

Public Accounts Committee (1968-69)

(FIFTH REPORT)

(FOURTH ASSEMBLY)

[Action taken by Government on the Recommendations
of the Public Accounts Committee contained
in their Report on Audit Report, 1964,
Appropriation Accounts, 1962-63 and
Finance Accounts, 1962-63]



LEGISLATIVE ASSEMBLY LIBRARY
ASSAM, SHILLONG

ASSEMBLY SECRETARIAT, SHILLONG

AUGUST, 1968

SRAVANA-BHADRA, 1890

INTRODUCTION

1. I, the Chairman of the Public Accounts Committee, do present on their behalf this Fifth Report on the action taken by Government on the recommendations contained in their Report on the (1) Audit Report, 1964 (2) Appropriation Accounts, 1962-63 and Finance Accounts, 1962-63.

2. The Draft Report was considered and adopted by the Committee at their sitting held on 13th August, 1968.

3. Out of 89 recommendations contained in aforesaid Report, the Committee decided to treat 42 replies as satisfactory and finally closed and the rest have been referred back to the various Departments for final implementation and report to the Committee.

4. A statement showing the main recommendations together with action taken by Government and remarks of the Committee is appended to this Report as Appendix I.

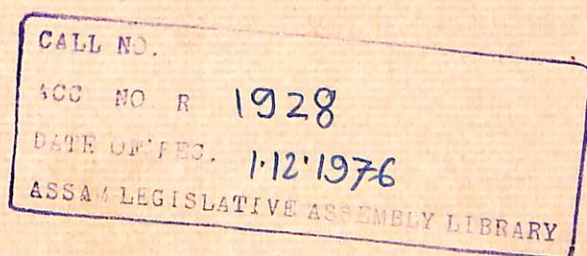
5. The Committee places on record their appreciation of the assistance rendered to them in this matter by the Accountant General, Assam and Nagaland.

Shillong:

The 26th August, 1968.
Sravana-Bhadra, 1890

GAURISANKAR BHATTACHARYYA,

Chairman,
Public Accounts Committee.



CALL NO.
ACC NO. R 1928
DATE OF REC. 1.12.76
ASSAM LEGISLATIVE ASSEMBLY LIBRARY

**COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
1968-69**

Chairman:

1. Shri Gaurisankar Bhattacharyya.

Members :

2. Shri Puspadhar Chaliha.
3. Shri Malia Tanti.
4. Shri Dulal Chandra Barua.*
5. Shri Tilok Gogoi.
6. Shri Azizur Rahman Choudhury.
7. Shri Zahirul Islam.

Secretariat :

1. Shri U. Tahbildar, Secretary.
2. Shri P. D. Barua, Under-Secretary.
3. Shri N. Deuri Bora, Committee Officer.

Assam Jute Mills, Ltd.

The Department stated in their report of action taken that the whole amount of Rs.28.5 lakhs which was given as loan to the mill was diverted and invested as share capital of the Assam Jute Mills, Ltd. as state participation and this was reported to have been done at the initiative of the Co-operation Department.

The character of the money amounting to Rs.28.50 lakhs was a loan and that was an interest bearing loan. So, the return was guaranteed. The money has now changed its character. It is no longer a loan—it is now a share capital wherein there is no interest or dividend guaranteed. This is a substantial departure from the Legislature's point of view. This change of character was made not with the consent or approval of the Legislature. That is the crux of the question.

Now, the Department agrees that before diverting the amount to share capital, the views of the Legislature ought to have been taken.

The Committee hopes that in future, Government will bear this in mind.

Serial No.81 at page 74 of the Public Accounts Committee Report 1966.

The Committee in its Report on Audit Report, 1964 at Serial 81 at page 74 recommended that Government should appoint a Committee to go into the details of the two schemes undertaken by the Department so as to fix responsibility on the person/persons concerned for taking up such scheme without taking proper steps for successful and timely implementation and thereby making the entire expenditure infructuous and keeping the outlay idle.

The Department by their letter No.C1/66/16, dated 1st August 1967 had informed the Committee that explanations of the officers responsible for the work were being called for and that further action would be taken after studying their explanations and it would be communicated to the Committee in due course. But the Department has now informed the Committee that the explanations called for were received between October and December, 1967. Since December, 1967 up-to-now the said explanations are said to be under study of the Department.

The Committee is therefore, of the view that it would have been good of the Department, if they could have completed the study of the explanation within two months. However, the Committee hopes that the Department will complete their study of the explanations, at least, within the next two months and inform the Committee about the steps taken on this explanation.

APPENDIX I

Statement showing the actions taken or proposed to be taken by Government on various recommendations, suggestions or remarks made by the Public Accounts Committee in their report on the (i) Appropriation Accounts, 1962-63, Finance Accounts, 1962-63 and Audit Report, 1964

Serial No.	Page of the Report	Department on Controlling officer concerned	Recommendations	Action taken or proposed to be taken	Remarks made by the Committee
(1)	(2)	(3)	(4)	(5)	(6)
I	Para 41 at pages 46-47 of the Audit Report, 1964.	Supply Department.	Paragraph 41 at pages 46-47 of the Audit Report, 1964 Therefore the Committee recommends that Government should examine the whole matter to find out whether before launching upon the scheme (1) any thought was given by the Department for proper storage of the stock, (2) whether it was earlier anticipated that the implementation of such scheme will incur considerable loss to Government, (3) whether the stock deteriorated due to bad storage facilities or due to lack of proper care in storage,	The matter was enquired into by an officer of Finance Department and the Report has already been submitted to the Public Accounts Committee under letter No. 4B(II)1160/66(u/o) 6, dated 9th September, 1967.	The Committee would like to know about action taken by the Supply Department on the report of the Finance Department at an early date.

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(4) whether the two primary purposes of the scheme were served actually even at the loss.

The enquiry should be made by the Finance Department and report of the enquiring officer should be sent to the Committee within three months from the date of placing the report before the House.

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Para 82 at page 79 of the Audit Report, 1964—

2 Para 82 at page Supply Depart- 30. Grain storage Scheme—
79 of the Audit ment.
Report, 1964.

The scheme resulted in a net loss of Rs. 51.66 lakhs. During 1962-63 the scheme showed a further loss of Rs. 2.26 lakhs on a turnover of Rs. 5.27 crores.

The working of the scheme upto the end of 1961-62 had resulted in a net loss of Rs. 51.66 lakhs. During 1962-63, the scheme showed a further loss of Rs. 2.26 lakhs on a turnover of Rs. 5.27 crores.

Though the Grain Storage Scheme is to run on a no profit no loss basis, the working result of the Scheme depends on the volume of the transactions. In 1960-61 the Scheme netted a profit of Rs. 4.49,589. During the years 1963-64 and 1964-65 also the financial working of the Scheme indicated profit of Rs. 4,66,842 and Rs. 1,99,512 respectively.

For the year 1965-66 there was a loss of Rs. 11,03,517. For the year 1966-67 the accounts are still under compilation. From January 1967 the Food Corporation of India has

The progress made in respect of Sun-dry debts as well as about clearance of 'Suspense' should be intimated to the Committee through the Accountant General, Assam and Nagaland.

The Committee observed that in this scheme also the Government in incurring loss. The object of the scheme was to check the price and loss should have been taken into account while fixing the price.

However, the Joint Secretary informed the Committee that the Government had agreed to sustain the loss because of the fact that the price payable to the growers had to be raised. The Committee feels that the Government should examine further whether there is any scope for minimising the loss incurred by the scheme and whether such loss can be allowed to incur indefinitely. The Government's view should be placed before the Committee within three months from the date of placing the Report before the House. Along with this report should also be submitted to the Committee regarding the progress made in the recovery and clearance of the amounts outstanding against "Sundry Debtors" and "suspense" for Rs.1,00,50,575 and Rs.22,32,154 respectively.

taken over the task of procuring paddy. Since the Food Corporation of India has taken over, there is no scope of further loss by Government due to storage of rice and paddy.

The progress made in respect of Sundry Debtors is indicated in the enclosed Statement (attached herewith) which will show that an amount of Rs.14,25,730-01 p. has so far been realised leaving a balance of Rs. 86,24,844-69. Necessary step has been taken to realise the balance.

As for clearance of "Suspense", only an amount of Rs.9,32,669-37 has so far been adjusted leaving a balance of Rs.12,99,485-05 p. Necessary step has been taken to clear the balance.

The position of outstanding amounts of Sundry Debtors relating to the year ending 31st March 1963 as it stands on 30th November 1967

(1)	Amount O/S as on 3/63	Amount realised	Balance Outstanding	Outstanding relating to Assam	O/S against Pakistan Government	Remarks
	(2)	(3)	(4)	(5)	(6)	(7)
	Rs. p.	Rs. p.	Rs. p.	Rs. p.	Rs. p.	
1. Government of Mysore ...	..	..	58,613.19	58,613.19	..	
2. Government of Undivided Bengal ..	..	..	85,449.04	85,449.04	..	
3. Government of Manipur ..	..	..	364.00	..	..	
4. Administration of Nagaland, Tuensang ..	..	..	24,52,072.80	24,52,072.80	..	
5. Imp. foodstuff ..	..	..	15,23,808.61	51,23,803.61	63,841.53	*14,59,967.08
6. Outstanding against Government Departments and others Miscellaneous Parties.	..	..	28,10,386.16	12,11,194.18	15,91,358.19	7,233.79

7. Adjustable by transfer from Central Government Head of account value of rice wrongly credited.	4,36,989.63	...	4,36,989.63	...
8. Value of rice classified under wrong head by Daubri Try.	19,780.73	..	19,780.73	..
9. Adjustable against Food Bonus	2,51,930.25	..	2,51,930.25	..
10. Recoverable from P. W. D. for Department Supply ..	57,305.73	...	57,305.73	..
11. Shillong F. G. M. Association	14,86,314.75	...	14,86,314.75	..
12. Recoverable from Government of India for value of rice.	4,45,562.16	7,562.39	4,37,999.85	...
13. Recoverable from Government Rice Stockist at Shillong	82,400.46	..	82,400.46	...
14. Defunct A. R. M.	1,01,401.19	..	1,01,401.19	..
15. Debit wrongly raised by Government of India for value of Gift rice.	2,38,196.00	2,06,609.52	31,586.48	..

Total 1,00,50,574.70 14,25,730.01 86,24,844.69 71,57,643.82 14,67,200.87 ...

**Year-wise break up of Outstanding amounts relating to the year
ending 31st March 1963**

(PRESENT POSITION)

(Reference Col.4 of the Statement at prepage)

					Rs. P.
1943-44	...	...	...	...	85,449.04
1944-45	...	...	...	...	1,01,401.19
1946-47	...	...	...	...	1,15,918.92
1947-48	...	...	...	...	13,581.93
1948-49	...	...	...	...	90,451.81
1949-50	...	...	...	...	14,97,187.10
1950-51	...	...	...	...	35,427.97
1951-52	...	...	...	...	3,58,191.06
1952-53	...	...	...	...	99,204.15
1953-54	...	...	...	...	8,714.67
1954-55	...	...	...	...	74,926.49
1955-56	...	...	...	...	60,718.86
1956-57	...	...	...	...	619.92
1957-58	...	...	...	...	29,55,896.94
1958-59	...	...	...	...	7,685.98
1959-60	...	...	...	...	4,73,472.51
1960-61	...	...	...	...	1,91,023.54
1961-62	...	...	...	...	2,63,624.39
1962-63	...	...	...	...	7,24,157.35
Total				...	<u>71,57,643.82</u>

3 Para 83 at page Supply Depart- 31. Consumers' Goods Scheme-
79 of the Audit ment.
Report 6194.

The working of the scheme during 1962-63 resulted in a net profit of Rs.1.52 lakhs as against the net profit of Rs.5.83 lakhs (without providing for Sales Tax on sales of cements, collected but not paid) earned during 1961-62. The Department has stated that the decrease of Rs.4.16 lakhs in profit during 1962-63 is mainly due to more interest charges on capital and provision of Sales Tax on cement realised along with the value of cement, but not paid during the year.

The amount under suspense is being adjusted in the final account for the year 1966-67 which is under compilation.
An amount of Rs.3,10,86 has so far been realised leaving an amount of Rs.3,05,982.00 yet to be recovered. Effective measures have been taken to recover the outstanding amounts.

A statement showing year-wise breakup is attached herewith.

The unadjusted balance under suspense as on 31st March, 1963 amounted to Rs.1.31 lakhs as against Rs.1.18 lakhs on the 31st March, 1962.

