. No amount was realised. Mauzadar was suspended on 3rd November 1969. Regarding recovery, land sale cases have been started.
- (iii) *Pub-Dalgaon*.—Amount defalcated is Rs.19,740. The mauzadar reduced the cash to the admissible limit of Rs.2,000. The case is treated as finalised.
- (iv) *Sialmari*.—Amount defalcated is Rs.16,564. The mauzadar was dismissed on 6th March 1967. The amount has been recovered.

## (5) Dibrugarh Subdivision.—

Altogether 12 cases have been taken up.

- (i) *Khowang*.—Balance to be realised is Rs.21,786. Mauzadar was convicted in the Lower Court but on appeal he was acquitted. Since then he absconded. His whereabouts is not known. He has no immovable property nor any bank account.
- (ii) *Jaipur*.—Amount still to be recovered is Rs.20,379. He has security deposit of Rs.1,000. Mauzadar was dismissed. Result of the original cases is still awaited. Deputy Commissioner, proceeded against surety property. There is an appeal before the High Court. Sale proceedings are stayed. Cash security of the mauzadar has been adjusted.
- (iii) *Sisi*.—Amount was recovered in full. Mauzadar was dismissed in 1962. Later on he expired and the criminal case was dropped.
- (iv) *Dhemaji*.—Entire amount was realised.
- (v) *Bogdung*.—Here two Sarbarakhar defalcated revenue. Amount defalcated (1) Rs.56,918 and (2) Rs.16,777. Amount recovered Rs.49,401. Balance to be recovered is Rs.24,294. The amount is to be paid by Shri M. K. Barua. He is paying instalments regularly.
- (vi) *Moderkhat*.—Amount to be realised is Rs.22,480. A Sarbarakhar defalcated this amount. He was allowed to execute a bond to pay us the balance on annual instalment. He agreed to pay Rs.5,000 as the first instalment within 31st December 1971 and other annual instalment at Rs.2,500. Deputy Commissioner was instructed to realise the dues.



(vii) *Jamira*.—Amount was realised in full. A criminal case is pending against him.

(viii) *Dibrugarh Town*.—Amount defalcated was Rs.37,914. Entire amount was realised. Deputy Commissioner withdrew suspension order and relieved him from the post on request.

(ix) *Rahmaria*.—Amount defalcated is Rs.56,951. Amount realised is Rs.19,640. Amount still to be realised is Rs.37,301. Mauzadar was suspended and departmental proceedings drawn up. Criminal proceedings are under police investigation. For recovery land sale proceedings are in progress.

(x) *Tipling*.—Amount to be realised is Rs.10,752. Mauzadar is under suspension. Land sale proceedings are in progress.

(xi) *Lengeri*.—The whole amount has been recovered. Deputy Commissioner withdrew suspension order. Mauzadar was relieved from the post on request.

### RECOMMENDATIONS

12-30. Lack of regular departmental inspections of the accounts of the mauzadars was also a factor encouraging misappropriation by the mauzadars. The Committee therefore recommends that there should be regular inspection of mouzas by the D.Cs and S. D. Os and the Government in the Revenue Department be very particular about this in future. Every step should also be taken to realise the balance amount yet to be realised (Rs. 2, 64, 674. 54). A progress report showing realisation should be furnished to the Committee within six months of the presentation of this report to the House.

#### Para 51 at pages 51-53 of Audit Report, 1970—Outstanding loans.

12-31. The paragraph brings out the position of outstanding loans which were over due for recovery at the end of March, 1968. The details are given below—

Class of loans	Principal	Interest	Total
	(In lakhs of rupees)		
1. Land improvement loan	0.04	0.03	0.07
2. Cattle loan	12.11	0.65	1.76
3. Rehabilitation loan (Natural calamity.)	5.29	0.55	5.84



In January, 1970 Government intimated that during 1966 to 1969 there was no appreciable progress of recovery of loans due to natural calamities viz, flood, drought, etc.

The committee wanted the Department to answer the following questions—

- (1) What is the present position of outstanding (Principal and interest) due for recovery?
- (2) Does the Department propose to take any special steps for realisation of those outstanding?
- (3) Have any of those been written off?
- (4) Did the Department obtain adequate surety before disbursing the loans to cultivators and others?

12:32. The Secretary, Revenue gave the following information in reply to the above questions.

12:33 The Department have realised a part of loan as agricultural loan. Out of the total rehabilitation loan Rs. 2.28 Lakhs was recovered in the whole State. As regards land improvement and cattle loans are concerned realisation is very poor. No policy decision has yet been taken to write off the loan. Loans below Rs. 5000 are sanctioned on personal surety.

12:34. The Committee further wanted to know whether there are cases of remission of loans?

12:35 The Secretary, Revenue replied that no such policy decision is taken but Government is thinking in that line.

### RECOMMENDATIONS

12:36. The Committee feels that Government should think before giving any financial assistance that more deserving people are actually benefitted.

#### **Para 69 and 70 at pages 72—75 of Audit Report, 1970—Outstanding Audit Objections and Inspection Reports—**

12:37. The paragraph bring out the position of outstanding audit objections and inspection report for the year upto 1968—69; remaining unsettled on 30th September 1969.

12:38. **Para—69 outstanding audit objections—**The irregularities and defects noticed in audit are reported to the departmental authorities. Half-Yearly reports of outstanding audit objections are forwarded to the heads of department for taking necessary steps to expedite their settlement. The Public Accounts Committee has also been repeatedly stressing the need for quick disposal of the objections.



12.39. The amounts held under objection for want of detailed contingent bills represent advances drawn on abstract contingent bills for which detailed accounts have not been submitted. The detailed contingent bills, containing full particulars of expenditure incurred with supporting documents and receipts, countersigned by the controlling authority are required to be furnished to Audit in the month of drawal of the accounts. Delay in furnishing the detailed bills means that the expenditure remains unaudited for long. Non-submission of detailed bills in time may also result in fraud, defalcation, etc. remaining undetected.

12.40. **Para 70-outstanding inspection reports.**—Important irregularities and defects in the accounts noticed during local audit and inspection are included in inspection reports which are sent to departmental officers and heads of departments and also to Government, where necessary. The points raised in the reports should be settled expeditiously as possible if the object of the inspections is to be achieved. Half-yearly statements of outstanding inspection reports pending with the departments are also furnished of the administrative departments for their prompt settlement.

12.41. Government has allowed fifteen days (one month in case of public works department) for disposal of inspection reports by departmental officers. The replies to the inspection reports, however, are not received in time. Delay in settlement of the objections means the continuance of the irregularities brought to notice.

#### RECOMMENDATIONS

12.42. The Department should take drastic steps for the settlement of the outstanding Audit Objections and inspections reports upto 1965-66 immediately. Vigorous steps also should be taken to dispose the audit objections and inspection reports for the years from 1966-67 upto 1968-69 remaining unsettled on 30th September 1969.

#### APPROPRIATION ACCOUNTS 1968-69

##### **Grant No. 2 at page 12-13—Land Revenue—**

12.43. The grant closed with a saving of Rs. 14.39 lakhs of which Rs. 10.69 lakhs occurred under F-Survey, settlement and Record Operation F (b)—settlement Operation and was due to lesser appointment of staff owing to late starting of settlement operation in Darrang District.

12.44. The Committee asked the department as to what were the reasons of late starting of this schedule. The Secretary, Revenue replied that certain formalities had to be followed. Settlement operation is very complicated. We have dearth of qualified persons. It is for these reasons that the settlement operations could not be started at the beginning of the year.

12.45. Asked as to why the entire saving could not be surrendered—and only a part was surrendered the Secretary said that it was actually surrendered although not within the prescribed time.



## RECOMMENDATIONS

12.46. The department should watch the expenditure with more care towards the end of the year so that surrender statement is given correctly and that within the time limit

**Grant No. 62 at page 98—other miscellaneous compensations and Assignments—**

12.47. The grant closed with a saving of Rs. 0.51 lakh but the department surrendered in March, 1969 Rs. 3.34 lakhs resulting in excess over the reduced provisions. This indicated defective budgetary control and non-watching the flow of expenditure.

The Committee asked the department as to how they could surrender more than the saving. The Secretary, Revenue replied that the grant relates to religious acquisition. Many offices have drawn the money, but they did not intimate.

## RECOMMENDATIONS

12.48. The Committee therefore recommends that there should be stricter budgetary control in future.

**Grant No.66 at page 100— Compensation to land holders, etc.**

12.49. The grant closed with a saving of Rs.2.46 lakhs but the department surrendered only Rs.1.84 lakhs.

## RECOMMENDATIONS

12.50. The department ought to have surrendered the whole amount of Rs.2.46 lakhs and not only Rs.1.84 lakhs. This is an indication of defective budgeting which the department should avoid in future.

## SUPPLY DEPARTMENT

**Finance Accounts 1968-69—pages 93 and 94**

13.1. Progressive capital expenditure on purchase of foodgrains and capital receipts upto 1968-69 were as follows under the grain supply scheme.

**1. Grain supply scheme—**

Capital cost of procurements Rs.176.59 crores.

Less sale proceeds realised Rs.170.84 crores.

Net capital expenditure Rs.5.75 crores.

13.2. The Committee wanted to know whether the net capital expenditure really represent the value of stocks in hand and does not include any losses.



13.3. The Secretary, Supply replied that it is a loss. At the end of the year the stock position can be found out.

In this connection, the committee also is informed that the accounts are being reconstructed and when asked whether that reconstruction has been completed the Secretary, Supply informed that reconstruction has not yet been completed.

The Committee then asked whether the pending bills of the Assam Road Transport Corporation have been paid? If not, whether these have been included in the bill? Is not it true that the Mizo supplies are carried by the Road Transport?

13.4. The Secretary, replied that very often the Deputy Commissioner, Mizo Hills get it done by contractors.

13.5. The Committee being not satisfied with this reply pressed the matter further and went on asking what is the amount, if any, due to the Assam Road Transport Corporation on account of Mizo Supply? Whether the accounts have been prepared and included in the bill?

Then the Secretary Supply again replied that it may be that the vehicles were purchased by the Deputy Commissioner, Mizo Hills.

## RECOMMENDATIONS

13.6. The Committee observed that the Deputy Commissioner, Mizo Hills may have some vehicles but they were not sufficient. The committee finds that quite a huge amount of foodstuff had to be carried by the hired vehicles. It is therefore hoped that if the figure is not readily available, with the Supply Department they may collect the exact figure from the State Road Transport Corporation and report to the Committee within six months of the presentation of this report to the House about the exact position of reconstruction of the accounts.

### 2. Standard cloth scheme—

	Rs.
Gross expenditure ... ..	4,94,36,566.
<i>Deduct—Receipts and Recoveries and Capital Account</i> 5,08,05,305.	
Net expenditure ... ..	13,68,799.

### Scheme for purchase and distribution of cloth and yarn—

	Rs.
Gross expenditure ... ..	3,92,23,875.
<i>Deduct—Receipts and recoveries on Capital Account</i> 3,89,64,584.	
Net expenditure ... ..	2,59,291



13-7. Thus pages 93 and 94 of the Finance Accounts 1968-69 reveal that the net expenditure upto 1968-69 under the 'Standard cloth Scheme' and 'Scheme for purchase and distribution of cloth and yarn were Rs. (—) 13,68,799 and Rs.2,59,291 respectively.

The Committee wanted to know as to when were these schemes abandoned.

The Secretary, Supply explained that these schemes were abandoned long ago.

### RECOMMENDATIONS

13-8. The Department should report to the committee within six months of the presentation of this report to the House on the following points—

1. The year in which these schemes were abandoned caused to be in actual operation
2. Steps taken by Government so far towards closing these accounts.
3. The accounts of Textile Trading scheme defunct in June 1949) whether finally closed? If so when?

### APPROPRIATION ACCOUNTS 1968-69

#### Grant No.76 at pages 111-113

13-9. In this grant the committee finds two distinct trends. One is less procurement of wheat and the other is excess expenditure. The excess expenditure was, of course met by re-appropriation.

When some saving was clearly visible, why there was excess of Rs.2-79 lakhs? Why the surrender was not made earlier so as to help the other Departments?

13-10. The Secretary, Supply explained to the committee that one difficulty is that when orders are placed with the suppliers it is not known when the supplier will be made and when the bills will be placed. But it is always the expectation of the Department that the bills will be coming very soon. Sometimes the bills are submitted very promptly and a condition attached to it that if the payments are not made on a specific period, a certain percentage of interest will be charged on it.

13-11. The Committee then asked: from their side, they take precaution, but why the Government do not impose penalty for not timely supplying the goods.

13-12. The reply from the Secretary supply was that their excuse is that the transport was not available. This transport bottleneck is an all India feature. In the last Chief Minister Conference Punjab raised this question that they were not getting sufficient transport for despatch of their surplus wheat.



## RECOMMENDATIONS

13.13. The Committee strongly urge the Government to impress upon the other Eastern Region states to move in a co-ordinated manner for removal and easing of the transport bottleneck so that not only the receiving State but also, the Supplying State as well get the benefit of timely supply of commodities required so urgently in this area.