The Committee observes that according to rules the Department could have shown

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the amounts under 'Miscellaneous Heads'. Therefore the Committee recommends that effective steps should be taken to locate the credits and close the accounts within three months from the date of placing the report to the House.

The Committee would like to be apprised of the position in regard to Sundry debtors, amounting to Rs.6,16,843 with the year-wise analysis together with the steps taken by the Government to settle the same.

Statement showing the year-wise Break up of Sundry Debtors relating Consumer Goods Scheme as on 31st March, 1963

Year	Cement on Government A/C.	Cement on Dealers' Accounts.	Cement supplied to Government Department	C. I. Sheets on Dealers' Accounts	M. S. Rod on Dealers' Account	M. S. Rod Am. Charges on Government a/c.	C. I. Sheets Government Accounts	Total	
1	2	3	4	5	6	7	8	9	10
1957-58 ...	Rs. P. 46.36	Rs. P. 154.45	Rs. P. 34,369.00	Rs. P. ..	Rs. P. ..	Rs. P. ..	Rs. P. 2,542.60	Rs. P. ..	Rs. P. 37,032.41
1958-59 ..	...	...	5,453.59	...	...	...	550.00	89.01	6,032.60
1959-60 ...	...	...	16,748.45	381.62	...	...	896.00	...	42,373.74
1960-61 ..	...	...	7,455.92	...	...	102.20	641.05	26,644.62	34,843.79
1961-62 ...	...	...	1,720.68	..01	...	47,123.54	3,427.80	.20	55,453.68
1962-63 ...	...	...	39,272.17	...	..	...	7,025.85	39,537.08	130,126.01
	46.36	70,805.26	1,03,007.59	3,390.58	47,128.54	274.69	15,083.30	66,270.91	3,05,982.23

Serial No.	Page of the Report	Department or controlling Officer concerned	Recommendation	Action taken or proposed to be taken	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
4	Para 68 at page 72 of the A. R. 1964.	Industries Department.	The Committee expressed its dissatisfaction that the Government had to incur an avoidable expenditure of Rs.1.08 lakhs on account of interest. The Committee further recommends that the Department should send a report to the Committee intimating the up-to-date position of the whole matter together with steps taken to disburse the loans and to minimise the expenditure on account of interest within three months from the date of submission of the report to the House.	On the 27th March, 1958, two loans—One for Rs.5 lakhs and the other for Rs.28.5 lakhs were sanctioned through the Assam Financial Corporation. M/S. Central Hindustan Orange and Cold Storage Company Ltd. and Assam Jute Mills Ltd., respectively. The money amounting to Rs.33.5 lakhs was drawn and deposited with the Assam Financial Corporation on 31st March, 1958.	The Committee recommends that the department should take immediate steps to realise the amount said and inform the Committee about the steps taken in the matter.

M/S. Chocs who were to establish within three months from the date of submission of this report to the House.

Unit at Gauhati made some initial progress be then founded. Upto February, 1959, a sum of Rs.1,01,958.90 was released to them and thereafter all payment was stopped. Subsequently in February, 1961, out of the balance amount for Chocs an amount of Rs.3,62,800 was diverted and sanctioned as loan through the same agency of A.F.C. to M/S. United Fruit Company Ltd., owned by Shri S. D. D. Nichols Roy for expansion and Development of his fruit preservation place at Barnihat. The amount could not be released as Shri Nichols Roy has not yet executed the necessary mortgage deed.

Shri Nichols Roy, however, intends to utilise this loan amount in a large sized Fruit Preservation Scheme in partnership with M/S Rai and Sons of New Delhi.

Present position: Government have served a notice upon Shri S. D. D. Nichols Roy on 1st September, 1966, asking him to finalise the scheme within a month from the date of receipt of the notice failing which the loan will be cancelled. No reply to this notice has yet been received.

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4 Para. 68 at page Industries
72 of the A.R. Department.
1964.

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Out of the amount of The character
Rs.1,01,958-90 advanced to M/S. of the money
CHOCS. (Para 2 above), they, in amounting to
July, 1958, purchased a plot of Rs.21-50 lakhs
land measuring 13-B-4 K-8L was a loan and
at Rs.59,390-00 in village Dispur, that was an in-
Mouza Beltola, Gauhati. In terest bearing
May, 1961, the Company by a loan. So the
deed of reconveyance transferred return was
this plot of land to the State guarantied.
Government against the actuals The money has
of the loan they received from now changed
the latter, as adjustment. There its character.
are, however, some encroachers It is no longer
upon this land. The Deputy a loan it is
Commissioner, Kamrup has been now a share
requested to evict these unauthor- Capital where-
rised occupiers urgently and in there is no
expeditiously. It is expected that interest or
the full amount disbursed to M/S. dividend
CHOCS. will be realised out of guaranteed.
the sale of the land. This is a sub-
stantial depa-
ture from a
Legislature's
point of view.

(2) **Assam Jute Mills, Ltd.**—The
Assam Jute Mills, Ltd., subsequent
to the grant of the loan as afore-
said, did not come into existence
and no amount of loan was sent of the
released to them. The entire Legislature.
amount of Rs.28-5 lakhs remained That is the
with Assam Financial Corporation. crux of the

- (1) (2) (3) (4) (5) (6)
- Subsequently at Co-operation Department initiative, it was decided to divert and invest this whole amount of Rs.28.5 lakhs in the share capital of Assam Co-operative Jute Mills, Ltd., Silghat as State participation. As this Co-operative Jute Mills is under the administrative control of the Co-operation Department, above money have been placed at the disposal of that Department.
- The Department agrees that before diverting the amount to share Capital the view of the Legislature ought to have been taken.

The Committee hopes that in future Government will bear this in mind.

Present position.—On the strength of the Co-operation Department's Order issued on 31st May, 1965, the Assam Financial Corporation on 9th July, 1965 released and deposited Rs.15 lakhs in the Assam Co-operative Apex Bank, Ltd., against the accounts of the Assam Co-operative Jute Mills, Ltd., Silghat. As regards the release of the remaining amount of Rs.13.5 lakhs, Co-operation Department is answerable. They are requested to disburse the amount as early as possible.

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**Paragraph 79 at Page 78 of
the Audit Report, 1966**

5 Para 79 at page Industries
78 of the A.R., Department,
1964.

The Committee observes that the Board of Directors of the Mills which is composed entirely of Government representatives had from time to time gone into the various causes of the loss sustained by the Mills. The causes of loss were found to be as follows :—

(i) Scarcity of water which was also pointed out by the Audit. The scarcity of water in its turn contributed to.

(ii) Low production ; and (iii) idle capacity.

The following steps have been taken for minimising the loss :—

(1) A third tube well was sunk in June, 1964, to augment water supply. This tube well gives 6,000 gallons per hour which is sufficient

for the requirement the Mills. It may be noted that previously the Public Health Engineering Department sunk two tubewells one in 1960 and the other in 1962 out of which there was estimate of water availability from tubewell No.1, of 2,000 gallons per hour for tubewell No.2 against the actual requirements of the Mills of 6,000 gallons per hour. In actual practice these two tubewells supplied even less at the rate of 719 gallons per hour by tubewell No.1 and 1561 gallons per hour as mentioned earlier. The availability of water being less than half the requirement, the degumming section could not run in full capacity. The gas plant which was constructed in the middle of 1962 was also not commissioned because of the scarcity of water. Now water being adequate, a second list has been introduced in the Mills. It is now showing profit in 1964-65 and in 1965-66.

(2) It has been proposed to instal one iron removing filter for better yield and filtered water and for improving the quality of the yarn.

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(3) The capacity of the de-gumming section has been increased by the installation of two vats and four steeping tanks.

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(4) Double shifts have already been introduced in some of the manufacturing sections, viz., de-gumming, dressing and nail.

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(5) It has been proposed to manufacture Tori Silk and Acrylic yarn with a view to introducing double sheet in other sections and making use of the full capacity of the machinery.

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(6) Popular counts of yarn are to be produced now in place of unpopular counts which have no market. The production of unpopular counts was owing to adherence to Japanese specifications which did not have ready market.

Para 40 at
page 46 of
the A. R.
1964.

The Committee regrets to This item, a subject matter for the The Depart-
observe that the schemes Committee constituted upon the ment by their
could not be implemented Tribal Areas and Welfare of letter No.CI/-
due to ill-planning and re- Backward Classes Department as 66/16, dated 1st
commends that Government per *Assam Gazette* Notification August 1967

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(4) should appoint a Committee to go into the details of these two schemes undertaken by the Department so as to fix responsibility on the person or persons concerned for taking up such schemes, without taking proper steps for the successful and timely implementation and thereby making the entire expenditure infructuous and keeping the outlay idle. A Report of that Committee, together with action taken by the Government thereon should be submitted to the Committee within six months from the date of submission of this Report to the House.

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No. TAD/CJ/36/61/68, dated 29th June, 1966. The Committee has asked for time to finalise its Report. The Report has since been submitted. A copy of this report is being sent under separate cover. Industries Department is calling for explanation of Officers.

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had formed the Committee that explanations of the officer responsible for the work were being called for and that further action would be taken after studying their explanations and it would be communicated to the Committee in due course. But the Department has now informed the Committee that the explanations called for were received between October and December 1967. Since December, 1967 up till

now the said explanations are said to be under study of the Department.

The Committee is, therefore, of the view that it would have been good of the Department, if they could have completed the study of the explanation within two months. However, the Committee hopes that the Department will complete their study of the explanations, at least, within next two months and inform the Committee about the steps taken.

16 Paragraph 97 at pages 88-89 of the Audit Report, 1964.

Appointment
(B) Department.

The department should take all steps for clearance of all outstanding Inspection reports and action taken should be reported to the Committee within three months from the date of presentation of the Report to the House.

No comment.

Accountant General of Assam and Nagaland has furnished the outstanding audit objections and Inspection reports district and sub-division-wise in his letter No. OA/5-25/65-66/2990, dated 21st February 1967 and necessary instruction have been issued to the Commissioners of Divisions for taking necessary steps to settle the objections with the Accountant General, Assam and Nagaland, *vide* this Department Letter No. ABM. 8/67/22-23, dated 21st March, 1967.

17 Appendix IV at pages 104-105 of the Audit Report, 1964.

Appointment
(B) Department.

The Committee would like to be apprised of the final position of the pending cases.

There are two pending cases under this Administration Department. The latest position as shown below—

(1) **Lost of cash in the Single Lack at Barpeta Sub-Treasury.**—The matter was taken up with the Deputy Commissioner, Kamrup, *vide* this Department Letter No. ABM. 143/66/31, dated 13th July 1966. His report is still being awaited.

The Committee would like to be informed of the final action taken by the Department on these two cases without further delay.

(2) **Alleged fraudulent drawal of Municipal cheque for Rs. 3,000 from Nowgong Treasury.**—Police report is awaited from the Deputy Commissioner, Nowgong, *vide* Finance (Budget Department U/O No. BB. (1) 46/60/147, dated 19th September 1969 (copy enclosed).

U/O No. BB. (I) 46/60/147.

Dated Shillong, the 19th September, 1966

Appointment (B) U/O.,

Please refer to your letter No. ABM. 143/66/31, dated 13th July 1966, addressed to the Deputy Commissioner, Kamrup, a copy of which was also endorsed to this Department regarding drawal of forged Municipal cheque for Rs. 3,000 from the Nowgong Treasury.

Charge against the Treasury Officer for his negligence of duties entrusted to him under note (3) below S. O. 60 read S. O. 56 (d) and S. O. 181 of the Assam Treasury Rules have not been proved. He is, therefore, exonerated from the charges.

The police report is still awaited from the Deputy Commissioner, Nowgong who has been reminded for submission if received by now.

P. C. SARMA,

Under Secretary to the Government
of Assam,
Finance (Budget-I) Department.

During the course of their examination of the Audit Report, 1964, the Committee came across a few instances in which the fact contained in the Audit Report were controverted by the representatives of the Departments concerned. In these cases, the position had been explained to Audit, within the specified time limit of six weeks after the draft paras were sent to them for factual verification. Nor had it been done even later in many cases. The Committee would like to draw the attention of the Departments to its observation made in para 6 of its Reports on the Appropriation Accounts, 1960-61 and Audit Report, 1962, etc., and recommends that the Departments to whom Audit paragraphs are sent for factual verification should make every effort to adhere to the prescribed time limit of six weeks so that the Audit Report is based on incontrovertible facts. If in exceptional cases, it is not

(1) Every endeavour has been made to submit comments within the time Schedule.

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19 Pages 4-5 Para
5 (viii) & (ix)
of the A. R.
1964.

Do.

possible to do so, the correct positions should be brought to the notice of the Committee through Audit so as to enable them to arrive at proper conclusions without any waste of time.

With regard to the inspection reports, the Committee in their past reports stressed the need for the early disposal of the pending Inspection Reports but the number of such undisposed report has not however shown decreased. The Audit has stated that replies to Inspection Reports are generally not received within the prescribed time limit. The Committee feels that delay in settlement of objections is likely to lead to the continuance of the irregularities brought to the notice. The Finance Secretary has himself admitted that after September, 1964 the position had become worse. However, he had

Position has been indicated to the F. D. in letter No. CPA. 245/65/22 and action on Chief Secretary's letter No. FM. 10/66/1 was taken in letter No. (copies are enclosed) CPA, 212/66/4, dated 19th January, 1967.

No comment.

assured to take up the matter with the Chief Secretary in order to take action in the line suggested by the Committee in its recommendations contained in the Report on the Audit Report, 1963.

The Committee therefore reiterate its recommendations contained in para 14 at page 4 of the Report on the Audit Report, 1963, etc., and urge the Government to implement the recommendations immediately and action taken should be reported to the Committee within three months from the date of submission of this Report to the House.

20 Pages 48 to 51 Dev. (P and Sl. 12 of the C.D) Deptt. A.R. 1964.

The Finance Department should examine the adequacy of the Audit staff of the Examiner, Local Accounts to ensure that auditing of Panchayati Raj Accounts is not held up due to shortage of staff.

The matter has been taken up with Finance Department and Examiner of Local Accounts. Their final reply is awaited.

Further reply :

The Committee expresses its anxiety at the accumulation of arrears in audit which hampers making a correct assessment of the proper utilisation

“In order to liquidate the arrears the Finance has taken up 8 posts of Assistant Examiner and some more post gandi-dates”.

No comment.

of grants given to these institutions, as well as about the proper functioning of the Panchayat Raj system.

The cases are pursued vigorously and Final position should be intimated as early as possible. as it is finalised.

The Committee recommends that the final action taken by Government on all these four cases should be intimated to the Committee within three months from the date of presentation of this Report to the House.

21 Pages 48 to 51 D. D. C., Dev. Sl. 13 of the (P. and C. D.) Deptt. A. R. 1964.

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An Officer of the Department has been directed to enquire into the case and submit his report. Necessary reply will be sent on receipt of the report.

The Committee after going through the records supplied by the Department has come to know that in the tender notice the Department invited tenders for Petrol driven 110 volt 50/60 cycle AG-1.5 to 2.5 KWT Portable generator (preferably) on completed with 300 ft. output cable 7 mm. flexible twincord self-starter and with arrangement to charge 6 to 12 volt wet batteries, but the tenderer M/S. National Traders, Manufacturers Representative, Commission Agent and General

22 Pages 48 to 51 Dev. (P. and Sl. 14 of the C. D.) Deptt. A. R. 1964.

Order suppliers, 46-47, Bertram Street, Calcutta-13 offered the following type:—

(1) Douglas type D-2, petrol driven, 4 stroke, Air-cooled, 110 volts, 1800 watts, 50 cycles AC weight 375 lbs. 1800 RPM English make.

(2) Polyma, 1.5 KVA, 10/220 volts, single phase, 50 cycle 3000 RPM alternator directly coupled to 3 P2 stroke Air-cooled, petrol/kerosine engine and mounted completely on common base plate, complete with switch cabinet German make.

The Committee holds that it was incumbent on the Department to go in for the new plant only after ensuring its maintenance, occasional repairs and availability of necessary spares for a reasonable period. In this case the Committee finds that the Department failed to exercise due care and caution before purchasing the plant. The Committee is also surprised to find that the Suppliers firm could not be traced

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when one of the machines required to be repaired and the machine when sent to a different firm at Calcutta it could not be repaired. There is no evidence on record that the two plants were examined by any expert or a group of experts before purchase. Therefore, the Committee feels most unhappy about the whole affair and recommends that the whole matter be proved by the Government and responsibility fixed and the results thereof communicated to the Committee within six months from the date of presentation of the Report before the House.

An Officer of the Department has been directed to enquire into the Report together with a case and submit his report. Necessary reply will be sent on receipt of the report. Action taken should be sent to the Committee within three

23 Pages 48 to 51 Dev. (P. and Sl. 15 of the C. D.) Deptt. A. R. 1964.

The Committee observes that the Scheme was initiated by the Block Development Officer with the approval of the District Fishery Officer but subsequently it proved totally unsuccessful as the tank does not retain water in winter.

Thereupon the Government drew up a second phase of scheme on expert advice at an estimated cost of Rs.41,700 for the purpose of replenishing the water by pump during winter. There was no record to show whether at the initial stage any thought was given about retention of water by the tank during winter except assuming that the locality being in a high rainfall area, sufficient water would accumulate during the summer in the tank.

The Committee feels therefore that the technical advice given by the District Fishery Officer was not based on examination of soil and other factors and was not therefore sound for which the entire scheme became a failure and the expenditure became infructuous.

The Committee expresses its dissatisfaction about the manner in which the scheme was dealt with by the Departmental Officers and other technical officers.

No fishery lake is expected to be maintained by drawing water from a source through pipes.

months from
the date of receipt of the
Report.

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Instead the Department could have selected a site near the existing stream which would have been less expensive and more successful.

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Therefore, the Committee recommends that enquiry should be made by the Government to ascertain whether the District Officer's report was sound and based on the required data so that in case of any laxity, responsibility can be fixed for giving unsound technical advice. The report of the enquiry should be made available to the Committee within three months from the date of placing this report before the House.

The Government should also examine whether extra expenditure proposed to be made on the revised scheme will be useful for the purpose of maintaining a nursery tank when the Tank Fishery in the Hills is not a popular feature among the people due to the leaky nature of the soil.

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Copy of letter No. CPA. 245/65/22, dated 4th January, 1967 from Director of Panchayat and Deputy Development Commissioner, Assam, Shillong, to the Under Secretary to the Government of Assam, Finance (A. P. F.) Department, Shillong.

Subject:—Audit Report, 1965.

Reference:—Your letter No. FM. 50/65/213, dated 4th August, 1966.

In invitin a reference to paras 119 and 120 of the Audit Report, 1965, I have the honour to furnish below the upto date position of outstanding audit notes and Inspection Reports relating to the period ending 31st March, 1964.

Para 119: Outstanding audit objections.

A Statement showing the position yearwise is enclosed where from it will appear that against 17.82 items of objections as many as 857 items involving an amount of about Rs 28.50 lakhs have since been disposed of.

Para 120: Outstanding Inspection Reports.

At present the total of outstanding objections (audit notes includin works portion) is 2.397 as shown below:—

Year						No. of Paras
1954-55	...	...	...	...	...	5
1955-56	...	...	...	...	...	42
1956-57	...	...	...	...	...	34
1957-58	...	...	...	...	...	60
1958-59	...	...	...	...	...	103
1959-60	...	...	...	...	...	141
1960-61	...	...	...	...	...	261
1961-62	...	...	...	...	...	356
1962-63	...	...	...	...	...	394
1963-64	...	...	...	...	...	1,011
						... 2.397

In this connection this office Letter No. CPA. 245/65/9, dated 24th May, 1966 may please be referred to.

Memo. No. CPA. 245/65/22A, dated 4th January, 1967.

Copy with a coy of the statement forwarded to the Under Secretary to the Government of Assam Development (P. & C. D.) Department, (B) Branch, Shillong for information with reference to his letter No. PDB. 135/65/53, dated 10th August, 1966 and in continuation to this Directorate Memo. No. CPA. 245/65/9A, dated 24th May, 1966.

GOVERNMENT OF ASSAM

**Directorate of Development (Panchayat and Community
Development) Assam, Shillong**

No. CPA. 212/66/4,
Dated Shillong, the 19th July, 1967.

From:

Shri M. N. Bhattacharjee, B.A.

Accounts Officers,
Directorate of Development (P. & C.D.)
Assam, Shillong.

To:

The Under Secretary Development (P. & C.D.) Department,
(B) Branch.

Ref: Your letter No. PDB. 238/66/12, dated 10th November, 1966
and No. PDB. 238/66/14, dated 31st October, 1966.

Sir,

With reference to the above, I have the honour to state that the procedure outlined in the Chief Secretary's letter No. ABM. 152/66/35, dated 23rd September, 1966 are being observed by us since long. The registers as mentioned in item No. 1 & 2 are maintained in the directorate level and reconciliation of expenditure is also done by us by deputationing Accountants from the Directorate to the Accountants General's officers regularly. As regards item 4 an audit register is being maintained by the blocks is instructed by us earlier.

As regards item 5, we usually follow the instructions contained in the letter so far as we are concerned but we do not maintain any register on the report of the P. A. C.

Yours faithfully,

Sd/- M. N. Bhattacharjee,

Accounts Officers,
Directorate of Development (P. & C.D.) Department,
Assam, Shillong.

Serial Page of the Report
No. Department or
controlling officer
concerned

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24 Paragraph 27 at Forest
Page 37 of the Department.
Audit Report
1964.

Recommendation

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The Committee is not satisfied with the explanation given by the Department regarding the delay in issuing notification for the creation of the reserve forest. The Committee would like to know whether the notification for the creation of the reserve forest has been issued, and if so, when. The Committee would further like to know whether in actual survey the area tallied with the area acquired for which compensation was paid to the tea garden authorities.

So, far as the second sub-paragraph of this paragraph is concerned the Committee does not appreciate why the survey was actually acquired and the scheme was accepted by the Planning Commission for inclusion in the plan. The Committee would further like to know whether it has been included in the Fourth Plan.

Action taken or proposed to be taken

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The notification in question for the No Comment. with the explanation given by the Department regarding the delay in issuing notification for the creation of the reserve forest has been issued on 13th July, 1966. The area revealed by actual survey tallied with the area for which compensation was paid to the tea authorities.

As regards the second sub-paragraph the scheme was accepted by the Planning Commission for inclusion in the second Five-Year Plan. After inclusion of the Scheme in the Plan a preliminary survey was carried out with a view to ascertaining the area to be acquired for the purpose. The scheme has been included in the Fourth Plan under the heading "Consolidation of Forest."

It is, therefore, requested that the Public Accounts Committee may be pleased to drop this objection.

Remarks

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25	Para 28 at page 37 of the Audit Report, 1964.	Forest Department.	The Committee regrets to find that the project which was completed in June, 1961 was put into operation only in August, 1962 owing to the delay in arranging boilers for the plant, electricity and water supply. It also finds that the plant is running at a loss for want of proper markets for its products. Moreover, the installations showed some defects sometimes after the construction and the water supply arrangement has not been rendering adequate service, which had been attributed to less production. The Committee is of the opinion that all these factors, viz., feasibility, availability of essential equipments, proper market, etc., should have been envisaged before launching on the Scheme. The Committee is constrained to hold that all those essential requirements were not considered for which there was inordinate delay in installation and the	The project could not be put into operation in scheduled time owing to some unfortunate delay in arrangement for a boiler and supply of electricity due to circumstances beyond the control of the department. Unexpected transport difficulties and State of emergency greatly stood in the way of early installations of the plant and machinery. The installations showed no defects except some leakages in the doors and certain initial deficiency in the water supply system. These defects were all minor in nature and were duly rectified immediately after detection without any extra expenditure to the Government.	Final position should be intimate to the Committee.

whole scheme has become less productive and uneconomic. Therefore, the Committee takes a very serious view of the matter and recommends that Government should make a thorough probe into the whole matter with a view to find out the causes for the recurring loss incurred and fix responsibility for the loss and also take remedial measures. The action taken by the Government should be intimated to the Committee within three months from the date of presentation of the Report before the House.

project. With the full utilisation of the productive capacity of the plant the proportion of overhead costs and depreciation will fall and the net profit and loss position will improve. Without giving a fair trial to the plant at its optimum capacity it will perhaps be premature to consider it uneconomic and unproductive.

The Chief Conservator of Forests has since thoroughly examined the working of the project and steps have been taken to run both the Treatment Plant and Seasing Plant to their capacity which is expected to make the unit economic and productive. Steps are being taken for obtaining orders for the products. Arrangement has been made for the visit to the plant of a technical expert from the Railway Board for necessary technical advice.

26 Paragraph 29 Forest Department.
at page 38 of
the Audit
Report, 1964

The Committee is of the opinion that the scheme should have been undertaken after careful thought about feasibility, economic prospects, productivity, marketability, etc. The Committee feels

The scheme of cinchona plantation was formulated in 1943-44 after careful consideration of the feasibility of economic prospects, marketability. At that time the prospects of this industry were very bright as the prices Cin-

Final position
may be intimated to
the Committee at an
early date.