**Public Works Department (Road and Buildings) Audit  
Report 1970**

**Paragraph 30 at pages 38-39 of Audit Report 1970 :—Surplus  
materials.**

14.1. Against supply order placed by the Chief Engineer in 1965-66 and 1966-67 the National Highway Division, Dibrugarh received during 1965-66 to 1967-68 1,01,308 bags of cement and 495 tonnes of mild steel rods. In addition, the Division received in December, 1966 twentyone tonnes of mild steel rods from Gauhati Division. The value of the cement and the rods received was Rs.9.33 lakhs. Of those 48,475 bags of cement were transferred to other divisions during October, 1966 to January, 1968, (4,475 bags of cement were transferred to other divisions during October, 1966 to January, 1968, 4,410 bags being transferred to North Trunk Road Division, North Lakhimpur, in January 1968 alone. Besides, of 444 tonnes of mild steel rods considered surplus 263 tonnes were transferred to that division in January, 1968. These transfers entailed expenditure of Rs.0.37 lakh on transport.

The case was reported to Government in June, 1968 ; reply is awaited (January, 1970).

Subsequently, it was stated by Government that initially the materials were indented for certain works and due to their non-arrival in time these were procured from other division and subsequently when these actually arrived these became surplus.

14.2. The Committee in this connection wanted to know (1) what were the reasons for non-arrival of materials in time (2) did the Department place indent for materials in all cases after the estimates of the works were sanctioned ? If not, why ? (3) How the requirements of materials for these works were assessed ?

14.3. The Secretary informed the Committee about various difficulties with regard to availability of wagons, etc., and stated that Trade Adviser in Calcutta dealt these things, and the Trade Adviser himself found lot of difficulties. This matter was taken up with the Chief Minister who perhaps would take it up with the Railway Ministry.

In this connection the Committee however finds that a conference was held at Shillong where the Secretary was an invitee. Railway was a participant in this conference. The Committee therefore fail to understand why the Public Works Department did not take the opportunity of such an



important conference. The Committee is therefore constrained to observe that the Public Works Department did not take any keen interest. The Department did not fight for its requirements. It was always difficult to get things from the centre competing the priorities. So the Public Works Department should have taken the opportunity of such conference in the State capital itself.

### RECOMMENDATIONS

14.4. It appears to the Committee that indents were submitted more on conjectures than on actual finding of facts and requirements and therefore this sort of variation in the requirement and surplus of deficit takes place.

#### **Paragraph 31 at page 39 of Audit Report 1970 :—Non-recovery of service taxes.**

14.5. According to rules, service taxes on buildings occupied as residences are payable by the occupants but Government may under certain conditions pay those taxes initially subject to recovery from the occupants. The rules further requires that an annual return should be submitted to the head of the Department by the first of May each year showing the amount paid by Government and the amount recovered from the occupants. Records of the Jorhat Division and the Estate Officer, Public Works Department, Shillong, however showed that Rs.0.38 lakh (Jorhat Division: Rs.0.24 lakh : Estate Officer: Rs.0.14 lakh) paid initially by Government remained unrecovered in April, 1969, the oldest item dating back to 1958.

For Jorhat Division Government stated in May, 1969 that the Executive Engineer had been instructed to pursue vigorously the outstanding cases and that the question of modification of the existing practice was under consideration.

It was stated by Government in March, 1970 that the Estate Officer, Shillong had reported to have received an amount of Rs.0.12 lakh on account of these outstandings.

14.6. The Committee wanted to know—

- (1) Why these payments by Government were not realised in time and were being allowed to fall in arrears?
- (2) Who was responsible for not preferring the re-imbursement claim in time? Can you assure that all these are realisable now?
- (3) Has the rule been modified, as contemplated?

The Secretary explained that everybody is not defaulter. Some of the officers have paid the service taxes of Jorhat division?

### RECOMMENDATIONS

14.7. From the statement it is found that everybody is a defaulter. The point is that Government has made payment of Rs.20 thousand. The amount is to be realised from the officers who occupied the quarters. The question does not arise mainly for Jorhat division alone but for other divisions also.



The Committee is concerned about the non-recovery of service taxes already paid by the Government and recommends that the Government do recover that without further delay. This amount is for Jorhat division. But the Committee would like to know the position of other divisions as well. A report about position of recovery of Jorhat division as well as other divisions should therefore reach the committee within six months of the presentation of this report to the House.

**Paragraph 34 at pages 40-41 of Audit Report, 1970—Stock Registers and stock verification.**

14.8. The registers of stock in Public Works Divisions (or construction Department following Public Works procedure of accounting) are required to be closed at the end of September each year and reviewed by the Divisional Officer to ensure that stock consists of serviceable and necessary articles and that stores are priced within the prevailing market rates. The stock is also required to be verified periodically by responsible officers.

Out of ninety-one divisions, stock registers of forty-two divisions had not been closed (October, 1966) for the year ending September, 1968. In thirteen divisions, the registers had not been closed for three to six years.

Delay in closing the stock register and stock verification frustrates the purpose of exercising effective check over stock at hand and guarding against pilferage, etc.

14.9. The Committee asked whether the stock accounts in all divisions have since been brought up-to-date? If not what action have been taken by Department to bring the accounts up-to-date and what is the position now? What is the present position physical verification of stock in the P. W. Divisions?

14.10. The Secretary informed the Committee that the Department have issued a circular on 19th May 1971 that they should clear up all these things by December, 1971.

### RECOMMENDATIONS

14.11. The Department will kindly report to the Committee the result of the said circular and also follow action. Sometimes the Secretary sends letters but they remain in file for years together. The report should reach the Committee within six months of presentation of this report to the House.

**Paragraph 35 at page 41 of Audit Report 1970—Excessive stock**

14.12. The rules require that the value of stores held in stock should not exceed the limit specified by Government. The value of stock held at the end of March 1969 exceeding the ceiling limits as shown below —

Public Works Department (Roads and Buildings) Wings)	Number of divisions for which ceiling limit has been prescribed.	Number of divisions in which stock held exceeded the limit.	Extent of excess	Percentage which the excess bear to the limit.
	56	4	5.92 lakhs	20



14.13. The Committee wanted to know: What were the reasons for such excess? Was not the ceiling fixed in keeping with the actual requirement of the divisions?

Have the excesses since been regularised by revising the limit or otherwise?

In view of this, excess is going up to 20 per cent. The ceiling fixed is too low. The Department is very liberal in fixing the ceiling, Why?

The Secretary replied that the Department have asked all the divisions to explain.

Asked whether there is any basis of fixing the ceiling of requirement of divisions the Secretary, P. W. D. (R. & B.) explained that this is fixed as per demand of the divisions. Government is very much short of cement. Practically some of the works are held up for want of cement.

Asked whether Assam Cement is in full production, what is their daily production the Secretary informed the Committee that it is in full production. It is about 250 tons per day.

Asked what is the Assam's share the Secretary replied that it is about 75 per cent.

When asked whether after creation of Meghalaya Assam Cement is with Assam and whether there is freedom of sale in the free market the Secretary replied that Assam Cement is within Assam Government. The Regional Controller of Cement makes the allotment, so the question of free sale does not arise.

#### **Paragraph 37 at page 42 of Audit Report, 1970.—Loss of Stores**

14.14. In the Tezpur (Road and Building) Division the balances in stock held by the section officer in-charge of Dhekiajuli section for the year ending September 1966 and September 1967 were certified to have been checked by the Subdivisional officer and executive Engineer. At the time of his Transfer the Section Officer submitted (20th July 1968) a supplementary returns of stock (cement, joists timber and mild steel flats) for Rs.6.14 lakhs purported to have been issued during September 1966, December 1966, April, 1967 and August, 1967 to some works, a contractor and to another section. The stores shown as issued through those subsequent supplementary returns formed part of the book balance of stock in the section at the time of verification by the supervising officers but no discrepancies were then recorded by them. Proof of issue of the stock shown in the supplementary returns could not be made available to Audit nor have the issues been adjusted in the accounts of the division.

This was reported to Government in July, 1969; final reply is awaited (January, 1970).

14.15. No reply to the audit para has been furnished by Government. In reply to the inspection report on the basis of which the above para was processed it was stated by Government only in July 1971 that on physical verification and scrutiny of records it has been found that excep



the materials (value Rs.2872 37) shown to have been issued by the section officer for repair work to bridge No.5/2 on Doom Doma Borsola road as per supplementary stock returns, all materials shown to have been issued by the section officer were actually issued and accounted for by the recipients.

14-16 The Committee wanted to know that when there were actually discrepancy in the stock held by the sectional officer, why they could not be detected either by the S. D. O. or by the S. O.

The Secretary replied that after it was physically verified and the defects are found, immediately the Department had written to the Sectional Officer for recovery of the amount of Rs.2872.

### RECOMMENDATIONS

14-17. When a subsequent verification was made the Audit found a discrepancy of an amount of Rs 2872, both the S. D. O. and the sectional officer did not make physical verification.

The Committee recommends, in such cases, responsibility should be fixed and those who are required to make proper supervisions, if they prove to lacking in supervision and control they should be properly dealt with. If the responsible gazetted officers of the Government commit such irregularities and if the responsibility is not fixed, the disease will spread.

In this case also, the responsibility should be fixed and the person/persons responsible should be dealt with adequately and reported to the Committee within six months of presentation of this report to the House.

#### **Paragraph 33 at page 42 of Audit Report 1970—Shortage of Stores.**

Physical verification in the Ghilamara Subdivisional stores for the year ended September, 1967, conducted in December, 1967, January and April, 1968, disclosed shortage of stores worth Rs.0.22 lakh. This was reported by the Subdivisional Officer to the Executive Engineer in April, 1968. In June, 1969 the Divisional Officer stated that the shortages pertained even prior to 1964 and that the matter was under examination.

The case was reported to Government in January, 1969 ; reply is awaited (January, 1970).

It was intimated by the Chief Engineer in February 1970 that the net shortage stood at Rs.0.12 lakh at that time after reconciliation of some discrepancies as reported by the Executive Engineer.

The Committee wanted to know—

(1) Whether the physical verification of stores as required under rules was done every year since 1964 ? If so, why the discrepancies could not be detected and action thereon initiated earlier ?



(2) What was the nature of discrepancy that was noticed subsequently and how was the loss brought down to Rs.0.12 lakh? Was it by adjustment of excess against shortage? If so, is it permissible under rules?

(3) What is the position of the remaining amount of shortage of stores? Has the Department investigated the matter and fixed responsibility for the shortage?

The Secretary replied that, before, physical verification was not made. With regard to the balance of Rs.0.12 lakh the Department is writing to the Executive Engineer to know the position. But the Department is not getting report from the Executive Engineer. The Department will recover this amount from the Officer responsible.

### RECOMMENDATIONS

14.19. The Committee finds that the Government has not yet been able to reconcile the sum of the discrepancy of about Rs.12 thousand and the details with regard to the reconcile of about Rs.10 thousand are also lacking. In the opinion of the Committee the Department should further investigate into the matter and fix responsibility for the shortage, if any.

#### **Paragraph 39 at page 42 of Audit Report 1970—Shortage and loss of stores**

14.20. Physical verification of stores in subdivision No.II of Dibrugarh National High Way division conducted in April, 1968 disclosed shortage of cement valued at Rs.0.20 lakh. Besides, 366 bags of cement worth Rs.0.03 lakh were found caked. In July 1968 further shortage of steel and other material worth Rs.0.11 lakh also came to light.

The Committee remarked that this is the chronic disease and asked the following—

- (1) Why no reply to the audit para was furnished?
- (2) Have the losses and shortages since been investigated?

If so, what are the results of investigation?

The Secretary replied that the replies have been sent. Dibrugarh National High Way division has been asked to reconcile the amount with a copy to the A. G.

### RECOMMENDATIONS

14.21. The Department should report to the Committee the results of investigation within six months of the presentation of this report to the House.

#### **Paragraph 40 at page 43 of Audit Report 1970**

14.22. Nine heavy machines (value Rs.4.92 lakhs) were procured by Mechanical (Roads and Buildings) Division, Gauhati during December, 1965 to August, 1968 on behalf of public works divisions. Of course, three were despatched to other divisions between October, 1966 and March, 1968 and one in January, 1969. The remaining five machines purchased in



December, 1965 to August, 1968 (one December 1965 ; three May, 1968 ; one August 1968) worth Rs.2.79 lakhs have not yet been despatched (December, 1969).

It was reported by the Executive Engineer in January, 1970 that out of the remaining five machines, three were distributed in February 1969 (purchased in May 1968), one was not sent to destination as the Executive Engineer, Mawsynram did not send the driver and handyman to take delivery of the same and the remaining one had not been allotted by the Chief Engineer (purchased in August, 1968). The reasons for delay in distribution of three machines (purchased in May, 1968) were stated to be non-availability of railway wagons.

14.23. The committee wanted to know why these machines were initially purchased by the Mechanical (Roads and Buildings) Division, Gauhati? What are the terms and conditions of purchasing these machines? Whether these were purchased according to requirement or in anticipation of requirement?