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that all these factors were not taken into consideration while launching on the scheme, resulting in loss of Rs. 16.18 lakhs. Therefore, the Committee recommends that Government should make a thorough probe into the causes for the loss and fix responsibility.

chona and Quinine were high and the market highly favourable. Subsequently, the project became uneconomic not because of any inherent deficiency in the scheme but owing to an entirely unforeseen development, namely, invention of anti-malarial synthetic drugs, and introduction of D.D.T. and other insecticides. These scientific invention affected the market of not only this unit Assam but the entire industry of the country and Government of India had to issue instructions for curtailment of the plantations (copy of Government letter enclosed). There was, therefore, no alternative but to stop production of quinine. It will be appreciated that in the circumstances the question of fixing responsibility did not arise.

As regards, the loss, it may be pointed out that over three lakhs rupees worth of finished products are still in stock. As soon as the case pending before the High Court of Assam and Nagaland in this connection is displaced of, those goods will be sold and to that extent the loss will be reduced.

- 27 Paragraph 65 Forest Department.
(ii) at page 68 of the Audit Report, 1964.

The Committee is not satisfied with the explanation given by the Department witness for accepting lower tender which led to the loss of Rs. 20,285. The Committee recommends that the Department should be more careful in future in accepting tenders on the basis of the terms and condition in the tender notice..

The instructions given in this paragraph have been noted. See general remark of the Committee.

- 28 Paragraph 66 at Forest Department.
page 68 of the Audit Report, 1964.

The Department should take early steps to recover the amount from the contractors concerned as expeditiously as possible and the progress made in this behalf should be intimated to the Committee within three months from the date of presentation of the Report before the House.

The recommendation of the Public Final position of the Accounts Committee is noted. Out with regard to realisation. Rs.97,216-00 shown in the Audit Report, 1964 a sum of Rs.16,000 was realised leaving a balance of Rs.11,165-87P. The realisation would have been bigger but for the fact that the parties filed remission petitions and realisation had to wait till the disposal of these cases by Government.

A detailed position against each defaulter is enclosed herewith.

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29 Paragraph 97 at Forest Department, pages 88-89 of the Audit Report, 1964.			The Committee is not satisfied with the statement made by the Departmental officers about the progress made in the matter of clearance of the outstanding audit objections and inspection reports. The Committee finds that there are items dating back from 1957. The Committee recommends that urgent steps should be taken for speedy disposal of the outstanding audit objections and inspection reports.	<table border="1"> <thead> <tr> <th>Audit objection</th> <th>No. of items since cleared</th> <th>Balance</th> </tr> </thead> <tbody> <tr> <td>No. of item shown in the Audit Report. 577</td> <td>198</td> <td>379</td> </tr> </tbody> </table>	Audit objection	No. of items since cleared	Balance	No. of item shown in the Audit Report. 577	198	379	The recommendation of the Public Accounts Committee is noted. There has been further improvement. The latest position is shown below:—
Audit objection	No. of items since cleared	Balance									
No. of item shown in the Audit Report. 577	198	379									
			Inspection Reports No. of items shown in the Audit Report.	No. of items since cleared	Balance						
			I.R. 82-para 574	I. R. 19 para 217	I. R. 63 para 3						
			Efforts are made to clear out the objections as early as possible.								

Copy of letter No. F.19—4/56—D, dated New Delhi, the 5th March, 1956 from the Under Secretary to the Government of India, Ministry of Health to the Secretary to the Government of Assam, Forest Department Shillong.

Subject :—Regulation of the production of Quinine and its Salts in relation to the current demands in the country—Resolution passed at the Quinine Conference held at Octacamund from the 17th October, 1956.

I am directed to say that as the State Government are aware a resolution was passed at the last Quinine Conference held at Octacamund from the 17th to 19th October, 1956 that in view of the diminishing markets for Quinine and Chinchona products, in the country and considering that the world prices of quinine salts are below the cost of production in India, the State Governments should be advised to take urgent steps for regulating the production of quinine and its salts in relation to current demands in the country. The resolution passed at the last Quinine Conference has been further examined by the Government of India and they are definitely of the opinion that quinine no longer has that future which was envisaged during the last World War and that the State Government will be well advised to curtail their cinchona plantations gradually. In this connection it may be stated that a target of 50,000 Kg., per year has been fixed in the Second Five Year Plan in respect of synthetic anti malarials to be manufactured in the country.

2 I am to request that steps which the State Government have taken or proposed to take to implement the resolution passed at the last Quinine Conference may kindly be intimated to this Ministry as early as possible.

This letter may kindly be acknowledged.

1. J. N. Phukan ... Appeal for remission rejected by Government *vide* letter No. FOR.426/63/16, dated 4th June, 1966 Bakijai Proceeding started—Rs.4,943.43.
2. L. C. Deori ... Appeal for remission rejected by Government *vide*, letter No. FOR.475/63/13, dated 12th February, 1966—Bakijai Proceeding started—Rs.12,419.50.
3. M. C. Tamuli ... Realised Rs.1,000 out of Rs.3,313.20 and appeal for remission pending with Government.
4. P. R. Das ... Realised Rs.7,106.00 out of Rs 10,179.04 and appeal for remission—Government rejected *vide* FOR. 430/63/16, dated 21st May, 1966—Bakijai Proceeding started.
5. D. R. Das ... Appeal for remission rejected by Government *vide*, FOR. 126/64/16 dated 21st March, 1966—Bakijai Proceedings started Rs.9,437.60.
6. N. N Sensua ... Realised and credited *vide*, Dr. item No. DK II of 3/64. Rs.7,944.00.
7. S. Das ... Appeal for remission rejected by Government *vide*, FOR.147/64/25, dated 4th March, 1966—Bakijai Proceedings started Rs.12,851.10.
8. C. K. Gohain ... Appeal for remission rejected by Government *vide*, FOR. 181/63/27, dated 4th March, 1966—Bakijai Proceedings started—Rs.36,128.00.

Total outstanding . Rs.97,215.87

Realised — ... Rs.16,050.00

Balance Rs.81,165.87.

30 Paragraph 55(a) P.W.D. (R. and The Committee therefore The position of Stock returns has No Comment. and (b) (1) at B.) P. W. D. recommends that the Department be intimating to the Accountant General, Assam and Nagaland, in pages 61-62 of Flood Control this Office letter No.FC(A)142/66/58 the Audit Report, 1964. relating to the progress made dated 18th January, 1967 in reply to by them to the Committee the proposed draft paragraph for the Health Department through the Accountant General, Assam and Nagaland with- the Audit Report, 1967. The up- ment (Engineering Section) in three months from the date to-date position *i.e.*, position upto of presentation of this Report September, 1966 is under collection to this House. from the Division.

31 Appendix VII P.W.D. (R. and The Committee observes with All concerned have been impressed The Committee at page 118 of B. and F.C.I. regret that a long time is upon for submission of replies tee may be the Audit Report, 1964. irregularities brought to the notice of the Departments by the Accountant General, Assam and Nagaland through promptly and taking action in the informed about the ac- tion taken by the Depart- ment in cases of delay. special letters, a few of which are given at Appendix VIII at page 118 of the Audit Report under examination. The Committee regrets to find that these replies from the Government have been awaited since 1962. The Commit-

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tee takes a serious view of the matter and recommends that prompt action should be taken to settle the irregularities and in such cases of delay the question of fixation of responsibility should be examined. The action taken on the above should be submitted to the Committee within three months from the date of presentation of the Report to the House.

32 Paragraph 47(i) P.W.D. (F. C. The Department should intimate to the Committee the actual area irrigated and the benefit derived from the scheme vis-a-vis expenditure within three months from the date of presentation of the Report to the House. (F. C. Wing). at page 52 of the Audit Report, 1964.

Six thousand acres (approximate) of land has been irrigated. The scheme was constructed at a cost of Rs.1,62,694. Therefore the cost works out to approximate Rs.27 per acre compared to the present day yard stick of Rs.250 per acre for such works.

33 Para 47 (ii) at
page 52 of the
Audit Report,
1964.

P.W.D. (F.C. I. Wing)
After hearing the Departmental witnesses, the Committee observes as follows:—

(1) The Department apparently ignored the fact that there had been heavy erosion at the proposed site during the period from May, 1953 to September, 1958 in which area of 126 lakhs sq. feet had been eroded away.

(2) The Secretary, P. W. D. could not show from records that there was any technical examination of the site by any of the Departmental heads.

(3) Though the administrative approval was received in April, 1965 the work was started prior to that date.

(4) The Departmental witnesses could not inform the Committee whether washed away construction and works were actually measured.

As recommended a one-man Commission of Enquiry has already been set up *vide* the office No. FC(A)73/63/86, dated 13th September, 1966. The Enquiry Officer requested for an extension of time for submission of his report because of the non-availability of certain old records. Those records have since been made available. For passing orders on the question of extension of time, the file concerned has been put to the Minister, F. C. I. The report of the enquiry has been received. The report is under consideration of the Government.

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In view of the above, the Committee recommends that in this case the Committee is not convinced by the reasons put forward by the Secretary and as the Secretary could not produce records to substantiate his evidence. The case reveals a very sad state of administrative control by the Departmental Heads and the Committee is irresistibly drawn to the conclusion that the case calls for an investigation by a high level committee in order to fix responsibility for the lapses and a report should be sent to the Public Accounts Committee within three months from the date of submission of the Report to the House.

34 Para 47 (iii) at page 53 of the Audit Report, 1964.

P. W. D. (F.C. & I. Wing).

The whole matter was investigated by the S. E. of the Department. It is respectfully submitted that the breaches in the embankment were not due to non-completion of turfing work as turfing would not have prevented the breaches.

No. Comment.

in the circumstances of the case Even completion of the workalso could not be taken as a guarantee against breach. Hence no officer can be held responsible of the breaches.

Noted.

months from the date of presentation of the Report to the House.

35 Para 47 (iv) at P. W. D. (F.C. & I. Wing) page 53 of the Audit Report, 1964. The Committee therefore recommends that the Department should in future be careful in dealing with such cases and should avoid launching upon immature schemes to avoid loss of money.

37 Para 47 (v) at page 54 of the Audit Report, 1964. Do The Committee is not satisfied that the work had to be abandoned due to non-availability of funds from the administrative Department.

Construction of an embankment along the right bank of Rongdik and Simsang at Kharikhal Adengiri was undertaken at the instance and on behalf of Development C.P. Department. The postponement of the work was also made at the instance of the said Department. The said Department, *vide* their letter No.CPPD. 67/57/45, dated 23rd March, 1960 (copy enclosed) accorded Administrative approval on the aforesaid scheme for an amount of Rs.1,01,300. As there was scarcity of paddy land this vast area of

Therefore the Committee recommends that this matter should be investigated, responsibility fixed and the report submitted to the Committee within three months from the date of presentation of the Report to the House.

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2,000 acres which was rendered unfit for cultivation by the spill water of the river Someswari was required to be brought under cultivation. The work was accordingly taken up by this Department and an expenditure to the extent of Rs.20,120 was incurred. But before the work could be completed the Development (C.P.) Department, in February 1961, intimated *vide* their No.CPPD—67/57/67, dated 21st February, 1961 (copy enclosed) their decision of discontinuing the work is due to non-availability of fund at their disposal. The execution of the partially executed work was, therefore, discontinued. But though the execution of the work was postponed for some time it was not altogether abandoned. This work was subsequently taken up by this Department itself at an estimated cost of Rs.1,79,200 under Minor Irrigation Scheme order to complete the remaining works. The quantity of work already done under Development. (C. P.) Department was fully utilised in the work executed subsequently. The expenditure previously incurred was not, therefore, allowed to stand infructuous.

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The Committee therefore recommends that responsibility should be fixed on the persons concerned for whose fault the Government had to incur a sum of Rs.3.27 lakhs.

The work was taken up in the year 1954-55 and the then Superintending Engineer, Shri M. B. Rangaswami inspected the work while the same was in progress in January, 1955. No report of that time on the action taken on the Superintending Engineer's report are available in our records. Shri T. N. Tirath Das, Executive Engineer, under whose charge the work was then carried out reported that the alignment had been taken according

In view of the facts stated above it may very kindly be seen that the causes of non-availability of fund were not and are not known to this Department. It will also not be possible for this Department to enquire and investigate into such causes relating to another department. It is, however, brought to your kind notice that though the work had once to be postponed for non-availability of fund the scheme was subsequently completed utilising the full quantity already executed before postponement, and thus wastage of money from Public Exchequer was fully avoided.

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to the original sanctioned plan which is sufficiently far away so as to be safe from erosion. The side slopes and shrinkage allowance, etc., had been provided subsequently while completing the works, according to the provision in the sanction estimate. In absence of any other records there was no other alternative but to accept the report of the Executive Engineer who carried out the works.

In the cross section of the dyke, taken later on, for the raising and strengthening estimate for this dyke, the side slopes and crest width, etc., shown are the same as those in the sanctioned drawing of the original works from which it could also be concluded that he works was done according to the specifications and dimensions given in the sanctioned estimate. The expenditure of Rs.3.27 lakhs incurred for the purpose of raising the embankments was found necessary as the flood levels were found to have risen by 3' feet according to the reports received.

River Gauge records of other places e. g., Dibrugarh, also show a rise of flood level of more than 3' feet between 1952-57 H. F. L. It may

also be mentioned here that the designed H. F. L. for the original work of construction of this dyke was of 1932.

Therefore the expenditure on raising the embankment was unavoidable and which was necessitated by the rising flood levels and not due to defective construction. In the circumstances nobody can be made responsible.

39 Paragraph 50 Public Works Department (ii) at page 56 of the Audit Report, 1964. (Flood Control and Irrigation Wing).

The Committee therefore recommends that the Department should ascertain the practice obtaining in C.P.W.D., Railways, M.E.S. and other States and whether tenders offering lower terms are accepted even through some clarification may be needed for some of the items included in the tender, adopt the practice which may be to the maximum advantage to the State. Report of action taken should be sent to the Committee within three months from the date of Presentation of this Report to the House.

All State Governments Railways of India C. P. W. D. were requested to inform this Department of the practice followed by them in respect of their dealing with tenders quoting rates in defective manner or not quoting rates in some items. They were requested also to let this Department know whether or not negotiation with the tenders are resorted to for rectification of such defects after submission of tenders. In response eighteen out of twenty-five officers have intimated their views and the principle they follow:—

Rajasthan, Madras, Orissa, Garrison Engineer Shillong, and Central Railway pointed out to defective tenders are rejected and no negotiations are resorted to.

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Kashmir, Mysore, Uttar Pradesh, Madhya Pradesh, Gujrat and Northern Railway have stated that negotiations are resorted to only when it is necessary to reduce the rates. It is, therefore, evident that negotiations apply only regular tenders which are not defective. Himachal Pradesh have not given any comment since they have not come across any such case.

C. P. W. D., N. F. Railway, Western Railway and P. W. D. (R. and B.) Assam expressed that in such cases they leave the matter at the discretion of the tenderer accepting authority invite fresh tenders.

S. E. Railway and N. E. Railway made negotiations for rectification of defects.

From a study of the foregoing information and the copies of correspondence enclosed it will be seen that the views received appear to be inclined towards rejection of defective tenders.

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No comment.

So far as the view of this Department is concerned I may point out here that negotiations and attempt of obtaining clarification in such matter will simply create its adverse effects in the whole matter in general though in few particular cases some financial benefit to the Public exchequer may be derived. If the tenderers are given chance of removing the defects as a principle then the tenderes are very likely to take advantage for their own end. Such as, they may not deposit the earnest money, affix the court fee stamp and may not take any precaution against furnishing incorrect rates/items.

They may also purposely omit quoting rates in certain items in order to take a chance of quoting these rates subsequent during negotiation after knowing the rates and positions of all the tenderers. Such practice may lead not only to favouritism but also corruption on the part of both the tenderer and the authority accepting the tenders. Terms and conditions of NIT the purpose of which is

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keep a strict check over all such possibilities, will lose its value. In addition, it will also stand in the way of including healthier competition.

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No comment.

The quantity of works allotted to the contractor as per comparative statement was found to have changed after actual execution. This change in quantity of works did not affect the selection already made in the original comparative statement and therefore, did not result in extra-expenditure. This is because the tender of another contractor as pointed out in the Audit Report was irregular for not quoting any rate against item 10 for which it stood rejected. Therefore, the contractor to whom the work was allotted remained as the real lowest tenderer even on the basis of actually executed quantities.

It may very kindly be seen from above that there was no extra-expenditure involved as a result of selection of contractor in the comparative statement.

40 Para. 50(iii) at P. W. D. The Committee therefore recommends that Officers responsible for this extra-expenditure should be dealt with departmentally and fixation of responsibility should be made so as to recover the amount involved and action taken by the Government should be reported to the Committee within three months from the date of presentation of the Report to the House.

- 41 Paragraph 51 at page 57 of the Audit Report, 1964. P. W. D. (F. C. and I. Wing) Necessary information furnished to the A. G., Assam and Nagaland vide this Office No. FC (A) 102/65/Pt.3, dated 29th June 1966 and FC (A) 102/65/55, dated 23rd December 1966. Further report of recovery has been called for from the Executive Engineer, Gauhati E. and D. Division in this Department's letter No. FC (A) 102/65/87, dated 17th July 1967. No. comment.

- 42 Paragraph 56 at page 63 of the Audit Report, 1964. Do. Noted.

The Committee has been informed by the Secretary that it was not possible to observe strictly stock limits. With the increase of the work load the stock limit is also exceeded and the Secretary informed the Committee that as far as possible the divisions had been instructed not to exceed the ceiling limit of stock in future.

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			The Committee recommends that there should be no delay in fixing ceiling limits of stocks for the Divisions and the Divisions should be instructed not to exceed the limit unless it is reviewed by higher authority and proper sanctions obtained.		
43 Paragraph 96 Home (Jails) at page 87 of Department the Audit Report, 1964.			The Committee recommends that the outstanding objections which are pending from a long time should be attended and objections settled early and report submitted to the Committee within three months of the placing of this Report before the House.	Reply in respect of 25 paras of Inspection Reports upto March, 1963 have since been furnished to the Accountant General out of total outstanding of 58 paras. Of these 16 paras, have since been settled by the Accountant General. As regards the remaining paras, these are being regularly pursued for early settlement	No comment.
				As regards outstanding audit objections relating to D. C. C. bills a detailed report indicating item wise position of D. C. C. bills have been forwarded to the Accountant General <i>vide</i> I. G. Prisons letter No. PRI. 460/66/33, dated the 15th February, 1967 for reconciliation from the Statement received from time to time and records maintained in the I. G. Prisons Office. It appears that a huge number of D. C. C. bills	

forwarded duly countersigned to the Accountant General have got mislaid somewhere. All efforts for settlement have therefore become fruitless. The Accountant General, Assam and Nagaland has been informed of the whole position and has been requested to intimate the course of action that may be taken for settlement of these long outstanding objections. As regards objections relating to submission of A. P. Rs. and S. Vs all the drawing and disbursing Officers have been asked by I. G. of Prisons to furnish these to the Accountant General without any further delay.

44 Item 14 of Ap. Home (Jails) The Committee would like to be furnished with the present position of the criminal cases within three months from the date of presentation of the Report to the House.

(i) G. R. Case No. 235/62 pending in the Court of the 1st class Magistrate Judicial Silchar. 29th April, was fixed for further evidence.

(ii) G. R. case No. 258/60 Accused Mahim Chandra Das, Treasury Assistant was discharged and accused Suresh Chandra Das, Jail warden has been committed to the Court of Sessions U/S 409, 471/467 I. P. C. The date for hearing was fixed on 12th July, 1967.

No comment.

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|-----|--|-----|---|--|---|
| 45 | Paragraph 96 at Home (Police) page 87 of the Audit Report, 1964. | | The progress made about the clearance of outstanding audit objection and inspection report are not very encouraging. The oldest item of objection dates back to 1954-55 and the oldest item of inspection report dates back to 1950-51. Such inordinate delay on the part of the controlling authorities in taking timely action to submit detailed countersigned bills must be regarded as serious lapse on the part of the Department. The Department should take effective steps to meet the objections so the old outstanding Audit objections and Inspection Reports may be settled immediately as the delay in settlement of the objections is likely to lead to the continuance of the irregularities brought to notice. | The clearance of outstanding audit objections and inspection reports have been given special attention as per recommendation of the P. A. C. The matter has been vigorously pursued with the Dists/Units Officers and a substantial amount under objection have been reduced since the last Public Accounts Committee held in May, 1966 and it is expected that the matter will improve further. | No Comment. |
| 46 | Paragraph 97 at page 88 of the Audit Report, 1964. | | | | |
| 47 | Item 11 of Home (Police) Appendix IV at Department. pages 104-105 of the Audit Report, 1964. | | The results of the pending cases and departmental proceedings and also the final action taken by the Department for recovery or writing off the misappropriated amount should be | Out of 5 cases referred to in the Audit Report, 1964 one case does not concern this Office and one case has already been closed; leaving a balance of 3 cases only. | The Final action should be intimated to the Committee as early as possible. |

intimated to the Committee Actions are on the way to finalise within three months from the date of presentation of this Report to the House.

these cases in accordance with the recommendations of the Public Accounts Committee. In one case the recovery of the amounts is awaiting final disposal of the departmental proceedings drawn up against the Assistant Commandant, which is in progress now. In the second case, the proceedings have been finalised another accused persons have been acquitted as the charges against them could not be proved. Action is being taken to write-off the amount involved. In the third case the Commandant has been asked to draw up departmental proceedings against the persons responsible and the action is in progress.

48 Grant No.12 at page 23 of the Appropriation Accounts 1962-63.

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The matter of raising more police battalions locally may be expedited by the State Government.

Action has been taken to raise Police Battalions locally as per recommendations of the Public Accounts Committee and 4 (four) more Battalions have been raised since the year 1963.64-

No comment.

- (1) 49 Paragraphs 96-97 at pages 87-88 of the Audit Report, 1964.
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- (3) Education Department.
- (4) The Committee expresses concern about the state of affairs relating to the outstanding Audit objections and inspection reports. These date back to 1955-56. Such inordinate delay on the part of the Controlling Officers in taking action to submit detailed countersigned bills must be regarded as a serious lapse since the entire expenditure in respect of which detailed countersigned bills and vouchers are not submitted except Audit scrutiny altogether for an unduly long period.
- (5) Prompt action has been taken to submit the D.C.C. bills to the Accountant General, Assam and Nagaland, Shillong. As there was no record about the outstanding D.C.C. Bills, these were collected recently from the Office of the Accountant General, Assam and Nagaland, Shillong.
- (6) The Committee would like to be informed of the present position.
- In respect of Vouchers, it may be stated that all the Drawing and Disbursing Officers under the Directorate of Technical Education, Assam have been instructed by Director of Technical Education, Assam *vide* his T. O. No. TE.(A)—131/63/7510-18, dated 27th June, 1966 to attach all the Sub-Vouchers with the contingent bill and to supply all the wanting Sub-Vouchers punctually to improve the position early.
- So the Committee recommends that outstanding audit objections and inspection reports should be met by the Department by the end of the current year and appropriate action should be taken against the defaulting Officer.

Action taken and progress made should be intimated to the Committee through Accountant General, Assam and Nagaland from time to time.

As regards outstanding objection for want of Sub-Vouchers, the principals (Drawing and Disbursing Officer) have been directed by the Director of Technical Education, Assam to submit these to the Accountant General, immediately for prompt settlement of the objections. The Directorate of Technical Education have a little scope to know about the wanting sub-vouchers, unless the Accountant General, Assam and Nagaland give information about these time to time. However, the Directorate of Technical Education has taken special care to supply the wanting sub-vouchers as communicated by Accountant General from time to time.

There are 201 numbers of paragraphs against 30 number of inspection reports outstanding against the Directorate of Technical Education as on 31st March, 1966. A copy of the detailed statement is enclosed.

**Early Statement of Outstanding Audit objections relating to the Directorate of Technical Education, Assam:
Shillong: For the Quarter ending 31st March 1956.**

Serial No.	Audit note on the Accounts of	Outstanding Paragraphs		Objections received during the period		Reply furnished during the Quarter		Paragraphs dropped		Outstanding		Remarks
		Audit Note	No. of para- graphs	Audit note letter No.	No. of para- graphs	No. of para- graphs	By A.G.	Audit Note	No. of para- graphs			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)		
1	Assam Engineering College, Jhalukbari	..	4	41	1	16	..	5	57			
2	Jorhat Engineering College	..	2	16	..	..	10	2	6			
3	P. C. W. I., Jorhat	..	7	46	1	18	21	8	43			
4	A. E. I., Gauhati	..	5	21	1	13	9	6	25			
5	Silchar Polytechnic	..	3	23	2	24	10	5	37			
6	Nowgong Polytechnic	..	1	10	..	..	..	1	10	*No reply could be furnished as the records are seized by Examiner of Local Accounts.		
7	Head Office	..	3	23	..	23	..	3	23			
								30	201			

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50 Paragraph 3(c)
at pages 3-4
Revenue
Department.