14.24. The Secretary replied that sometimes they purchase according to requirement also:

14.25. Asked whether in this case these were purchased according to requirement or in anticipation the Secretary explained that mostly these were purchased in anticipation. Sometimes the Department face great difficulty to procure them. But in this case, out of 9 roller machines they have already issued 8 and the remaining are also was issued in 1970, but that remained defective and remained with the Mechanical Division. That one is only outstanding and that also being defective.

14.26. Asked whether the drivers and attendants were appointed then and there when these were purchased the Secretary explained that it is sent to the worksite and then they are appointed.

14.27. Asked whether the division sent any indent for such machines and whether any required specifications are given by the Executive Engineer and Secretary explained that sometimes they send indent but according to indent the Department cannot purchase, or sometimes according to requirement it is not possible to purchase. Some machines were purchased according to priority also.

14.28. The Committee wanted to know in particular whether these machines were purchased as indented which information the Secretary could not give and said that in this particular case he cannot say.

## RECOMMENDATIONS

14.29. The Committee is particularly interested to know whether these machines were purchased in anticipation. The Department should find out the fact position and report the facts to the Committee. This report should reach the Committee within three months of presentation of this report to the House.



**Paragraphs 69 and 70 at pages 72-75 of Audit Report 1970 —  
Outstanding Audit Objections and Inspection Reports**

14-30. The paragraphs indicate the position of outstanding audit objections and inspection reports for the year upto 1968-69 but remaining unsettled on 30th September, 1969. The position in respect of P. W. D. (R&B) is detailed below—

Year	Non-submission of D. C. G. bills, vouchers, sub-vouchers, papers, receipts, stamped acknowledgements and other documents		Other reasons		Total	
	Item No.	Amount (in lakhs)	Item No.	Amount (in lakhs)	Item No.	Amount (in lakhs)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1952-53	2	0.03	...	...	2	0.03
1953-54	15	0.04	..	...	15	0.04
1954-55	17	0.25	..	...	17	0.25
1955-56	97	4.36	...	...	97	4.36
1956-57	117	12.80	...	...	117	12.80
1957-58	298	14.45	...	..	298	14.45
1958-59	335	18.10	...	...	335	18.10
1959-60	452	19.73	...	...	452	19.73
1960-61	559	13.66	...	...	559	13.66
1961-62	745	11.21	..	...	746	11.21
1962-63	2014	44.92	1	0.01	2015	44.93
1963-64	2365	115.80	2	0.01	2367	115.81
1964-65	2491	68.69	...	...	2491	68.68
1965-66	3017	91.12	1	...	3018	91.12
1966-67	4137	128.43	33	19.75	4171	148.18
1967-68	5234	127.54	52	0.47	5286	128.01
1968-69	5314	106.97	82	2.10	5397	109.08
	27210	778.10	171	22.34	27383	800.45



### Outstanding inspection reports

Year of report	Number of outstanding	
	Reports	Paras
1959-60	2	2
1960-61	1	2
1961-62	2	3
1962-63	26	123
1963-64	33	125
1964-65	54	269
1965-66	72	463
1966-67	83	521
1967-68	85	421
1968-69	85	544
	443	2473

14.31. The Committee asked—

- (1) What are the reasons for delay in settlement of the outstanding objection and reports? What is the present position of the outstanding?
- (2) What concrete steps have been taken by the Department for the settlement of outstanding objections and report particularly relating to the period upto 1965-66.

The Secretary wanted to explain that the figures of A. G. cannot be accepted as correct. Lots of improvements have since been made.

The Committee held that in regard to the outstanding objections and reports the A. G. had given the figures of outstanding upto 1968-69 and the Department is to state the position as it obtained these and not mix up the whole thing with the current figures.

### RECOMMENDATIONS

14.32. The Committee finds and remarked that both with regard to the outstanding objections and the inspection reports there had been almost no improvement at all. More than 420 reports are outstanding involving 2000 paragraphs and the progress is not at all satisfactory. The Department should depute some one to A. G.'s office to have these things reconciled.



# Assam Government Construction Corporation Ltd.,

14-33. It would be seen from the annexure at pages 70-71 of the Audit Report 1970 that the Assam Government Construction Corporation Ltd., suffered a loss of Rs.3 07 lakhs during 1968-69.

The Committee wanted to know—

- (1) Have you investigated the causes of this loss and if so can you specify the particular contracts which suffered these losses? Were the tendered rates in these cases unusually low and unworkable? Does it not undertake government works always at 8 per cent or 10 per cent above the Schedule of rates if so, was the loss due to lapse or fault of any official?
- (2) Can you state the return on investments so far made by Government on this company? Is it commensurate with the normal return of a similar company in the private sector? If not, have you investigated into the reasons for not being able to achieve what a private entrepreneur can achieve?

14-34 At the very outset the Committee wanted to know from the Chairman, Assam Government Construction Corporation who appeared before the Committee for giving evidence that the A. G. C. C. so to say, is our State counterpart of the National Building Construction Corporation of the Government of India, is not it?

The Chairman, A. G. C. C. said that it is in the similar line.

14-35. The Committee again asked that probably, the privileges, responsibilities, rights and duties of these two are also practically similar?

The Chairman, A. G. C. C. replied in the affirmative.

The Committee observed that the Committee on Public undertakings of the Lok Sabha in March 1965 have given the following recommendations with regard to the National Building Construction Corporation Limited., New Delhi which is, by and large, the All India counterpart of our Assam Government Construction Corporation Limited—

“It is shown here that the Corporation has not only so far depended on negotiated and cost *plus* basis work but the firm also desires to be allotted works without competitive tenders. It is surprising that the Corporation should try to sustain itself on negotiated works which is contrary to the original intention. Such a practice is also a deviation from the system of calling competitive tenders for works which



is contrary to the original intention. Such a practice is also a deviation from the system of calling competitive tenders for works which is commonly involved works at negotiated rates and on cost *plus* basis would leave no incentive to the corporation to economise on this expenditure and to improve its efficiency. Further, this practice, if followed by the Ministry, central public works Department would also expose them to the charge of according preferential treatment and awarding works on at higher rates to the Corporation. The Committee, therefore, urge that the Corporation should observe the normal procedure of securing works through open tender. Towards that end it should develop its competitive strength and efficiency".

14-36. Now, the Committee should come to know from the Department whether Assam Government Construction Corporation awarded works on the basis of competitive tenders ?

14-37. The Chairman, A. G. C. C. replied that some of these on competitive tenders and some on negotiated rates, by negotiation.

14-38. The Committee asked about the works in hand of the corporation at present, how many of the works are given on open tender, viz., competitive tenders and how many on the basis of negotiation ?

14-39. The Chairman, A. G. C. C. informed the Committee that more than 50 per cent is by tender.

14-40. Asked about the total number of works with value which were given on negotiation and which were given on competitive tenders the Chairman, A. G. C. C. submitted a list of 49 nos. of works with the estimated value in each case which were given by negotiation. The total estimated value of these works came to Rs.3,14,59,000. He further explained that some of the works the corporation has done itself and some of them are given by negotiation, partly by sub-contract. No definite rules are there in regard to the offering the contracts by negotiation or to be completed by sub contract. However, most of the works are performed by the A. G. C. C. themselves.

At this stage the Committee observed that the Finance Department of the Government of Assam with a view to helping the Assam Government Construction Corporation inserted the following as a new rule No.15 to the Assam Financial Rules (2nd Edition 39 at pages 215-217 Appendix VIII):

"15. Notwithstanding anything contained in the above rules and in Audit Annexure 'A' to the Appendix, rates of Departments construction of buildings and such other roads, bridges and culverts, etc., as are not under the control of the P. W. D. are competent to entrust such works to the Assam Government Construction Corporation Limited irrespective of the estimated cost of works. They shall also be competent to entrust the work on contract basis to the said corporation by negotiation without calling for tenders. In the case of work entrusted to the Corporation, they shall



also be competent to entrust the work on contract basis to the said Corporation by negotiation without calling for tenders. In case of work entrusted to the Corporation they shall also be competent to accord administrative approval if the Finance and estimates prepared by the Corporation are on the basis of current schedules of rates of the P. W. D. Division within the jurisdiction of which the work is undertaken with reasonable variations which the nature of the work and with the special circumstances prevailing may call for and to exempt the corporation from furnishing security deposit".

This was issued on 4th October 1967 and took effect from that date. Two notes were appended to this rule. They are as follows—

"*Note (1) Negotiation*—Negotiation meant the allotment of works by the competent authority of the Department to A. G. C. C. at the rates included in the detailed estimate offered by the A. G. C. C. on the basis of the current schedule of rates of the P. W. D. Division with necessary variation including overhead charges as assessed by the A. G. C. C.

(2) *Mode of payment*—After allotment of the work and execution of deed of contract 90 per cent of the value of work executed from the financial year may be paid by the Department with the A. G. C. C. and final payment made after the completion certificate from the A. G. C. C. is obtained".

14.41. Asked what was the object of setting up the corporation the Financial Commissioner explained that the object of setting up the corporation was—first, to ensure performance on quality basis, secondly, it was also to reduce the expenditure on the P. W. D. works; Thirdly its objective was to assure that the profits from these works go to the State Government. As the Government is also the share-holders, so the profits go to the Government. These were the three objectives. When the Corporation was set up, after sometime it was found that the corporation was suffering from certain handicaps for which certain modifications in the procedure were necessary and certain concessions and modifications were agreed to by the cabinet and necessary amendment were made in the financial rules. The Financial Commissioner thought that the idea was that till the Corporation stood on its own legs and makes an impact in bringing down the rates and improving the quality of works executed in the State some of these concessions would remain and the matter might be reviewed subsequently. Uptill now that review has not been done. The Financial Commissioner however, thought that now or after a year or so this review will be done on the basis of the performances of the Corporation—how far the objectives have been achieved by the Corporation by these concessions and whether any changes are necessary.

It was therefore difficult to say at this stage whether the objectives in setting up the corporation have been actually fulfilled as the answer would depend on the review of its performances. It may be in certain cases the rates of the Corporation were higher than what would be obtained by competitive tenders but the corporation's performance should be assessed from an over-all point of view keeping in mind the objectives for which it was set up, viz., a reliable agency which would ensure quality. That is why a review is necessary and the review should be done not on the basis of individual schemes but on the basis of its over-all performances and its impact.



14.42. The Committee asked the Chairman, Assam Government construction Corporation to answer categorically whether the directions contained in these notices (*i.e.* Note 1 and note 2) have been followed or not followed or partly followed and partly not followed. Whether contracts have been given on the current schedule of rates of the P. W. D. in all cases or in some cases it has been exceeded. Then with regard to the mode of payment, whether after the work has been executed, then only for the part executed 90% has been paid or as soon as the work has been allotted and very little has been done, advance payments have been made. That is to say, whether the Corporation has been financed by the authority which gave the contract?

14.43. The Chairman, A. G. C. C. replied that the Corporation is getting advances from various Departments and the P. W. D. depending on the nature of works.

The Financial Commissioner made the question clear to the Chairman, A. G. C. C. that the Finance Department under the orders of the cabinet laid down a certain procedure and that should be invariably followed. If there is any variation, the Corporation has to come through the Administrative Department to Finance for relaxation of the procedure. The Finance Department would then consider whether any relaxation should be made. The Committee wants to know whether this general procedure has been followed by the various Departments or there had been relaxations and exceptions and whether the exceptions had been the rule.

The Chairman, A. G. C. C. replied that generally this procedure has been followed. There has been no exceptions so far.

14.44. The Accountant General here remarked that the Corporation was getting advances from all the Departments and it was not adhering to the P. W. D. current schedule of rates and in the negotiated rates it was getting premium. The A. G. in this connection mentioned about the Gauhati Medical College.

14.45. The Chairman, A. G. C. C. said that so far as the Gauhati Medical College was concerned, the estimates were prepared by the Architects appointed by the Health Department. They had their own schedule of rates and according to that they advertised. He did not know whether the architects' schedule was based on the current schedule of P. W. D. or not. The Chairman, however, admitted that for the administrative building of the Gauhati Medical College the Corporation was given rates 11½ per cent above that schedule and for hospital building 22½ per cent above.

14.46. Asked now exactly the architects' schedule of rates compares with that of P. W. D. the Chairman, Assam Government construction Corporation replied that they do not know.

The Committee then asked the Finance Department or the P. W. D. to help the Committee with the required information.



14.47. The Financial Commissioner explained that about construction of the Medical College at Gauhati, the Health Department in consultation with the Finance Department are reviewing the whole arrangement and they are going into it in Department and a decision will be taken soon. As regards the Schedule of rate, it appears to me that the architects prepared the Schedules on the basis of specifications which were different from the specification in the case of Public Works Department. Due to that there was variations between the Public Works Department Schedule and the schedule prepared by the architects.

14.48. The Accountant General here pointed out that there were some common items, like earthwork of a particular kind, for which the prevailing rates in the locality should hold good. Apart from the shop-hasticated specifications of some buildings, for which, of course, there can be different schedule of rates, for other common works the current schedule of Public Works Department should apply. The Finance Secretary also agreed that for certain items of work the Accountant General's point was valid.