The Committee notes that the Arrear collection:—

Department has taken some steps in the matter to improve realisation of the arrears. The Committee would like to be intimated about the progress in this behalf within three months from the date of presentation of the Report before the House.

Collection position of arrear Land Revenue and Local Rates upto the end of the Revenue year 1965-66 (*i.e.*, upto June, 1966) in the seven plains Districts of Assam is detailed below:—

No comment.

Arrear Demand	Arrear Collection	Arrear Balance (excluding remission)
Rs.	Rs.	Rs.

4,11,83,644 2,23,01,916 1,84,20,351

51 Item 5 of Appen-
dix IV at
pages 104-105
of the Audit
Report, 1964.

In the first case the Department should intimate the result of their action for the realisation of the balance amount.

In the second case Department should intimate the result of the criminal case as also the progress or realisation of the balance amount within three months from the date of presentation of the Report before the House.

Shri Girish Ghandra Das, Process Server of Silchar (Sadar) Tahsil misappropriated a total sum of Rs.3,341.24. It was detected in 1958 when D. Ws were issued for clearance of the arrear dues of raiyats who objected that they had already paid those dues. But the Process Server had already retired from Government service on 1st July 1957.

- (1) (2) (3) (4) (5) (6)
- In the fourth case the Committee regret that the Department could not take timely action before the persons went on retirement.
- In the 5th case Government should make an investigation leading to the defalcation of the amount in question and fix.
- The dates and amount of misappropriation were different, but it took place since 4th June, 1954, onwards on different dates in different cases. The misappropriations were detected as a result of the report of another Process Server, Shri Tanu Singh, to whom D. Ws were subsequently re-issued, when the so-called defaulters showed receipts of payment.

The modus operandi of defalcation was that the Process Server, Shri Girish Ch. Das showed the actual amount realised on the outer foil given to the raiyats but showed a lesser amount in the inner foil and misappropriated the difference between the two amounts. He also, in some cases, completely removed the inner foil of the cheque. As a result the misappropriation could not be detected before production of outer foil by the parties concerned when they responded to the D. Ws. issued against them. The Head Assistant Shri Dharendra Chandra Dev checked the receipt books according to the practice of the Silchar (Sadar) Tahsil Office.

52 Item 5 of Appendix IV at pages 104-105 of the Audit Report, 1964.

responsibility for the same. The result of the investigation should be intimated to the Committee within three months from the date of presentation of the Report before the House. The Committee further regrets that the Revenue Deptt. did not furnish the particulars promised in the course of evidence before the Committee on 20th December, 1965.

The Process Server committed the misappropriation so cunningly that it was not possible for the Head Accountant to check the bigger amounts stated in the outer foils with those of lesser amounts recorded in the inner foils. The H. A. had no other way than to check the realisation from the inner foil of the cheque book, and get the amount deposited. As regards the second mode of misappropriation, namely, by causing disappearance of some innerfoil leaves from the cheque book, this could not be easily detected unless the pages of the cheque book, were counted. The H. A. seems not to have counted each page of the cheque, presumably due to the pre-occupation of the H. A. who is generally a busy man, as reported by S. D. O. Had these counterfoils been counted diligently, the missing foils might have been detected in time.

As soon as the misappropriation was detected, the matter was reported to the Supdt. of Police for taking up a criminal case against this Process Server after

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necessary investigation. A case was registered under section 409 of I.P.C. and investigation was held. During the investigation *prima facie* evidence of misappropriation of public money against the accused was found, but the accused then absconded. Since then, G. P. F. money gratuity and pension of this Process Server have been held up. Deputy Commissioner Cachar has been directed to examine if the entire misappropriated money will be covered by the amount since held up and further to see how the balance can be recovered.

Departmental enquiries were also made by the Sadar S. D. O. It appears from his enquiry reports that the responsibility calling for action was not assessed against the S. D. C. in-charge of Tahsil—Shri Gopesh Ch. Das, Shri Gopesh Ch. Das, S.D.C. has since retired on 8th December, 1960. The S. D. C. daily checked the collection by verifying the circle cash book and the daily slips from the circle with the general cash Register and the chalang showing deposit in to the treasury. From

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this verification it was not possible for the S. D. C. to detect the misappropriation committed by misusing the cheque book.

Besides Shri Gopesh Ch Das, S. D. C. (since retired) and Shri Dharendra Ch. Deb, H. A. (since retired), Shri Mazamil Ali was the Bakijai Asstt. at the time when the misappropriation took place. Had he dealt with the Bakijai cases quickly then the fraud committed by Shri Girish Ch. Das (Process Server) might have been detected earlier. Deputy Commissioner has been asked to take action against this employee. From a report of the Commissioner it also appears that one Shri Jamini Kumar Das, Process Server was also connected with Tahsil works at that time when misappropriation took place. Deputy Commissioner has been asked to examine whether he was also in any way responsible for loss of Government revenue.

No comment.

53 Paragraph 23 at Animal Husbandry and Veterinary Department. pages 34-35 of the Audit Report, 1964. Therefore the Committee desires that the Government in future should not embark on such scheme without

In future before taking up any scheme the question of availability of land will be given due consideration together with the build-

No comment.

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ings for perfect implementation of the schemes. The other factors regarding technical manpower and other ancillary facilities will be also made available. For this purpose the following plan and programme has been contemplated to be taken up in implementing the recommendation of the Public Accounts Committee in regard to a short phased training programme keeping in view the probable requirement of trained personnel for coming ten years in order to obviate the shortage of trained personnel in the long run.

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ascertaining all the factors necessary for perfect implementation of the scheme and in case of a scheme initiated by the Government of India attention of the Government of India should be drawn to the difficulties of the Department prior to launching the scheme. The Department should also prepare a short phased training programme keeping in view the probable requirements of trained personnel for coming ten years and the programme should be implemented so that the shortage of trained personnel may not recur in the long run.

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1. **Poultry.**—Operation of incubator, handling of day old chick, feeding chick and adult birds, housing of birds, marketing, storage of eggs, etc.
2. **Duck.**—Keeping, feeding of duck, hatching, handling of ducklings housing of ducklings and marketing.
3. **Sheep and Goat.**—Management of goats, feeding, housing grazing, mutton production and marketing, etc.
4. **Pig.**—Feeding, care, management of pigs and piglings, bacon production, tinning and marketing, etc.

54 Paragraph 24 Animal Husbandry and Veterinary Department.
at page 35 of the Audit Report, 1964.

The Committee, therefore, recommends that there should be a thorough probe into the matter and responsibility fixed and the result should be intimated to the Committee within three months from the date of submission of this report before the House.

5. **Buffaloe**.—Keeping, care and management of indigenous breed, milk production and production of cream, butter, ghee and other milk products.

6. **Dairy Farming**.—Cultivation of fodder, silage hay making, marketing of milk, storage of milk and compost making, etc.

7. **Hide and skin utilization, etc. training**.—Farming, storage, marketing, plant Engineering.

8. **Food mill**.—Production of all types of livestock feed and plan engineering, etc.

The Director under whose decision the goats were purchased has since retired.

In all fairness it may be stated that it was difficult at that time to assess the result of an experiment. Such being the case the scheme was embarked upon with better expectation. The experience gained now would caution the Department for future purchase. As such no responsibility may be fixed on any individual since the work was done with a *bonafide* intention of developing the goats of the State.

No comment.

(1) Paragraph 55 (2) 43 Public Works Department (R. and B. Wing). 1964.

(4) As assured by the Secretary of the Department the Committee recommends that each case referred to in the Audit Report should be examined by the Secretary with a view to ascertain whether there is laxity on the part of the Departmental Officers in exercising proper control on the expenditure and responsibility should be fixed on the Officers concerned for their laxity and action taken should be reported to the Committee within three months from the date of presentation of this Report to the House.

(5) Time to time instructions are issued to the Divisional Officers from this office for clearance of Audit Objections under "Want of Estimates", "Excess over Estimates" and "Wanting Vouchers". In this connection, it may be stated that Registers from Audit Objections for individual division have been opened and the matter has been pursued vigorously from this office for expeditious settlement of the objections in co-operation with A. G.'s office.

(6) No comment.

56 Paragraph at Page 50 of the A.R. 1964. 44 Public Works Department (R. and B. Wing).

A statement showing the position of outstanding rent against Government officers as it stood on 30th June, 1966 is enclosed herewith. It will appear that some of the Divisions have been in a position to recover and adjust the full amount of outstanding rent while some others Divisions have to receive a good number of rent rolls for adjustment. Finance Department have instructed the T. Os. to return the rent-rolls promptly to the Divisional Officers.

No comment.

57 Paragraph 45 at Public Works
Pages 50-51 of Department
the A.R. 1964. (R. and B.
Wing).

The Committee recommends Divisional Officers had been instructed to settle the accounts in cases of discrepancies by personal contact with the Treasury Officers. In cases of non-Co-operation from the Treasury Officers concerned the matters are being reported by the Divisional Officers to this office for taking up with Finance Department. The difficulties faced by the Divisional Officers in reconciling the discrepancies in Treasury Pass Books are being communicated to the Finance Department from time to time for taking necessary action from their end.

that in such cases, the Divisional Officers should settle the accounts in case of discrepancies by personal contact with the Treasury Officers and any negligence on the part of the Treasury Officers should be immediately reported to the Secretary, Public Works Department for the purpose of taking up the matter personally at the Secretaries level. The Secretary, Public Works Department and Secretary, Finance should meet together and devise ways to tide over the present problem so that there may not be delay in effecting monthly settlement with the Treasuries for remittances. The progress made by the Department in this matter should be reported to the Committee through the Accountant General, Assam and Nagaland within three months from the date of presentation of this Report to the House.

- 1) 58 Paragraph 46 at Public Works Department Audit Report (R. and B. Wing). 1964.
- (2) (3) (4) (5) (6)
- The Committee, therefore, recommends that up-to-date position should be intimated to the Committee through the Accountant General, Assam and Nagaland within three months from the date of presentation of this Report to the House.
- Necessary instruction have been issued to the Divisional Officers from time to time for expeditious adjustment of outstanding ATD/ATC. Necessary instruction also has been issued to Divisional Officers in accordance with the Recommendation of the Public Accounts Committee A statement of outstanding ATD/ATC, received from Accountant General was also forwarded to Divisional Officers and the report so far received from them have been compiled in a statement which is enclosed herewith. It will appear that the position of adjustment has improved much now. The matter has been pursued vigorously for expeditious settlement of all the outstanding ATD/ATC in Co-operation with Accountant General, Assam and Nagaland.
- Proceedings have been drawn up against Officers at fault and the same has not yet been finalised. A report will be furnished as soon as the same is finalised.
- Final position on the matter should be intimated to the Committee.
- 59 Paragraph 49 at Public Works Department Audit Report (R. and B. Wing). 1964.
- The Committee recommends that a report stating the action taken by Government on the Officers at fault should be sent to the Committee within three months from the date of presentation of this Report to the House.

60 Paragraph 50(1) Public Works
page 55 of the Department
Audit Report (R. and B.
1964, Wing.)

The Committee feels that it was an arbitrary action on the part of the Officer concerned accepting the tender and by his action the State suffered a

huge loss of money. However in view of the Statement made by the Secretary, P. W. D. in his evidence before the Committee to the effect that the authority who accepted the tender in his wisdom thought that it was an irregularity. The Committee recommends that the opinion of the Local Remembrancer should be obtained by the Department about the liability of the Officer concerned in this case and intimated to the Committee within three months from the date of presentation of the Report of the House. The Department should also ascertain the practice and precedence followed in

The estimated cost of the work put to tender is based on the Schedule of rates pertaining to the Area in which the work is to be executed and this Schedule of rates is specified in clause 12 of Public Works Department Form No. 7 and 8 and similar clause in other contract Forms. The rate of Extra/Substituted/Additional items, etc., are regulated according to this Schedule of Rates.

2. *The Legal Remembrancer's Decision on the case:—*

“The Public Accounts Committee requires our advice as to whether the Officer who refused to accept the tender of one Binapani Burman for which refusal, the Government has to incur a loss should be liable for his such action. It transpires from the precis that there were two types of schedule rates in vogue during the relevant period of the contractor. One rate governed

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the Central P.W.D. in such cases for the purpose of placing them before the Committee within three months from the date of presentation of this Report to the House.

the contract relating to Hills District Roads and the other governed the contract relating to Diphu Division as stated in your precise The schedule rates for Hills District Roads are stated to be fixed and permanent and the rates for Diphu Subdivision are subject to annual variation.

No comment.

As per provisions of the Notice Inviting Tenders the excepting Authority of the tender has been given the discretion not to accept the lowest tender. In this connection, clause 10 of the notice inviting tenders is relevant. Clause 16 for the notice inviting tenders has specifically stated that tenderer is to quote the flat percentage of the rates either at par, below or above the scheduled rates for Hill District Roads current in the State. From the copy of the petition of the tender submitted by Binapani Burman it appears that he quoted 2½ per cent below the scheduled rates of the current year. Evidently, he

did not comply with the provision of clause 16 of the notice inviting tenders. The Officer, as he was given the discretion to accept the tender or not to accept a tender of the lowest rate he thought *bonafide* the rates quoted by the contractor Binapani Burman related to the contract for the Diphu Sub-division, rates of contract in which are subject to annual variation. The accepting authority of the tender, that is, the Officer concerned exercised his discretion under clause 10 of the notice inviting tenders for the reasons that the contractors failed to comply with the provisions of clause 16 of the notice inviting tenders. In such a situation, it cannot be held that the Officer concerned refused to accept the lowest of the tender with any ulterior motive or malafide. In the circumstances, having regard to the facts of the instant case, no financial liability should attach to the bonafide action of the Officer concerned".

In view of the above decision of the Legal Remembrancer, this objection may be dropped.

- (1) 61. Para 52 Pages 57-58 of the A. R. 1964
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- (3) Public Works Department (R. and B. Wing)
- (4) After hearing the Departmental witnesses, the Committee recommends that the Government should furnish the justifying reasons for giving extra contractual concessions to the Contractor to the Committee through the Accountant General, Assam and Nagaland for proper appraisal of the Committee within a course of three months from the date of presentation of this Report to the House.
- (5) (1) A remission of Rs.57, 038- was granted by the Government, *vide* Finance Department's letter No. FM./56/55/102, dated 4th September 1956 and FM./56/55/191, dated 1st September 1958 on being satisfied that the lessee sustained loss for reserving 45 seats for the M.L.As during the Assembly Session as well as by way of providing incentive to the enterprise.
- (2) A further concession, by way of remission of rent to the tune of Rs.25,024 was granted by the Government *vide* Finance Department's letter No.FM./56/55/305, dated 3rd August 1960 and FM.56/55/342, dated 9th June 1962 respectively, on being satisfied that the lessee deserves compensation for the loss sustained by it due to non-occupation of reserved seats by the M.L.As during Assembly Session.
- (3) Concession amounting to Rs.43, 175 in the shape of Increase in the limit of re-imbursement of cost of petty repairs from Rs. 1,000 to Rs.5,000 P.A., with retrospective effect from 11th April 1952
- (6) No comment.

was granted by the Government vide Finance Department letter No. FM.56/55/102, dated 4th September 1956 on being satisfied that the claim is justified by virtue of the high cost of building materials and labour, as well as due to non-payment of service charges due from the M.L.As who have not occupied the seats reserved for them during the Assembly Session.

- (4) Another concession Rs.10,000 (i.e. from Rs.90,000 to Rs.80,000) was granted by the Government vide Finance Department's letter No.BB.93/53/12, dated 24th December 1953 and subsequently amended vide our letter No.BIL 25/52/1650, dated 13th March 1954 on being satisfied as the result of physical and on the spot verification conducted by this Department, that the crockeries and furniture, etc., described a reduction in their value, due to their worn out condition as result of constant use and wear and tear, etc.

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62. Para 53 Page 59
of A.R. 1964.

In this case, the Committee observes after hearing the Secretary, P. W. D. that the occupants of the Government building ought to have been informed that pending revision of the standard rent, the rate of recovery was only provisional and when the revision was effected, revision should have been made. The Committee further feels that the decision of the Government to give effect to the standard rent from 1st January, 1960 and to write-off the amount of Rs. 22, 785 without convincing grounds was not to the best interest of the Government and the State. Rules of the Government prescribe that there should be a revision of rent every five years and revision had to be made according to Rules. The standard which was arrived at according to the rules is mandatory. In view of the above, the Committee recommends that the Finance Department should

The matter has been referred to Finance Department who has obtained legal Remembrancer's advice to the effect that if the recalculation is done within a reasonable time of the date on which recalculation should have been made then, in equity the extra rent may be demanded from the occupants. It is also decided that in these cases the recalculation should be done with effect from 1st April 1959 and arrear rent due from 1st April 1959 to 1st January 1960 should be realised from the occupants. The orders for writing off will therefore stand in respect of the balance only. The Estate Officer, P. W. D. (R. and B.), Shillong has been asked to take necessary action accordingly and to report this Department for further action in the matter.

The Committee feels that as a matter of Principle there should not be delay because delay means loss of time. Therefore the Committee recommends that the recalculation should be made if and when it is required to be made so that these sort of delay will not occur in future. A report regarding realisation of the balance amount should be submitted.

re-examine the matter in the light of the above observations and report to the Committee their views within three months from the date of presentation of this Report to the House.

63. Para 55 (b) (ii) Do
Page 63 of
A. R. 1964.

It transpired from the evidence tendered by the Departmental witnesses that the Departmental actions have been taken against the Officers at fault. Even then in some cases the matters have not yet been finalised and actions have been delayed. The Committee cannot but view such delay with strong dissatisfaction and recommend that the Department should in future be very much careful in dealing with such cases so that there is no delay in taking actions.

Proceedings against the 3 (three) officers have been drawn up, but final report from the Enquiring Officer has not yet been received. The Enquiring Officer had to be changed due to retirement of the previous Enquiring Officer and as such it took some time for the new officer to finalise the case. However, the Enquiring Officer is being asked to submit his report with his findings.

The Committee is not satisfied with the appointment of three Enquiring Officers in succession. In future the Department may please see that when such officer is appointed as Enquiring Officer, he will finish the enquiry and submit his report without indeterminate delay and thereby defeat of justice may not take place.

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The Committee would like to know as to whether the report has since been submitted and what action the Department has taken on the basis of the report.

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64 Paragraph 55 P. W. D.
(b) (ii), Page (R. & B. Wing)
63 of A. R.
1964.

The Committee also recommends that the Department should immediately finalise the Departmental proceedings and action taken should be reported to the Committee within three months from the date of presentation of this Report to this House.

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**Statement showing Division-wise distribution of
outstanding rent as on 31st March, 1963**

Serial No.	Name of the Division				Amount	Balance
					Rs. P.	Rs. P.
1.	Goalpara Division	...	...	...	842.00	114.21
2.	Ghilamara	,,	...	...	180.09	Nil
3.	Tura North	,,	..	...	728.75	252.70
4.	Tura South	,,	...	...	102.28	Nil
5.	Shillong South Division	...	...	...	1,328.55	616.60
6.	North Lakhimpur Division	...	...	...	1,989.63	777.26
7.	Dhubri	,,	..	...	928.73	670.06
8.	Kokrajhar	,,	...	...	1,163.57	892.80
9.	Mangaldoi	,,	...	...	986.89	212.43
10.	Lungleh	,,	...	...	430.01	Nil
11.	Aijal	,,	...	...	517.24	104.44
12.	Sibsagar	,,	...	...	3,788.84	761.72
13.	Construction	,,	Gauhati	...	3,058.96	...
14.	Diphu	,,	...	...	1,263.31	385.31
15.	Cachar	,,	...	...	13,260.13	3,030.15
16.	C. B. C. Jorhat Road	,,	...	...	4,923.59	500.00
17.	Golaghat	,,	...	...	568.84	Nil
18.	S. D. O., N. C. Hill Division	...	...	...	402.61	303.90
19.	Nowgong West	,,	...	...	1,333.15	330.07

65 Para 25 at Inland Water
page 36 of Transport.
A. R. 1964.

The Committee finds that the main part of the work of construction of the port was allotted to a firm of contractors in May, 1960 for Rs.16.67 lakhs, before the land was acquired and made available to the contractors. It also finds from records that the contractors after completion of certain foreshore works valued at Rs.2.60 lakhs had to abandon the work in May, 1962 as the site for the port had not been made available to them. This held up the completion of the port, besides involving the locking up of funds on the work already done. The Secretary was asked to explain the reason why the construction work was allotted to the contractors before acquisition of the land and the Secretary sought for time which was granted for furnishing information. But in spite of that no information was forthcoming. The Committee therefore observes that the work should not have been allotted

The Ganga Brahmaputra Water Transport Board at its 7th meeting on 8th September 1955 initiated the move for construction of an Inland port at Pandu in the Brahmaputra river with the up-to-date amenities for transhipment of goods. The site of the port was selected by the Ganga Brahmaputra Water Transport Board in consultation with the North Frontier Railways and the Government of Assam. The detailed designs and drawings were furnished by the Director Design and Engineer-in-chief, Ganga Brahmaputra Water Transport Board. The execution of the work of the port was entrusted to the Public Work Department (E. & D.) Assam on agency charge basis.

The proposed land of the port area belong to the North Frontier Railways and in the minute meeting, dated 8th February 1963 it was decided that the land is to be handed over to the Government of Assam who will make available an equal area of land continuous with the Railway Colony at Cotanagar for the construction of

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before acquisition of land and the Railway Colony Quarter. Further, compensation for the structures demolished will be required to be paid to the Railways by the Board.

Administrative Approval:—Administrative approval and financial sanction to the project costing of Rs.28.81 lakhs have been accorded by the Government of India for the following works.

(1) Raising of land on the foreshore, surfacing and stone pitching on land including toe piling.

(2) Construction of two transit sheds (250' + 60').

(3) Construction of Road and hard standing.

(4) Provision of one mechanical berth.

(5) Other ancillary works.

The Government of India approved another sum of Rs.89,170 for the compensation of buildings and structures to the Railways.

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Inland Water

Trans port. The Committee is constrained to observe that in many cases the Departmental witnesses take time to furnish details at a latter date but generally they do not conform to the time schedule or at times they do not comply with the requirements at all. The Committee views this very seriously and draws the pointed attention of the Government so that necessary instructions in this regard may be issued to all concerned.

Situation.—The site for the port was situated at 600 ft. upstream from the Brahmaputra Road cum Rail bridge and the port was intended to be done for a length of 2030 ft. and 350 ft. in width.

Since it was felt afterwards that the distance of 600 ft. in between the down stream and of the port and the Brahmaputra bridge would not be sufficient, a clear distance of at least 1000 ft. was to be maintained and accordingly the length of the port was reduced to only 1600 ft. under phase one programme. It was found during the time of construction that the original cross section of the bank did not conform with that existed then, due to subsequent bank erosion and hence the layout of the port was bodily shifted back by 22 ft. towards landside.

Execution.—Tender for the execution of work was invited by the Chief Engineer, Flood Control and Irrigation Wing on 13th February, 1960. All works laid in tender notice were allotted to M/S. B. R. Harmon and Mohatta (India) Pvt. Ltd., Calcutta. The supply of fabrication of steel materials was entrusted to M/S. Martin Burn

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Ltd. Some other ancillary works not included in agreement with M/S. B. R. Harmon and Mohatta were executed by some other contractor.

Target for Completion.—According to the original schedule, the work in respect of the first phase of construction of the port was to be completed by the end of the second five year plan; only the work relating to the second phase viz., construction of one mechanical berth was to be carried over to the third five year plan. Unfortunately there had been considerable delay in the construction of the first phase work mainly because of non-availability of land which was not released by the Railways. The main objection of the Railways in releasing the land in question was that it would entail shifting of their yard lines as well as demolition and re-construction of a number of quarters. They even suggested

the postponement of commencement of the construction of the port till the construction of the Brahmaputra bridge was completed, as in their opinion the port construction would interfere with their own bridge work. The Railway authorities were however persuaded to agree to the construction of the port proceeding side by side with the bridge work. The work on port construction started in December, 1960. The contract period for completion was one year but the progress of work was considerably delayed as there was delay in vacating the land required for port construction by the Railway. The P.W.D. executed only 730 ft. (approx.) of foreshore work from 01 inch towards downstream. To speed up the progress of the work of construction of Pandu port the Government decided to transfer it from the P.W.D. (Flood Control) to the Director of Inland Water Transport and the transfer was effected from the 12th September, 1962. The P.W.D. received an amount of Rs. 10,64,830 from the Board and at the time of transferring the Pandu port works as a going concern, the

transferred sum of Rs.2,28,277'87 P. to the Director after spending of Rs. 8,36,552'13 P.

Revised Estimate—Due to the changed of circumstances and other modification, a revised estimate was prepared and sent by Chief Engineer, P. W. D., Assam (F. C and I. Wing), Shillong to the Secretary, G.R.W.T. Board.