Asked when was the work actually allotted the Chairman, A. G. C. C. replied that the Hospital building was allotted in the month of March, 1968.

The Financial Commissioner at this stage suggested that it would be more profitable to discuss this matter when the administrative Department, viz., Health Department is examined.

14.49. The Committee also agreed to keep these matters relating to the Gauhati and Silchar Medical Colleges pending till Health Department is examined.

14.50. Asked what is the number of works completed and the value of the works completed the Chairman A. G. C. C., informed the committee that the total number of works completed is 64 out of 105. The total estimated value is Rs.3,62,17,000. Final bills for some have not been paid. So, the corporation is not in a position to say what is the actual value and the total profit earned or total loss incurred on these completed works.

14.51. The Committee finds that according to the report of the corporation, as on 31st March 1970, the total loss sustained by the corporation come to Rs.10,72,328.98. The capital of the corporation was Rs.40 lakhs. So, within the period of six years, the corporation has already eaten up one-fourth of its share capital. In this connection the Committee asked whether they have qualified engineers at the helm of the corporation?

14.52. The Chairman, Assam Government construction corporation informed the Committee that there are quite a number of experienced engineers at the helm of affairs, but a number of them are in fact migratory.

14.53. The Committee then remarked that so far as the observations and recommendations of the Committee are concerned, they will be given after the construction works of the Medical Colleges at Gauhati and Silchar are assessed.



# APPROPRIATION ACCOUNTS 1967-68 AND 1968-69

**Grant No.46 at pages 77-83 Note 2 at page 77 of Appropriation Accounts 1967-68 Public Works (Excluding Tools and Plant and Establishment)**

14-54. The expenditure exceeded the noted grant by Rs.4,80,39,497 which requires regularisation. During 1966-67 also the voted grant closed with excess of Rs.92.69 lakhs. In spite of the excess the department surrendered in March 1968, an amount of Rs.92,81,212.

## The Committee wanted to know—

(1) What was the basis on which the amount of Rs.92.81 lakhs was surrendered at the close of the financial year?

(2) Why the excess expenditure was not covered by obtaining adequate supplementary grant or an advance from the contingency fund?

Here the Committee finds the expenditure exceeds the voted amount by Rs.4,80,497. It is all on a sudden due to some natural calamity or due to extraordinary circumstances. In the previous year (1966-67), this Department has spent Rs.92.69 lakhs in excess. This shows the Department was lacking in supervision and control over expenditure in the heads of divisions and subdivisions. So, the Committee would like to know what was the basis on which an amount of Rs.92.81 lakhs was surrendered at the close of the financial year?

14-55. The Secretary explained that actually the demand was given by the Executive Engineers. The Department sanctioned the amount. But due to some unforeseen circumstances, the whole allotted money could not be spent. A portion was spent and the balance was surrendered.

14-56. Asked what amount was meant to be spent and what amount could not be spent the Secretary replied that the figure was not available at the moment. This however relates to the border roads in Mizo Hills. Due to disturbance in Mizo Hills, the amount could not be spent.

Asked why this scheme was taken during the period of disturbance the Secretary explained that actually, the scheme was taken up before the disturbance, but sanction of money was a bit late and it came up after the disturbance. So, the whole allotted money could not be spent.

## Note 5 serial 6 at page 79.—

14-57. There occurred a total excess of Rs.61.50 lakhs under C—Stock and other suspense accounts—General and Sixth Schedule Areas. According to Budget, recoveries under suspense were to be shown in two parts, one within the grant (*viz.*, under the sub-head 'stock') and other outside the grant. The divisional officers did not exhibit the figures separately in the monthly accounts nor could the department make available the break up. Consequently the entire recoveries were booked outside the grant resulting in the above excess.



The Committee wanted to know—

- (1) Why the recoveries under suspense were not exhibited in the monthly accounts separately by the divisional officers.
- (2) Why the break up of the figures could not be made available to audit ?

**Note 6 serial 3 at page 80.—**

14-58. In this connection the Committee wanted to know.—

- (i) Were the contractors required to complete the works within the financial year as per terms of their contract ? If so, did the department take any action against them for their failure to complete the works within the prescribed period ?
- (ii) What were the reasons for non-finalisation of land acquisition cases ?
- (iii) What are the reasons for the saving of Rs.46.24 lakhs ?

**Note 7 at pages 81-82—Subvention from Central road fund.—**

14-59. The account of subvention from the central road fund closed with minus balance of Rs.11.79 lakhs at the close of 1967-68 (Rs.11.43 lakhs at the close of 1968-69 *vide* page 76 of Appropriation Accounts 1968-69). The minus balance was due to non-allotment of funds by the Government of India to the extent of actual expenditure.

14-60. The Committee wanted to know the steps taken for more allotment of funds by the Government of India on the basis of actual expenditure.

14-61. The Secretary, P.W.D. (R&B) failed to give any clear-cut answer to these questions. The Committee was greatly annoyed and dissatisfied for not getting any convincing replies to any of the questions.

**Note 8 at pages 82-83 of appropriation Accounts 1967-68 and Note 10 at pages 77-78 of the Appropriation Accounts 1968-69 suspense Accounts.**

14-62. (i) **Stock**—The closing balance under the suspense head stock shows a debit balance of Rs.236.15 lakhs at the close of 1967-68 and Rs.225.05 lakhs at the close of 1968-69 indicating the book value of materials held in stock of different divisions.

The Committee wanted to know.

What is the value of such stores ? Are the stores in good and serviceable condition ?



14.63. The Secretary replied that the position will be known after verification because some materials of the stores are still unadjustable. The Department have issued a circular to all the divisions on 11th February 1971 in this connection.

14.64. The financial commissioner added that all these should be cleared up by December, 1971 has been fixed. Some of the returns have been received but compilation is not possible unless the returns from other divisions are received.

14.65. The Financial Commissioner also added that about the procedure in the P. W. D. Code all provisions are not applied there to pull up this in some cases of old divisions. Some of the accounts were lost.

(ii) **Purchases**—The closing balance under the suspense head 'purchases' shows a debit balance of Rs.(—) 388-48 lakhs to the end of 1967-68 and Rs.(—) 313.20 lakhs to the end of 1968-69 representing the value of materials received but not paid for or adjusted by the divisions. Of the outstanding balance of Rs.314.20 lakhs the year-wise breakup of Rs.2,21.44 lakhs could not be worked out owing to non-receipt of necessary schedule from the public works divisions.

The Committee wanted to know—

(i) Why complete schedule in respect of outstanding balance could not be furnished by the Divisions to Accountant General? What according to the department is their present position of submission of the same to the A. G.?

(ii) What steps have been taken for clearance of the outstanding balance and what is present position?

14.66. The Financial Commissioner replied that in this case payment has been made in the last two years.

Asked whether they can complete the schedule of this the Financial Commissioner replied they are now being worked out.

14.67. Asked what steps have been taken for clearance of the outstanding balance and what is the present position the Financial Commissioner explained that actually from the side of the finance they have given the deadline that all should be cleared up by December, 1971.

At this stage the Secretary, P. W. D. (R & B) informed the Committee that the Finance Minister suggested that there should be additional staff for this purpose.

14.68. The Committee however observed that after all it is the duty of the Executive Engineer of the Division. The Committee could not understand why the Finance Minister suggested in this way when the question is not that there were some works of collections requiring some one to move about and collect. These are accumulated works. In spite of Finance Minister's suggestion the Committee do not desire it. Instead of additional staff the Department may engage a good officer with a good remuneration for this particular job.



When the Committee was informed that only four cases are regularised so far they observed that once the Department have started moving in this respect things will improve.

### (iii) Miscellaneous Public Works Advances—

This is the most important head in public works accounts where stores sold on credit, expenditure incurred or deposit works in excess of deposit received losses of cash or stores and other recoverable payments made are initially debited to watch clearance over recoveries. To the end of 1967-68 and 1968-69 the account showed a debit balance of Rs.1,79.95 lakhs and Rs.1,86.28 lakhs respectively. Out of the outstanding balance of Rs.186.28 lakhs the year-wise break up of Rs.1,48.74 lakhs could not be worked out owing to non-receipt of schedules from the P. W. Divisions and consequently the balance could not be analysed.

This is in committee's view is a very important head. So they asked what is the present position of the outstanding amount and what steps have been taken for its clearance ?

The Secretary, P. W. D. (R. & B) replied that they have started realisation of the outstanding amount.

The Committee remarked that it is good that movement for realisation has been started.

**Grant No.47 at pages 84-86 of Appropriation Accounts 1967-68 and Grant No.47 at pages 79-81 of Appropriation Accounts 1968-69—**

**NOTE—2 at page 84 of Appropriation Accounts 1967-68.**

14.69. The expenditure exceeded the voted grant and charged appropriation by Rs.44,30,954 and Rs.9,242 respectively.

**NOTE—2 at page 79 of Appropriation Accounts 1968-69.**

The expenditure exceeded the voted grant and charged appropriation by Rs.45,76,110 and Rs.1,437 respectively. The voted grant closed with excess for the fifth year in succession and the charged appropriation for the second year in succession.

The Committee wanted to know—

14.70. Why the Department failed to make adequate provisions to cover up the excess. When it is a regular feature why the Department could not take note from the previous experience. Here, for the last four years there are excess expenditure, why the Department could not make provision, or was it that, as usual, provision was made and finance did not check, what is it ?

14.71. The Chief Engineer replied that staff were sanctioned



some were transferred to development schemes and some new posts were created. There is another expenditure of near about 8 lakhs in unavoidable expenditures for contingencies.

14.72. The Committee observed that Travelling Allowance is not contingency. It has separate head. There was a strict circular from the Finance Department to the effect that no Department should make any expenditure without prior approval from Finance Department under contingencies, there are some detailed head like telephone charges etc. The Secretary should come fully posted with facts and fully briefed. The reasons given to the A. G. is a little different. If it is for Dearness Allowance let it be for Dearness Allowance if it is for Travelling Allowance let it be for Travelling Allowance without knowing the heads properly how can the Department function anyway, we leave this for a cooler moment.

**Note 4 serial 8 and 3 at page 85 Appropriation Accounts 1967-68  
at note 3 serial 3 at page 80 of Appropriation Accounts 1968-69**

14.73. The excesses of Rs. 26.73 lakhs and Rs. 17.64 lakhs under the group head "Tools and Plants" during 1967-68 and 1968-69 were attributed to payment of bills for supply of tools and plants unexpectedly received towards the close of the year.

The Committee wanted to know what these tools were and when the orders were placed. This was, of course, for supplying of tools and plants unexpectedly received towards the close of the year. The Department will please let the Committee know when the order for tools and plants were placed and what these tools were?

14.74 The Chief Engineer explained that this item was actually a general. The Department placed the order but they could not supply.

14.75 Asked if the Department had no money, there was an instruction from the Finance Department to obtain their permission. This same explanation was given for 1967-68 and for 1968-69. It is not an explanation at all. The Department is to see what are the appropriation. The Committee cannot depend on something, actual expenditure may be less, for purchasing tools and plants. The Chief Engineer explained that sometime, the Department purchase some tools in advances because when one scheme is sanctioned that may continue for some year. Consequently when the Department spend one crore that one crore may not be proportionately for that year.

The Accountant General suggested that for taking new tools and plant the Department should balance it.

14.76. Asked whether any sophisticated tools were purchased in both years the Chief Engineer replied that the Department have got certain amount for purchasing these from the lumpsum provision from the budget. There are plants something like rollers.

14.77. The Committee made it clear to the Department that they should not try to escape by trick. They are to give some satisfactory explanation as to why a revenue expenditure having excess in the capital outlay, why the Department is making saving every year. Why the Department is giving less importance to the capital?

14.78. The Chief Engineer explained that there the Department have some difficulties. The question of land acquisition is involved.

When the Committee observed that if this is a chronic feature, it is not necessary that land requisition position should be completed the Chief Engineer informed the Committee that at that time the present procedure did not exist.



14.79. The Committee again observed that land acquisition is not the only question, there are others, non-finalisation, failure of the contractor to complete the work in time, dearth of materials etc. The Department should have been more alert about all these things.

The Chief Engineer inform the Committee that so far as Government of India schemes are concerned, the State Government are to get sanction from the Government of India.

14.80. Asked how can the Department say that when design have not been finalised, land acquisition has not been completed. If contractors are not there and materials not available, why this budget provision ?

The Chief Engineer replied that this was made in anticipation.

14.81. The Committee again observed that anticipation is there when there is something objective. Now, this being a recurring feature the Department have had to surrender. Therefore, something drastic have to be done in this. In future the Committee hope that the Department will give equal importance to the Capital side also.

The Chief Engineer informed the Committee that at present the Department is finding difficulties for shortage of money.

14.82 The Committee then took up this matter including economy cut and began with an observation that immediately after independence there are many countries in the world Who are eager to help India, may be for their own interest. Government of India is also rather stringy in lack of funds. In this connection, every Department comes and say that certain schemes which are drawn up and which are put in the Budget memorandum as important schemes to be taken up, they had to be given up or some schemes have to be left or partly done. Inspite of the fact that the Legislation has provided for specific amount in the important schemes, there were a general economic cut of 10 per cent or something like that and thereby failing to fulfil the direction of the Legislature. It is reported by different Departments that due to this they are to face some difficulties. There are some schemes which are sanctioned and funds are also provided. What were the circumstances that led the Finance Department to make such a cut of 10 per cent ? Where is the moral and legal authority to do ?

14.83 In reply the Financial Commissioner explained that there are plan and non-plan budget. With regard to plan the Finance Department frame the budget with the quantum of central assistance available and also with the various resources of the State. So, one source is the central assistance and the other is the availability of money by additional taxation measure and also by floating loans by the State Government. The Commissioner further explained that the actual quantum of the financial assistance is sometimes finalised by the Planning Commission and by subsequent discussion at the Ministers level, and that also happened sometime in December, when the budget estimates are prepared before it. There is the question of time lag. The Commissioner pointed out that even though the discussion is held in November or in December the Finance Department get it much after a month by January or February. This is precisely the difficulty with regard to plan.



14-84. With regard to Non-plan, in this year there was a circular from the Government of India to the effect that there should be economy, economy should be exercised in regard to the non-plan expenditure and in course of that suggestion of the Government of India the matter was considered by the Cabinet and they decided on certain economic cut in regard to the non-plan budget expenditure and these were communicated to various Departments.

14-85. As regards the legal and constitutional position it is more or less a cause of short-fall in expenditure in a particular segment or a particular section of the budget, that is to say, in regard to the non-plan budget. Now, these things take place not only in Assam, but in other States of India also. In this connection, the Financial Commissioner referred to Article 202 of the Constitution of India which satisfy the procedure in regard to the Financial matters. He further said that there is provision in the Constitution regarding regularisation of the excess expenditure. But as regards short-fall in expenditure there is no provision. In this connection, the Financial Commissioner read out an extract of the Finance Minister's budget speech which was subsequently appended by the Minister. The speech was made in 1967-68 where by Government decided to effect economic cut, and this was subsequently brought to the notice of the Legislature also.

Due to the necessity of economy and all that the Finance Department have exercised economic cut and this was also reported to the Legislature. He then stressed that it is a problem which is faced by all the Legislatures and State Governments all over the country.

#### RECOMMENDATION

14-86. The Committee in consultation with the Comptroller and Auditor General of India and the Ministry of Law and Justice are also inclined to agree to the view that it should be within the competence of the Executive to reduce the amount subsequently, if necessary, after the Legislature has granted them since an indication of the modified requirements is also available in the revised estimate along with the Budget Estimate of the ensuing year which are also made available to Legislature. The Committee, however, urge the Government to see the practical side of this economy cut and recommend that in doing so important and useful schemes necessary for the well being of the weaker section of the community are not pruned as a result of this cut but economy is achieved only on economising or postponing things that are of subsidiary character.



## PART II

Recommendations, Remarks, Observations, etc., on the Audit Report, 1970, Appropriation Accounts, 1968-69 and Finance Accounts, 1968-69

**Power (Electricity) Mines and Minerals Department**

Serial No.	Reference	Recommendations
(1)	(2)	(3)
1	Paragraph 54 at pages 54-55 of the Audit Report, 1970.	<p>In the line of Central Government or rather following the principle of Central Government for public undertakings all the Senior Officers should be given one year option period but once option is taken, he should serve for at least three years.</p> <p>The Committee was not happy with the two year inter-state arrangement because what is going to be the policy of the Government of Assam is not known to the Government itself.</p> <p>The Committee, therefore, recommends that they should take a final decision on this issue to settle the matter once for all.</p>
2	Paragraph 54(c) at page 54 of the Audit Report, 1970.	<p>The Committee, was rather glad to see that the transmission loss has come down to 16 per cent in 1968-69 as compared to 23 per cent in 1967-68 and 21 per cent in 1966-67 but at the same time it cannot be ruled out that there is no scope for further reduction by few percentages more. The Committee therefore hopes that the Board will be able to bring down this loss at least to the level of other States like Mysore (15.26 per cent) and Maharashtra (13.4 per cent).</p>
3	Paragraph 54(f) at page 57 of the Audit Report, 1970.	<p>The Committee was convinced that this was essentially promotional project and it was taken up by the Board at the instance of the Government. As there is no dearth of money in the Tribal Areas Department the Government should give directions and bills should be routed to make the resources available from that Department.</p>
4	Paragraph 54(h) and (j) at page 57 of the Audit Report, 1970.	<p>Final decision including details of misappropriation and recovery and result of departmental actions in each of these 13 units should be reported to the Committee within six months of the presentation of this report to the House.</p>



Serial No. (1)	Reference (2)	Recommendations (3)
5	Paragraph 55 at page 57 of the Audit Report, 1970.	The responsibility should be fixed on the person or persons for which the expenditure had to be incurred and appropriate action should be taken. Action taken should be reported to the Committee within 60 days from the date of presentation of this report to the House.
6	Paragraph 56 at page 58 of the Audit Report, 1970.	The Committee was glad that the cost has since been realised. The Department also should see that no such issue takes place in future contrary to rules.

#### Public Works (F. C. & I. Wing) Department

- 7 General ... (i) The Committee finds that balances of Jamuna Irrigation Division No.1—Rs.1,26,599, Jamuna Irrigation Division No.11—Rs.18,35,288 and Nowgong E. and D. also had Rs.24,388, when all these are summed up there will be a big amount. Whatever is outstanding now with regard to ATD and AIC of of transfers between P. W. Officers will be settled with the Accountant General by sending an assistant to the Accountant General's office within a period of 2 months.
- (ii) The Committee finds that this is a question of transfer between divisions. It is verified from the stock accounts. It is generally done by the invoices. They receive the invoices with the signature. Thus the matter of adjustment is very simple and P. W. deal with crores of cases. Some of these are delayed as long as 8 years, i.e., cases of 1963-64. This is an inordinate delay. At any rate the Department should settle the matter as early as possible by sending some assistant to the Accountant General's office for that purpose.
- (iii) The Secretary himself is not satisfied with regard to the accuracy of the reports submitted from the divisions. He wants to further verify and submit the information within a month if not earlier.
- (iv) This cash settlement should be quickly done, that is to say within 10 days. Why it was not done, explanation should be called for, and if any suggestion is there it should be given. Otherwise there will be no meaning of the cash settlement.



Serial No.	Reference	Recommendations
(1)	(2)	(3)
8	Paragraph 26 at pages 36-37 of the Audit Report, 1970.	<p>From the Audit Notes the Committee find that the Executive Engineer and the Superintending Engineer is in the dark about it. Revision of rate came from the Chief Engineer. In the original issue there was a specific term on the contract and that term is violated and modified. As a result of the modification the contractor came. The Department cannot give us any satisfactory explanation, why this particular contractor was rewarded.</p> <p>In March, 1965 the Chief Engineer entrusted construction of guide bunds, etc., in Jamuna Irrigation Division to a particular firm at the estimated cost of Rs.34.50 lakhs. The technical specifications attached to the agreement stipulated that possibility of crack in concrete work in hot whether should be counteracted by keeping short gaps between the compartments and then filling up the gaps in winter by providing contraction joints with copper and rubber seals and also dimension sheets as supersets. The agreed rate was to be regulated by clause 3. Twenty-eight of the technical specifications which <i>invariably</i> included "copper and rubber or asphalt seals in joints". In spite of this specific mention, the Chief Engineer on an alleged representation from the said firm modified the contract and leading to financial aid to the said contractors at the cost of the Government to the extent of Rs.3.61 lakhs. When Audit pointed out this irregularity, the Government in August 1968 replied that the original analysis of the rate for cement concrete work did not include the cost of copper plates and hence it was decided to bear that cost. This, in the opinion of the Committee, is unacceptable. The contract as entered into by the contractor outside the contractual obligation. It is not shown to the Committee that the Department considered it reasonable to make corresponding reduction of rate for other items of the work included in the technical specification arriving at a decision to bear the cost of copper plates. This, in the opinion of the Committee, illustrates how many of the top-controlling officers instead of advocating the interest of Government, in fact, jeopardised it giving suspicious benefits to contractors. There should be a close watch over such matters in future.</p>



Serial No.	Reference	Recommendations
(1)	(2)	(3)

9 Paragraph 27 at As early as in 1963, it was decided that in the right bank of the river Barak from Gaurigaram to Katigora, a dyke would be constructed as an urgent work. The estimated cost of the project was Rs.11.82 lakhs. The work started in early 1964, and the work started before finalisation of acquisition of the entire area of land required for construction of the dyke. However, phases of the dyke were constructed and by the end of August, 1965, 8.50 lakhs CM, that is, 72 per cent of the total estimated quantity of earth work was alleged to be done at a cost of Rs.7.48 lakhs. Gaps were left at places owing to non-finalisation of acquisition of land. It is alleged that by June, 1966, flood water damaged the constructed portion of the earth work and washed away 8.31 lakhs CM of earth work, worth of Rs.7.31 lakhs. In other words, more than 97 per cent of the earth work was alleged to be washed away, and this meant outright loss of Rs.7.31 lakhs. In addition to this, Rs.1.38 lakhs were also spent on protection of the remaining portion of the dyke. In other words, for earth work an amount of Rs.1.38 lakhs was spent. As the matter stands now, it is seen that even after a long 8 years, the dyke has not been completed. The average estimate of the same work for an amount of Rs.52 lakhs is said to be submitted to the Government though the original estimates thereof was only Rs.11.82 lakhs. The Departmental witness informed the Committee that a departmental enquiry was instituted against the officers responsible for this dismal state of affairs, and that the Inquiry Officer has submitted his report and it is under scrutiny of the Government. The Committee desires that the finding of the enquiry be intimated to it within three months from presentation of this report to the House with a detailed note intimating the latest position of the finding.

10 Paragraph 28 at Now the specific case under this paragraph shows that the Executive Engineer, Cachar, E. D. Division, entrusted a particular earth work to a particular Shramik Bahini at the schedule rate which was 1.30 P. per CM and the Bahini accepted it. Provisionally the work was allotted without inviting a



Serial No:

Reference

Recommendation

(1) (2)

(3)

tender. According to the provision of the Shramik Bahini Act, 1959, the Shramik Bahini get the allotted work without tender only at schedule rates. It is presumed that when the Executive Engineer allotted the work, he knew the work that is to say he knew the site, whether there could be head-load or lead and lift, etc. Whether any pit or channel was to be negotiated. It is also presumed that the Bahini which accepted the allotment and that too without protest also knew that it was. It was also agreed that the work would be completed within one month, i.e., within March, 1967. But strangely enough in April, 1967 on a representation from the Shramik Bahini the Executive Engineer revised the rates by raising it from 1.30 P. to Rs.3.40 P. per CM. This included extra lead or lift and other uniform rate for the entire work. The Shramik Bahini, however, even by September, 1967 could not complete the work. It could execute only 9499 CM on earth work out of 12492 CM entrusted to it. From the above the following conclusions may be drawn:—

- (1) The revision of the rate, i.e., raising it above the scheduled rate was done in violation of section 10 of sub-section 11 of Assam Shramik Bahini Act, 1959.
- (2) At the time when the work was entrusted originally the Executive Engineer acted as casually, i.e., did not know or care to know the actual physical position of the project. Otherwise, he could not have later on found out that there were negotiable pledge and indispensable leads and lifts. Though the matter was whatever pretty one, the Committee has held the necessity of noting it as an illustration of how works are allotted without proper scrutiny. The Committee recommends that the officers entrusted with the allotment of work should at the very first instance apprised themselves of the objective of the situation, instead of later on agreeing into drastic revision which are proved to raise suspicion. The appropriate authority may as and when necessity allot work, the value of which does not include things without calling for a tender at scheduled rate as on receipt of an application from the registered Shramik Bahini.



Serial No.	Reference	Recommendations
(1)	(2)	(3)
		(3) Such direct settlement could be given only at the scheduled rate. If the rate is above the scheduled rates then probably this settlement is not allowable under any other provision.
11	Paragraph 29 at page 38 of the Audit Report, 1970.	Whatever the explanation of the Department may be there was some defect in the design itself leading to defective work and resulting in extra expenditure which is nothing but wastage of public money. The wide variation in the rate for earth work in the first and second estimates is also another factor for this extra expenditure. The Committee therefore recommends that the Department should be stricter in exercising control over the officers in future should fix responsibility for such defective work and discourage laxity in supervision by the Departmental Officers. After all they are spending public money.
12	Paragraphs 35 at page 41 of the Audit Report, 1970.	The excess should be regularised by revising the limit or otherwise.
13	Paragraphs 69 and 70 at pages 72-75 of the Audit Report, 1970.	The Committee recommend that so far as the outstanding objections and Reports are concerned, that should be settled within the year 1971 covering the period at least for 1965-66. Those which are more than 5 years old should be settled.
14	Grant No. 44 at pages 65-71 of Appropriation Account, 1968-69.	These expenditures had to be made because all these very urgent expenditures which could not be avoided for public interest. Finance on being approached, suggested that it should be made from the savings. As there was no saving in the Department and at the same time the expenditure was unavoidable in view of the public interest involved the expenditure exceeded to the tune of Rs.1,56,17,871.
		While recommending the regularisation, the Committee is constrained to observe that this is the fourth consecutive years in which the Department has incurred excess expenditure. If there is no cry for halt to this irregularity which is alleged to be regularised at a later stage, the purpose of the budgetary control is bound to be defeated. The Committee, therefore, hope that the Department will be very careful in future to avoid the excess expenditure.



# INDUSTRIES (MAJOR AND COTTAGE INDUSTRIES) DEPARTMENT.

Serial No	Reference	Recommendations
(1)	(2)	(3)
15	Paragraph 18 at page 31 of the Audit Report, 1970.	The Committee finds that delay in the establishment of the Jorhat Industrial Estate was due to the fact that the Assam Government Construction Corporation to whom the works were entrusted with could not complete the work as expected. But the fault and responsibility lie with the Department itself for they deviated from the usual practice and departmental rules beyond the permissible limit of work costing more than Rs. 15,000. They obtained concurrence neither from the Finance nor from the Public Works Department in doing so. There should have been no difficulty in entrusting the work to Public Works Department instead taking up departmentally in violation to rules. Delay in establishment of the Industrial Estate is delay in industrialisation and the Department is only defeating the very purpose, i.e., industrialisation. The Committee, therefore recommends that the Government should take into consideration the time factor very seriously in future so the national cause as important as this one is more helped than jeopardised the traditional go slow method peculiar to the State of Assam should be abandoned. The Department should strive to instead to keep pace to march hand in hand with the other State of India. The Department should also send to the Committee a report showing the adjustment of the value of materials amounting to Rs. 1.41 lakhs.
16	Paragraph 19 at page 31 of the Audit Report, 1970.	Government of India in August 1962 approved construction of an industrial estate at Batabari (Sibsagar district) as no other suitable site was available. Earlier i.e., in March 1960, the State Government issued necessary sanction at an estimated cost of Rs. 4.83 lakhs. When the site was finally selected by Government of India considering all aspects including the view point of communication specially nearness to railways and power advantages and where State Government sanctioned estimates was there and specially when Rs. 0.27 lakhs was already spent there was absolutely no reason for the construction Engineer to report about the unsuitability



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of the site and the Assistant Director of Cottage Industries had no business to suggest any alternative site. These proposals and a counter proposals only brought about interruptions in the work and interfered with the progress resulting in delay in construction. The work is not only under execution till May 1969 when they have already spent Rs. 5.83 lakhs including Rs. 1.75 lakhs an improvement on the site (according to Audit report) but it is still incomplete till November 1971 according to the Departmental witness, i.e., even after spending few more lakhs as if the Department had no other business than to spend money without paying due regard for the completion of the work in time.

The Committee therefore recommends that Government should exercise stricter control over the Officers—pay more attention to the execution of work which should be the primary concern. After all they are meant to fulfil the purpose. The Department should submit a report within three months from the presentation of this report to the Assembly that stating the progress of settlement sheds and numbers still lying vacant,

17 Paragraph 57 at page 58 of the Audit Report, 1970.

Government should direct these corporations and companies, namely (1) Assam Government Marketing Corporations Ltd., (2) Assam Small Industries Development Corporation Ltd. and (3) Assam Gas Company Ltd., to submit their accounts regularly as required under statutory provision, i.e. under Section 166 of the Companies Act.

It is further recommended that the Department should take a definite policy with regard to the uneconomic emporia and should do something to raise them to fruitful economic level of activity.

A report showing the action taken on the recommendations should be sent to the Committee within six months from the date of presentation of this Report before the House.



Serial No.	Reference	Recommendations
(1)	(2)	(3)
18	Paragraph 58 at page 58 of the Audit Report, 1970.	<p>Normally it is customary to value the closing stock at the market or cost price whichever is lower. But in this case the Committee finds that in arriving at the profit finished and semi-finished stocks were valued at selling prices. The Committee feels that the Management should evolve a firm policy in regard to valuation of closing stock for their future guidance. Making a serious study of the idle capacity of the Mill the Management should strive to reach the optimism working capacity.</p> <p>The Committee finds that the percentage of recovery of spun silk yarn and noil is falling short of anticipation. Either the project report was unrealistic or the Mill is not keeping pace with other similar private or public concern. The Management should study and ensure itself that there is no wilful negligence in working or pilferage which might result in such low rate of recovery.</p> <p>The Department will do well to report to the Committee within three months of the presentation of this report in the House—</p> <ol style="list-style-type: none"> <li>1. About the actual position of disposal of finished stocks lying over two years stating if the stock suffer any damage due to prolonged storage and loss if any.</li> <li>2. The actual position of outstanding advance given to the P. W. D. for construction of building with reasons for the delay if it is adjusted in the meantime for remaining unadjusted if it is still outstanding.</li> </ol>
19	Paragraph 59 at page 59 of the Audit Report, 1970.	<p>The Committee finds on an examination of the Department that this particular Industry is not a losing concern continuously. For a marginal loss it may not be said as a losing concern. There is therefore room for improvement. The Department is already getting a new scheme prepared by the Small Scale Industries Development Corporation. The Committee is also of the opinion that there is enough scope and prospect for this Industry.</p>



Serial No.	Reference	Recommendations
(1)	(2)	(3)

The Committee therefore recommends that the Department should arrange to give training to some persons outside the State in this trade or to get some person well experienced outside the State in leather trade. The Committee hopes that the Industry then will be able to compete with Bata or other firms of Kanpur.

- 20 Paragraph 60 at page 60 of the Audit Report, 1970. It is seen that the raw materials stores and Assam Conductors and Tubes are giving profits. But the figures of profit in case of Conductors and Tubes are not correct. In case of Assam Ayurvedic products, there was profit in a particular year, but in another year there was more expenditure than the gross earning. The consulting Director was paid excessively. This particular affair should be looked into the affairs of the three firms, namely, (1) Raw materials stores (2) Assam Ayurvedic products and (3) Conductors and Tubes will be looked into by the Department.

Cachar Textile Industries have proved to be failure. It is incurring loss almost every year. The Committee recommends to the Government that it should be closed down and the good weavers there may be encouraged to purchase the looms.

- 21 Paragraph 61 at pages 60-61 of the Audit Report, 1970. The Committee observed that the Assam Cement Ltd., are incurring losses for three reasons:—

- (i) Its size is smaller than unit size that is the basic trouble with it.
- (ii) Transport difficulty and
- (iii) finishing.

The Committee therefore recommends that the Department should make an earnest endeavour to take all possible steps to improve and overcome these difficulties and thereby not only to make good the loss by earning a good profit but also to turn the company into a profit giving concern onwards.



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(1)	(2)	(5)

Further the Department should submit a detailed report giving all the information within six months of the presentation of this report to the Assembly on the following:—

1. Present position of issue of shares against payment of 1 crore by Government.
2. Non-payment or provision of interest on Government loan.
3. Maintenance of detailed account of stores and physical verification of stores conducted last.
4. Recovery position of outstanding loans—
  - (i) Rs. 4.20 lakhs and Rs. 3.75 lakhs outstanding against two companies since September 1956 and stated to have been sub-judice (February 1965).
  - (ii) Rs. 0.43 lakhs advanced to an individual in 1957 for electrification.
  - (iii) Rs. 1.49 lakhs outstanding against—
    - (a) contractor Rs. 1.11 lakhs
    - (b) Officers of the company Rs. 0.38 lakhs.



Serial No.	Reference	Recommendations
(1)	(2)	(3)
22	Paragraphs 69-70 at pages 72-75 of the Audit Report, 1970.	In spite of the Committee's repeated recommendations stressing the need for quick disposal of the objections there remains outstanding objections and Inspection reports for settlement by the department.
		The Committee recommends to the Department to make an earnest attempt to reconcile the differences if any with the records maintained by the Accountant General and every effective steps should be taken to settle the old items at least upto 1966-67 and submit a report in this regard to the Committee within three months from the date of presentation of the Report to the Assembly.
23	Grant No.28 at page 48 of Appropriation Accounts, 1968-69.	The Committee finds that the Department had not learnt anything from past years' experience but went on providing funds beyond requirements. Again it has become almost a regular feature with the Department not to surrender the entire amount. This only indicates lack of proper financial control.
		The Committee recommends the Government to take adequate care in future and see that funds are not provided beyond requirement to a particular department at the cost of other needy departments. The whole Budget should be well balanced to the extent possible.
		The Department also should exercise full control over the expenditure what with alertness and see that if and when savings occur the entire amount is surrendered.



Serial No.	Reference	Recommendations
(1)	(2)	(3)

### Animal Husbandry and Veterinary Department

24 Paragraphs 69 & 70 at pages 72-74 of the Audit Report, 1976. The Committee recommends that the Department will do well to submit a report about the latest position to the Committee also within six months of the presentation of this report to the House.

25 Serial 9 of Appendix II at page 133 of Appropriation Accounts, 1968-69. The Committee finds that Government do not keep watch over these recoveries. They should keep control over the receipts also. The Department should give the details of recoveries to Accountant General as assured by the both Director and the Secretary.

The fact of doing should be reported to the Committee within three months of presentation of this report to the House.

### Municipal Administration Department

26 Statement 4 and 17 at pages 29 & 136-137 at Finance Accounts, 1968-69. (a) The Committee felt that proper accounts of each Municipality should be maintained so that its payment position and financial control of the Municipalities are recorded. The Committee, therefore, suggest that Government should keep proper accounts for each Municipality in respect of (1) dates of sanction of loans (2) Year-wise break up of grants and (3) the purpose for which the grant was given so that they may have further appropriation of payment position and financial control of Municipalities.

(b) Before upgrading, the Government should consider not only the population aspect, but also the demand of the public as well as financial ability and effectiveness of that area to be converted into Municipality.



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- (c) The Committee finds that there must be some agency to review the progress of the activities of the Municipal Boards. The Committee was informed that the Health Department are reviewing the progress. The Committee recommends that it should be the duty of the Municipal Department to review the progress of activities in each Board to see the popular demand. The Public Health Department is only in regard to the technical aspect. So, also is the role of Town and Country Planning Department.
- 27 Paragraph 9 at pages 16-17 of the Audit Report, 1970. The Committee observed that the receipt of this utilisation certificate is an important factor for financial control. The Department must know the upto date position of the same. It is the responsibility of the Department also. The Secretary however, assured the Committee that the Department will make it a condition.

The Department should make a report of the upto date position of the utilisation certificates showing the number so far received and that of outstanding on the date of report to reach the Committee within six months of presentation of this to the House.

#### FISHERY DEPARTMENT

- 28 Paragraph 47 at pages 48-49 of the Audit Report, 1970. The Committee recommended that the following factors should be included in the enquiry report as terms of references—
- (1) Why the sale was not finalised at Goalpara ?
  - (2) Whether the sale notice was exhibited in all public places in Goalpara ?
  - (3) How many tenderers submitted their tenders for this fishery ?
  - (4) Why the fishery was sold at a price less by 48 per cent compared to the previous rent ?



Serial No.	Reference	Recommendations
(1)	(2)	(3)
		The Committee was informed that the final enquiry report was not submitted to Government. As yet and that it is expected within a month. The Committee observed that it is already late and recommended that it should be submitted as expeditiously as possible.
29	Paragraph 70 at pages 74-75 of the Audit Report, 1970.	The Committee suggests that an assessment of the loans outstanding should be specifically made keeping in view what could be recovered, what could not be recovered and what could be written off. That should be a guidance in future.
		The Committee recommends that the Department should make a detail report to the Committee within six months of the presentation of this report to the House on the following :—
		(1) What loans are recoverable ? (2) What loans are not recoverable ? (3) What loans are to be written off ?
		So far unrecoverable loans are concerned, the report should be so compiled as to give all details including names.

## FOREST DEPARTMENT

30	Paragraph 48 at page 51 of the Audit Report, 1970.	The Committee recommends that the Government's interest always should be looked into by the Department first in the matter of settlement of reserve coupes.
31	Paragraphs 69 and 70 at pages 72-73 of the Audit Report, 1970.	The Committee recommends that the Department should evolve a machinery to conduct a periodical review of the outstanding objections and inspection reports for their early settlement. The Department also should fix target date for settlement of outstanding objections and report, at least upto certain period and work with determination.



Serial No.	Reference	Recommendations
(1)	(2)	(3)
32	Grant No.53 at pages 88-89 of Appropriation Accounts, 1968-69.	It appears that the Department do not maintain any control register to watch the flow of expenditure for which such anomalies crop up.  The Committee therefore recommends the Department to maintain such register and watch the flow of expenditure with care in future.

## HOME (JAIL) DEPARTMENT

33	General ...	The Committee also recommends that the Department should pursue vigorously so that production do not remain stagnant or go down. Instead it should increase the production of Jail manufacture
34	Paragraph 25 at page 35 of Audit Report, 1970.	The Committee has already observed above that some documents should be there and that there should be something on record, in writing, not verbal. It now recommends that Government should come to a final decision about this matter. The Committee should be informed of its decision including terms and conditions of written agreement if any.
35	Grant No. 11 at pages 22-23 of Appropriation Accounts, 1967-68.	In view of the fact that this excess expenditure of Rs. 3,90,005 was due to adjustment in audit office after 31st March and opening of temporary camp jail in Mizo Hills, the committee recommends regularisation of the excess by the Legislature.
36	Grant No.11 at pages 22-23 of Appropriation Accounts, 1968-69.	The committee recommends regularisation of the excess.
37	Serial 5 of Appendix II at page 134 of Appropriation Accounts, 1967-68 and Serial 5 of Appendix II at page 133 of Appropriation Accounts, 1968-69.	Finance was rather arbitrary in making the cut. So long the Government is required to keep the prisoners, they are to give them food, medicine and clothing, etc. Finance therefore should not be tardy in agreeing to obligatory expenses. It is a mistake both way. Budgeting was not accurate and therefore the excess took place.

The committee therefore recommends the regularisation of the excess expenditure.



Serial N.	Reference	Recommendations
(1)	(2)	(3)

## HOME (POLICE) DEPARTMENT

- 38 General ... Here the committee is concerned about raising the State's Police Battalions to replace the borrowed ones. The committee therefore recommends to raise its own Battalions as far as possible to do away with the borrowed ones ultimately.
- 39 Paragraph 41 at page 43 of Audit Report, 1970. The Inspector General of Police stated that there was Scarcity of galvanised sheets at that time. The committee observed that though there was scarcity, some at least could be procured from the view point of economy procurement of galvanised sheets ought to get topmost priority. The committee therefore, recommends that in future preference should be given for galvanised sheets instead of black corrugated iron sheets which entail extra-expenditure and procured over by giving topmost priority under similar circumstances, if necessary with a view to avoid extra expenditure incurred for planting black corrugated iron sheets to prevent rusting and corrosion.
- 40 Paragraphs 69 and 70 at pages 72-75 of the Audit Report, 1970. (1) The amount of outstanding audit objections should be cleared immediately.  
(2) The committee felt that the department in Secretariat level should study the Police Commission Report very carefully. They will find there the conditions of police barracks. The committee therefore suggests a colony of police instead of giving them housing accommodation in scattered way for efficient police administration in the State.
- 41 Serial 6 of Appendix II at page 132 of Appropriation Accounts, 1968-69. Inspector General of Police stated according to his calculation approximately Rs. 20.88 crores were due for recovery from various agencies including the Government of India against which Rs. 2.50 crores has been received so far; demand for the balance had not yet been accepted by the Government of India. The Inspector General of Police stated that he has already preferred claim and accepted by the Government of India.



Serial No.	Reference	Recommendations
(1)	(2)	(3)
		The committee therefore recommends that the State Government should recover the balance as accepted by the Government of India.

### HOUSING DEPARTMENT

42 General ... The committee finds that the Department having their own staff and the Director himself being technically qualified man the Department could do the work themselves and there was no necessity of giving the work to the Assam Government Construction Corporation. The Assam Government Construction Corporation themselves did not execute the work. They got it executed through another contractor, viz, Bridge and Building. Although the Director told the Committee that everything was done by the Assam Government Construction Corporation and technical staff of the Department was deputed for supervision yet as far as document is concerned, the supervision is done by the Assam Government Construction Corporation. The Secretary told the Committee that technically, the Director is the supervisor.

The Department should submit a detailed report showing the break up of the work done by the Department and the Assam Government Construction Corporation within six months of the presentation of this report to the House. This report should contain details of the total amount earmarked for taking up such kind of project and how it is split year by year in small amount. Also a copy of the notification delegating powers to the Director of Housing to accord technical sanction should be furnished.

43 Statements 4 and 17 at pages 29 and 136-137 of Finance Accounts, 1968-69. In Kerala agricultural labourers are different from the landless agricultural labourers of Assam. So, also the cases of Andhra Pradesh, Maharashtra and Punjab. In those States there are farms, some of which are wholly mechanised and some of which are partly mechanised. In those farms they engage agricultural labourers.



Serial No. (1)	Reference (2)	Recommendations (3)
		<p>Here the position of peasants are not like that of Bengal or U.P. At the time of framing rural housing scheme the Department did not take into consideration the rural condition of the State. This should be noted by the Department very carefully for their future guidance.</p> <p>The Department should come forward with some concrete proposals to effect improvement of the recovery of loan to raise the percentage of realisation every year so that we can get more loans from Government of India on the one hand and to enable the Department to plough back a greater amount of money every year with a view to cover under the scheme bigger area and a bigger number of population. The Department should be more enthusiastic than even the beneficiaries. Then and then only the purpose is served.</p> <p>There were certain cases where the loan was not utilised for the purpose it was sanctioned. Somehow or other the loanees manage to bring report in his favour stating that the money was utilised properly. Thus it appears that there is lack of supervision on the part of administration. It is said that generally after receiving the utilisation certificate of the 1st instalment the second instalment is disbursed by the authority. But after issuing the 1st instalment if there is no proper inspection as is done in the case of House Building Advance to Government servant the money may not be utilised in spite of the certificate of utilisation. Sometime it so happens that before utilisation the report of construction comes. The authority in charge of the housing scheme in the district level (Deputy Commissioner) should verify whether the money has been utilised for purpose of construction or not. The second instalment should be issued only on verification made by the appropriate authority.</p>
44	Paragraph 20 at page 32 of Audit Report 1970.	<p>The Committee finds that the village Housing Project Schemes is a complete failure. The Plan and layout do not attract applications from loanees. The plan and layout should</p>



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(1)	(2)	(3)

be based on local conditions peculiar to the people of Assam. The State Government should be able to suggest such modifications as to suit our people so as to get the response from them for the successful implementation of the scheme.

- 45 Paragraph 70 at pages 74-75 of Audit Report, 1970. All Departments file Bakijai cases and several thousands are pending in every court all over the State. At Gauhati about 21 thousands Bakijai cases are pending. Only those who follow, will get some results. Same is the position of Income-tax, Sales Tax and professional tax. The Department should follow the Bakijai cases to achieve the result without which the responsibility continues.

### TRANSPORT DEPARTMENT

- 46 General ... Inspite of rise in the price of parts, fuels and oils, there has been no increase in fares and freight. The Committee recommends that the Department should review this matter for increasing fares and freights. The Government may give direction to the Corporation that so far as the short distance routes are concerned, except the national highway, the buses should run packed. The Bazar Buses should be drastically restricted.
- 47 Paragraph 65 at pages 63-64 of the Audit Report, 1970. The Committee advise that while in the year 1966-67 the Department earned a net profit of Rs.3,25,075 in the year under review it has shown a net loss of Rs.6,93,401. This is inspite of the interest on capital being calculated at only 4 per cent per annum which is far below the usual current rate of interest or even the interest that the Government itself pays for its debts. It is also seen that out of 8 sections, 6 sections incurred an aggregate loss of Rs.14.06 lakhs and only 2 sections, viz., Gauhati-Shillong and the Gauhati-Barpeta Road earned a profit totalling Rs.7.11 lakhs. Now that Meghalaya is going to be full State, the Department will be finding itself in an enviable position if the present State of affairs continue.



Serial No. (1)	Reference (2)	Recommendations (3)
		<p>From the examination of the Department it emerged that the following are the reasons for the loss incurred—</p>
		<p>(1) The organisation is, in fact, not running on commercial or specialised lines. There is no proper cost accounting and study on other points of running and earning performances of individual vehicles on register. Information as to the mileage run by the vehicles, expenditure incurred on the maintenance, repairs and up-keep of such vehicles and earning money by the vehicles are lacking. If the organisation is to run even on no profit no loss basis, the management must be more realistic and commercially minded and equipped. There should be a proper assess which the Committee did not receive.</p>
		<p>(2) It is learnt that the vehicles are not put to optimum use. While a number of vehicles remain out of commission awaiting repairs, sometime even for minor repairs or body repairs, many vehicles remain idle for months. Others remain idle for lack of tyres and so on. The Committee is of the opinion that the mechanical Department of the organisation and particularly the workshops should be geared up to meet the full need. So long as the gearing up is not completed, some private workshops may also be taken. The point is that no vehicle which is repairable and unable should remain idle. All vehicles should be brought to running condition whether they are repaired in the Organisations or Workshops.</p>
		<p>The Committee noted that in the year under review, the Organisation incurred an avoidable extra-expenditure of Rs. 98,102 due to local purchase of stores. On behalf of the Department it has been argued that the Divisional Engineer and Assistant Engineers used to purchase the stores locally to meet urgent requirements when Central Stores could not supply their requirements against indent submitted to Central Stores. In order to keep the maximum number of vehicles on road in the interest of the organisation, local purchases of spares not in stock had to be resorted to</p>



Serial No.	Reference	Recommendations
(1)	(2) (3)	(3)

when it became unavoidably necessary. That being the position, the organisation should give special attention to the proper functioning of Central Stores. There should be made an item-wise exhaustive physical verification on these parts and spares which become obsolete and unusable should be immediately disposed of even a scrap if necessary and these parts or spares which are often needed should be sufficiently in stock. There should be no delay in meeting the indents when sent from the outlying workshops or agencies. These spares and parts which are usually in demand should be kept in stock in every station of the organisation. There should be at least scope for local purchase though this may not be completely wound up. The organisation should make a point to make purchases not only centrally but from the manufacturers in order to avoid Extra charges and more particularly in order to avoid spurious materials. It is also recommended that the organisation make an immediate study of the outstanding book debt with the concerned Departments, like Defence, Home, Supply, Education and Medical so that the points of dispute may be settled quickly and amounts realisable are realised.

48 Paragraph 66 of pages 64-66 of the Audit Report, 1970.

The Committee also noted that there is abnormal delay in carrying out repairs to vehicles sent to workshops. The percentage of in operative vehicles to the total fleet stood at 28 per cent in the year 1967-68, as against Maharashtra's 13 per cent, Mysore's 15.9 per cent and Kerala's 8.6 per cent. A review undertaken by Audit in the middle of 1964 has revealed that there was at that time a total number of 272 vehicles under repair for a period ranging from four months to three years or more. This being brought to the notice of the Department, it was said that in none of the workshops adequate facilities are available for expenditure repair to vehicles under repair. All the workshops suffer for want of proper working space, artisans and materials. Since the inception of this Department in 1949, proper attention to Engineering Section was not paid and with the increase in the fleet of vehicles the lay-out period of a disabled



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## Reference

## Recommendations

(1)

(2)

(3)

vehicles has also started increasing. The accumulation started visibly increasing from 1956 and proper attention to increase the capacities of workshops was not given." In view of this frank admission of the Department the Committee strongly recommends that the organisation do give proper attention to the Engineering Section and do provide proper working space and adequate number of artisans and proper materials, so that instead of waiting there may be performance.

The Government stated in June 1970 that as a remedial measure for removing the difficulties in avoiding delay in repair of vehicles in the State Transport Workshop, the following steps were being taken by the Deputy Director, Finance, and the Chief Executive Officer, Assam Road Transport Corporation Shillong.

- “(i) Undertaking periodic inspection by the Chief Automobile Engineer to assess the progress of repair of vehicles with a view to minimising the delay in repairs.
- (ii) Reviewing the capacity and floor space of workshops by reference to repair work in hand and wherever necessary proposal for increasing the strength of staff.”

The Committee would like to have a report within six months from presentation of this report to the House on the following points:—

- (a) What is the present position of the inoperative vehicles. How many vehicles are lying idle and how long for defective body, engine or want of tyres, etc.? How it compares with the total floor strength (in items of percentage)?
- (b) Have the workshops now been provided with adequate facilities for expeditious repairs?
- (c) Has the revenue earning from the vehicles registered any substantial increase after the remedial measures



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		were taken by the department to avoid delay in repairing of the vehicles and, if so, what is the average rate of earning per day per vehicle of various type.
		(d) What is the periodicity of inspection by the Chief Automobile Engineer in respect of vehicles requiring repairs ?
49	Grant No. 74 at page 109 of Appropriation Account, 1968-69.	In view of the excess being rather small and in view of the explanation given, it is recommended that the excess be regularised.

## REVENUE DEPARTMENT

- |    |  |  |
|----|--|--|
| 50 | General  | ... The Committee asked the department to give a note reconciling the accounts as shown in the Budget and Finance Accounts. The Secretary informed the Committee that it would take a long time to collect treasury chalang and he will have to ask D. Cs. and S. D. Os for it. The Accountant General, however, pointed out that it should not take much time because monthly budget figures are there. The Secretary assured the Committee that he will give April to March figures. This report should be submitted to the Committee within three months of presentation of this report to the House. |
| 51 | Paragraph 2(b) at page 3 of the Audit Report, 1970.    | The Committee recommends that some extraordinary measures should be taken by the department to make the realisation up to date. A report showing measures taken, year-wise break up of the arrears and recoveries thereof and cases of recovery waived if any during the last five years should be sent to the Committee within three months of the presentation of this report to the House.  |
| 52 | Paragraph 5(c) at pages 7-8 of the Audit Report, 1970. | The Committee was sorry to observe during detailed discussion with the department that these loans are not issued in time for which the cultivators are burdened with the loans but their purposes for which the loan was  |



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		wanted are not served. The Committee recommends to Government to issue these loans in future in just time or not issue at all.
53	Paragraph 5(d) at page 9 of the Audit Report, 1970.	If it is a lapse on the part of the departmental officers namely the D. Cs and S. D.Os who are responsible for acceptance of balances it is also a lapse on the part of the department who should see that the respective officers do their job dutifully. In this case the department should reconcile the differences if any between the balances as per records of the Accountant General's office with these of the department and communicate acceptance early.
54	Paragraph 5 (c) at page 10 of the Audit Report, 1970.	When the Board of Revenue Bill was discussed in the Assembly it was stated at that time that this Board of Revenue will act on himself of the Government as some sorts of Revenue Tribunal but now it has got no administrative works to do. Now, Commissioner is the symbolic head of the Board of Revenue.
		In this case the Committee recommends that the department will do well to verify individual cases of disbursement of loans to satisfy themselves and furnish detailed bills to audit so that any fraud or defalcation in this connection if any come to light or do not remain undetected.
55	Paragraph 9 at pages 16-17 of the Audit Report, 1970.	The department will do well to take appropriate steps to obtain the utilisation certificates numbering 65 from the respective Deputy Commissioners, Subdivisional Officers concerned and furnish the same to audit. The department shall report to the Committee of the steps so taken by them intimating the position within three months of the presentation of this report to the House.
56	Paragraph 21 at pages 32-34 of the Audit Report, 1970.	There is a very dismal picture, because the total number due for recovery according to Sub-Deputy Collector was 88.31 thousand and interest 12.48 thousands. Out of this recovery as on 31st March, 1969 totalled to 46,682. Out of one crore not even half a lakh is recovered.



Serial No.	Reference	Recommendations
(1)	(2)	(3)
		<p>The point is, therefore, recovery. This lapses is mainly due to non-maintenance of proper loan records. In the absence of complete records it is not possible to keep a watch over the disbursement and realisation of loans.</p> <p>The department should furnish the following to the Committee within three months of the presentation of this report to the House—</p> <ol style="list-style-type: none"> <li>a detailed district-wise statement showing the amount of principal and interest on account of cattle loan due for recovery and that actually recovered upto 31st March, 1972.</li> <li>Actual position in details of outstanding rehabilitation loans and cattle loans pertaining to the office of the Sub-divisional Officer, Jowai.</li> </ol>
57	Paragraph 46 at pages 47-48 of the Audit Report, 1970.	Lack of regular departmental inspections of the accounts of the mauzadars was also a factor encouraging misappropriation by the mauzadars. The Committee, therefore, recommends that there should be regular inspection of mouzas by the D. Cs and S. D. Os and the Government in the Revenue Department be very particular about this in future. Every step should also be taken to realise the balance amount yet to be realised (Rs.2,64,674.54). A progress report showing realisation should be furnished to the Committee within six months of the presentation of this report to the House.
58	Paragraph 51 at pages 51-53 of the Audit Report, 1970.	The Committee feels that Government should think before giving any financial assistance that more deserving people are actually benefitted.
59	Paragraphs 69 and 70 at pages 72-75 of the Audit Report, 1970.	The department should take drastic steps for the settlement of the outstanding audit objections and inspection reports upto 1965-66 immediately. Vigorous steps also should be taken to dispose the audit objections and inspection reports for the years from 1966-67 upto 1968-69 remaining unsettled on 30th September 1969.



Serial No.	Reference	Recommendations
	(2)	(3)
60	Grant No.2 at pages 12-13 of the Appropriation Accounts, 1968-69.	The department should watch the expenditure with more care towards the end of the year so that surrender statement is given correctly and that within the time limit.
61	Grant No.62 at pages 98 of the Appropriation Accounts, 1968-69.	The Committee, therefore, recommends that there should be stricter budgetary control in future.
62	Grant No.66 at page 100 of the Appropriation Accounts, 1968-69.	The department ought to have surrendered the whole amount of Rs.2.40 lakhs and not only Rs.1.84 lakhs. This is an indication of defective budgeting which the department should avoid in future.

### SUPPLY DEPARTMENT

- 63 Pages 93-94 of the Finance Accounts, 1968-69. The Committee observed that the Deputy Commissioner, Mizo Hills may have some vehicles but they were not sufficient. The Committee finds that quite a huge amount of foodstuff had to be carried by the hired vehicles. It is, therefore, hoped that if the figure is not readily available, with the Supply Department they may collect the exact figure from the State Road Transport Corporation and report to the Committee within six months of the presentation of this report to the House about the exact position of reconstruction of the accounts.

#### 2. Standard cloth scheme—

		Rs.
Gross expenditure	...	4,94,36,566
<i>Deduct—Receipts and Recoveries and Capital Account</i>		5,08,05,305
Net expenditure	...	13,68,799
<b>Scheme for purchase and distribution of cloth and yarn—</b>		
Gross expenditure	...	3,92,23,875
<i>Deduct—Receipts and recoveries on Capital Account</i>		3,89,64,584
Net expenditure	...	2,59,291



Serial No.	Reference	Recommendations
(1)	(2)	(3)
64	Pages 93-94 of the Finance Accounts, 1968-69.	<p>The department should report to the Committee within six months of the presentation of this report to the House on the following points:—</p> <ol style="list-style-type: none"> <li>1. The year in which these schemes were abandoned ceased to be in actual operation.</li> <li>2. Steps taken by Government so far towards closing these accounts.</li> <li>3. The accounts of Textile Trading Scheme (defunct in June, 1949) whether finally closed? If so, when?</li> </ol>
65	Grant No.76 at pages 111-113 of the Appropriation Accounts, 1968-69.	<p>The Committee strongly urged the Government to impress upon the other Eastern Region States to move in a co-ordinated manner for removal and easing of the transport bottleneck so that not only the receiving State but also the Supplying State as well get the benefit of timely supply of commodities required so urgently in this area.</p>

#### PUBLIC WORKS (ROADS AND BUILDINGS) DEPARTMENT

66	Paragraph 30 at pages 38-39 of the Audit Report, 1970.	<p>It appears to the Committee that indents were submitted more on conjectures than on actual finding of facts and requirements and therefore this sort of variation in the requirement and surplus of deficit takes place.</p>
67	Paragraph 31 at page 39 of the Audit Report, 1970.	<p>From the statement it is found that everybody is a defaulter. The point is that Government has made payment of Rs. 20 thousand. The amount is to be realised from the officers who occupied these quarters. The question does not arise mainly for Jorhat division alone but for other divisions also.</p> <p>The Committee is concerned about the non-recovery of service taxes already paid by the Government do recover that without further delay. This amount is for Jorhat division. But the Committee would like to know the position of other divisions as well. A report about the position of recovery of Jorhat division as well as other divisions should, therefore, reach the Committee within six months of the presentation of this report to the House.</p>



Serial No.	Reference	Recommendations
(1)	(2)	(3)
	Paragraph 34 at pages 40-41 of the Audit Report, 1967.	The Department will kindly report to the Committee, the result of the said circular and also follow action. Sometimes, the Secretary sends letters but they remain in file for year together. The report should reach the Committee within six months of presentation of this report to the House.
69	Paragraph 37 at page 42 of the Audit Report, 1970.	<p>When a subsequent verification was made, the audit found a discrepancy of an amount of Rs. 2,872, both the S. D. O. and the Sectional Officer did not make physical verification.</p> <p>The Committee recommends, in such cases, responsibility should be fixed and those who are required to make proper supervision, if they prove to be lacking in supervision and control they should be properly dealt with. If the responsible gazetted officers of the Government commit such irregularities and if the responsibility is not fixed, the disease will spread.</p> <p>In this case also, the responsibility should be fixed and the person/persons responsible should be dealt with adequately and reported to the Committee within six months of presentation of this report to the House.</p>
70	Paragraph 38 at page 42 of the Audit Report, 1970.	The Committee finds that the Government has not yet been able to reconcile the sum of the discrepancy of about Rs. 12 thousand are also lacking. In the opinion of the Committee, the Department should further investigate into the matter and fix responsibility for the shortage, if any.
71	Paragraph 39 at page 42 of the Audit Report, 1970.	The Department should report to the Committee the results of the investigation within six months of the presentation of this report to the House.
72	Paragraph 40 at page 43 of the Audit Report, 1970.	The Committee is particularly interested to know whether these machines were purchased in anticipation. The Department should find out the fact position and report the facts to the Committee. This report should reach the Committee within three months of presentation of this report to the House.



Serial No.	Reference	Recommendations
(1)	(2)	(3)
73	Paragraphs 69 and 70 at pages 72-75 of the Audit Report, 1970.	The Committee finds and remarked that both with regard to the outstanding objections and the inspection reports there had been almost no improvement at all. More than 420 reports are outstanding involving 2000 paragraphs and the progress is not at all satisfactory. The Department should depute some one to A. G's office to have these things reconciled.
74	Note 4 Serials 2 and 3 at page 85 of Appropriation Accounts, 1967-68 and Note 3 Serial 3 at page 80 of Appropriation Accounts, 1968-69.	The Committee in consultation with the Comptroller and Auditor General of India and the Ministry of Law and Justice are also inclined to agree to the view that it should be within the competence of the Executive to reduce the amount subsequently, if necessary, after the Legislature has granted them since an indication of the modified requirements is also available in the revised estimate along with the Budget Estimate of the ensuing year which are also made available to Legislature. The Committee, however, urge the Government to see the practical side of this economy cut and recommend that in doing so important and useful schemes necessary for the well being of the weaker section of the community are not pruned as a result of this cut but economy is achieved only on economising or postponing things that are of subsidiary character.



## APPENDIX I

**List of Officers who were examined by the Public Accounts Committee**

Serial No.	Designation of Officers	Date of Examination
1	2	3
1	Secretary to the Government of Assam, in the Forest Department.	6th July, 1971.
2	Secretary to the Government of Assam, in the Animal Husbandry and Veterinary Department.	7th July, 1971.
3	Secretary to the Government of Assam, in the Municipal Administration Department.	2nd August, 1971.
4	Secretary to the Government of Assam, in the Housing Department.	2nd August, 1971.
5	Secretary to the Government of Assam, Fisheries Department.	3rd August, 1971.
6	Special Secretary to the Government of Assam, Home (Police and Jail) Department.	5th August, 1971.
7	Secretary to the Government of Assam, in the Revenue Department.	5th August, 1971. 6th August, 1971.
8	Secretary to the Government of Assam, in the Public Works Department (R. & B.).	7th August, 1971. 9th August, 1971. 10th August, 1971.
9	Secretary to the Government of Assam, in the Public Works Department (F. C. and I.).	27th August, 1971. 28th August, 1971.
10	Secretary to the Government of Assam, in the Supply Department.	19th October, 1971. 20th October, 1971.
11	Secretary to the Government of Assam, in the Transport Department,	22nd November, 1971.
12	Secretary to the Government of Assam, in the Industries Department.	16th December, 1971.
13	Secretary to the Government of Assam, in the Power (Electricity) Mines and Minerals Department.	27th December, 1971. 28th December, 1971.



## Time devoted to each day's meeting

Date (1)	Time of meeting (2)	Total time (3)
6th July, 1971 ...	10.30 hours to 12.30 hours ...	2 hours.
7th July, 1971 ...	10.30 hours to 12.40 hours ...	2 hours 10 minutes.
2nd August, 1971	11.00 hours to 12.30 hours ...	} 4 hours.
	14.00 hours to 16.30 hours ...	
3rd August, 1971	11.00 hours to 12.30 hours ...	1 hour 30 minutes.
5th August, 1971	11.00 hours to 12.30 hours ...	} 4 hours.
	14.00 hours to 17.30 hours ...	
6th August, 1971	10.15 hours to 11.40 hours ...	1 hour 25 minutes.
7th August, 1971	10.30 hours to 12.30 hours ...	2 hours.
9th August, 1971	14.00 hours to 16.30 hours ..	2 hours 30 minutes.
10th August, 1971	10.30 hours to 12.30 hours ...	2 hours.
27th August, 1971	14.00 hours to 16.20 hours ...	2 hours 20 minutes.
28th August, 1971	14.00 hours to 17.00 hours ..	3 hours.
19th October, 1971	14.00 hours to 16.15 hours ...	2 hours 15 minutes.
20th October, 1971	10.30 hours to 12.00 hours ...	1 hour 30 minutes.
22nd November, 1971.	10.30 hours to 12.30 hours ...	} 4 hours.
	14.00 hours to 16.30 hours ...	
16th December, 1971.	11.00 hours to 12.30 hours ...	1 hour 30 minutes.
27th December, 1971.	11.00 hours to 1.30 hours ...	1 hour 30 minutes.
28th December, 1971.	11.00 hours to 12.30 hours ...	} 4 hours.
	14.00 hours to 16.30 hours ...	
Total		... 41 hours 40 minutes.