Work Executed by (E. & D.) Department—When the work was handed over to the Directorate of I. W. T. the work done in the Pandu port was only 'raising of the land at the foreshore and facing and shore pitching of the land including two pilling for a length of 730' ft. from the 70" chainage. The firms M/S. B. R. Harmon and Mohatta refused to continue the work under the new set up and their works were terminated accordingly by the P. W. D. (E & D) Department.

Establishment—River Research and Investigation (E. & D.) Sub-division No. III, Gauhati who supervised the works of Pandu Port was also handed over to this Directorate of Inland Water Transport and was named Pandu Port Construction Subdivision. All staffs, Godown, Storage excepting the T. and P. materials were transferred to Pandu Port Construction Subdivision.

As soon as the Pandu port works was transferred to this Directorate, a Divisional office has also been created in connection with the execution works of the Pandu port under this Directorate, a Divisional office has also been created in connection with the execution works of the Pandu port under this Directorate like P. W. D.

Under the Directorate of Inland Water Transport—The works left incomplete by the M/S. Harmon and Mohatta and Co. was divided into several sub-works and tenders for the works were called for separately. The

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following are the major work and agencies to which different works were allotted—

(1) Construction of foreshore transit sheds and earth filling.

M/S. B.B.C. Co. P. Ltd.

(2) Boundary wall

Mr. K. C. Sarmah.

(3) Hardstanding works

Mr. K. C. Sarmah and Mr. P. Hatikakati.

(4) Drain work Mr. N. C. Paul.

(5) Road along M/S. Kar and Paul Co. and M/S. Frontice Construction Co.

(6) R.C.C. Slab Shri C. C. Deka.

(7) Inter Electrification.

M/S. Goswami Associate.
Most of these works have been completed.

Revised Estimate

Due to the delay, the rate of the sanctioned estimate appeared to be much less than the existing rate. Further with the progress of the work it was found that some items of works became very urgently necessary. So, a revised estimate for Rs. 49.98 lakhs only submitted to the Government by the previous Director including phases I and II. But afterwards the present Director revised the estimate as per advice of the Director of Design, Government of India, Ministry of Transport and Communication, New Delhi amounting to Rs. 52.01 lakhs was accordingly submitted in the year 1965 to the Government of India through the Government of Assam for necessary administrative and financial sanction which include some additional items.

- (a) Raising the land in foreshore facing with stone masonry on the river slope with R. C. C. caping beam over timber piles 1600 ft. of the river front with necessary boulders apron.

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- (b) Construction of two transit sheds each 250 ft. X 60 ft. with 8 ft. wide verandah.
- (c) Construction of quay platform, hardstanding approach road, construction of Railway track, etc.
- (d) Lighting of quay transit shed road, etc. including under ground cable as necessary.
- (e) Construction of Sub-station, office building, water supply, drainage works, bollards, etc.
- (f) Construction of boundary wall.
- (g) Rent for offices and godown.
- (h) Provision for miscellaneous items, T and P. Agency charge, etc.
- (i) Mechanical berth as provided in the original estimate (phase II).
- (j) Compensation for existing structures.

Necessary work of the foreshore at 'O' chainage was damaged by the flood because the end of the foreshore was not protected. As per suggestion of Engineer in chief G. B. W. T. Board this end was closed. It was feared that in the downstream and also the fore-shore work may be damaged severely by water penetrating through the end and that end was also closed. There were a few drains which flowed through the Pandu port land to the river. When the post structures were constructed, a few alternative under ground drains had to be constructed in place of used drains.

Inland Water
Transport/
Secretary
Transport.

The estimate has again been revised as per request of Secretary, G. B. W. T. Board. The estimated amount to Rs. 52.01 lakhs has been reduced to Rs. 42.60 lakhs for the following reasons.

- (1) Replacing the scheduled rates with actual working tendered rates.

The revised estimate amounting to Rs. 42.60 lakhs have already been submitted to the Government of India through the Government of Assam but the administrative and financial sanction has not yet been reviewed.

R.S.N. C.O.—The R. S. N. C.O., was operating in a few temporary gangways in the Pandu port simultaneously during the construction period. Their operation too often hindered the Pandu port work, particularly the labourers belonging to them occupied some areas within the Pandu port for which the road work and the boundary wall works were greatly delayed. Afterwards the provision for some temporary labour barracks had to be made to give them alternative accommodation.

Schemes submitted.—In the sanction estimate a lumpsum amount were kept for water supply, electrification, building, latrines, etc. As no scheme for these works have been received from the Director Design, G.B.W.T. Board schemes have been submitted by the Executive

Submitted
to the
Director
Design
G.B.W.T. Board

Engineer, I. W. T. Division for Pandu port works for necessary approval. Also at present the port does not have an independent approach road. The existing road to the port runs through the railway marshalling yard and railway colony and is very inconvenient for use. A proposal for the construction of an approach road along the bridge embankment has also been forwarded for necessary sanction. This proposed road will connect the National Highway with the port.

2nd Phase work.—Most of the work of first phase excepting building, water supply, electrification are nearly completed. But as to 2nd phase work the type of mechanical handling to be used have not yet been decided and no drawings have been received by the G.B.W.T. Board. So the 2nd phase work has not been started uptil now.

It was suggested that two more transit sheds of similar capacity will have to be constructed at Pandu port to handle the traffic that comes to Gauhati area.

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Earlier Development Advisor (Ports), Director, I.W.T. Engineer-in-chief, G. B. W. T. Board on a visit to Pandu port and after discussion in the site agreed that "T" headed jotty will be the most suitable for mechanical handling at port. They suggested that the 'T' head jotties have to be constructed to suit the river condition as well as the existing vessels playing the Assam water. The capacity of such a jotty is 4 million ton per year. On the jotties would run mobile cranes, fork lift trucks, trailer trucks, wheel barrows and wagons shutters, etc., for handling the goods efficiently. In connection with construction of jotty a sum of Rs. 10,000 were sanctioned for boring work at Pandu port to study the underground soil properties. But in a subsequent letter the work was asked to be deferred. And nothing more have been done for the 2nd phase work. Also suggestion were made for maintaining a repair workshop in the port area. But uptil now we have not heard anything from the G.B.W.T. Board in this regards.

Visit of Sri Tarlok Singh.—In the No comment.

month of November, 1965 Sri Tarlok Singh, Member of Planning Commission visited Pandu port. He was accompanied by the top officials of other Government Transport organisation of Assam. On the spot he discussed the future shape and size of Pandu port in the light of arising emergency situation of the country. He emphasised on the following points:—

Arrangement for mechanical handling is necessary for rapid loading and unloading operation for which measures should be decided after discussing in a technical committee.

Labour barracks belonging to R.S.N. Co., should be removed from Pandu port and accommodation for labourers should be made elsewhere.

Road terminus and warehousing facilities need to be provided in the port. He instructed to make one master plan for this Pandu port taking necessary approval from Gauhati Development Authority to keep it free from industrial congestion of Gauhati town.

The Development Adviser (Ports), Government of India also visited the Pandu port. He opined that an

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approach road to Pandu port is unavoidable and should be taken in-hand immediately. The alignment along the Railway embankment to the Brahmaputra bridge is preferable according to him.

Visit of Shri Nagendra Singh.—

Dr. Nagendra Singh, Secretary to the Government of India, Ministry of Transport visited the Pandu port site on 28th December, 1965 and the further development of Pandu port was discussed. He expressed his opinion that at present due to the lack of traffic the proposed mechanical handling to be kept deferred. The R. S. N. Co. would handle the cargo by the existing manual operation. He expressed his opinion that a suitable approach road should be constructed to the port immediately. The sanction for bearing at Pandu port was deferred as instructed by the G. B. W. T. Board.

Present position of Pandu Port :—

All the works for which detailed drawing and designs have been received are completed. Total amount spent upto now is Rs. 30,16,751 in the port. Schemes

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which are submitted will be executed as soon as necessary sanction is received.

The two transit sheds have been rented to R. S. N. Co. and Supply Department, Assam at a rent of Rs.3,323-80. p. m. each.

Formerly R.S.N. Co. was operating in the Pandu port on 4 Nos. temporary gangways. But after the recent trouble with Pakistan the water route through Pakistan is closed. Because of this the volume of goods handled through Pandu port has greatly decreased. It may be mentioned that the State Government is going to shift the Gauhati ghats to Pandu port. When these will be effected Pandu port will be very busy goods transshipment centre.

66 Para 26, Pages Inland Water Transport/
36—37 of Audit Secretary Report 1964.

The Committee fails to understand why in the original alignment the two important stations, viz., Ilamati and Muling were not included which would have dispensed with the necessity of sanctioning fresh survey involving an expenditure of Rs.0-92 lakhs. The

Necessary action on the recommendation is being taken but no final decision has been arrived at. Final position may be intimated to the Committee.

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Committee further regrets to find that the claim of the Calcutta Firm could not be settled up till now even after a lapse of 4 years or so.

Though the scheme was taken up in 1956-57 still it appears in the examination of the departmental witnesses that the Government had not been definite to say whether the scheme is going to be implemented or not and therefore the expenditure amounting to Rs.2.94 lakhs has remained unproductive.

The Committee, therefore, recommends that the responsibility should be fixed for the omission to take into account the two important stations and also for the expenditure of Rs.2.94 lakhs which remains unproductive.

So far as the claim of Rs.1.34 lakhs is concerned, legal opinion should be obtained immediately and the matter should be disposed of accordingly.

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67 Para 84(c) at State Transport
page 81 of A.R. 1964.
port/Secretary
port.

The Assessment Report should be sent to the Committee through the Accountant General, Assam and Nagaland within three months from the date of submission to the House for proper appreciation of the action taken by the Department.

68 Para 84(d) at State Transport
P. 819 of A/R 1964.
Secretary
Transport.

The Committee is constrained to observe that no energetic steps were taken for the recovery of the outstanding dues in time.

The State Transport Organisation is to run like a Commercial Organisation and there ought not to have been any

delay in preparation of bills. The explanation given by the Director that the bills could not be prepared in time due to shortage of staff is not at all convincing as it is the duty of the Director to so organise his Department as to enable the Organisation to run on Commercial line.

This objection, vide Para 84(d) at page 81 of the Audit Report 1964 do not relate to State Transport, and pertain to Pooled Transport Office, which is a separate office with separate budget and not a commercial undertaking like State Transport undertaking.

No comment.

The confusion in the recommendation was made apparently due to inclusion of the audit objection pertaining to Pooled Transport in the Audit Report, 1964, just under audit note pertaining to State Transport Undertaking as a Sub-para (d) under Para. 84 (a), (b) and (c) which pertain to State Transport, though Pool Transport is audited always by a separate Audit Party, other than the Commercial Audit Party

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It is useless to blame the Creditor Departments when bills have not been presented to them.

About the Central Government dues the Transport Department should take up the matter in higher level so that the matter is settled without delay.

The Committee recommends that henceforth the State Transport Organisation should promptly submit the bills to the users and prompt action should be taken to realise the amount shown in the bills as is done in Commercial Organisations. Delay in presentation of bills should not recur and all steps should be taken to properly man the Organisation with qualified staff keeping in view economy consistent with efficiency.

The Committee further recommends that all possible steps should be taken to recover all outstandings by adjustment or otherwise and action taken in this regard should be reported

who is auditing the Commercial Accounts of State Transport Undertaking.

There is following staff in the Pool Transport Office, as sanctioned by Government from time to time :—

(1) One Transport Officer (Pool) from 28th August, 1961 onwards.

(2) One U/D. Asstt.-cum-Machanic from 19th February, 1951 to 18th February, 1958.

(3) One Asstt.-cum-Typist from 19th February, 1951 onwards.

(4) One Cashier-cum-Accountant from 19th February, 1958 (by abolition of post item 2) onwards.

(5) One L.D. Asstt. from 19th August 1961 onwards. From above it will appear that there were only two Asistants from 19th February, 1951 to 19th August, 1961, since when additional posts were sanctioned.

All possible steps have been taken now for immediate submission of bills and realisation of the dues in

to the Committee within three months from the date of presentation of this report before the House.

time. For this purpose the Transport Officer (Pool) and his Assistants are constantly contacting the officers and Departments concerned personally to ensure speedy realisation of pooled Transport dues, besides taking steps through Secretary, Transport.

69 App. XVI of State Transport The Committee regrets to find For rendering service on credit to No comment.
A.R. 1964, P. /Secretary, Military, Police and Central and
115. Transport. outstanding since 1956-57. State Governments Department and
and for repairs of Government and
Minister's vehicles, etc., huge
number of bills for huge amount are
prepared every year and most of the
outstanding are regularly realised in
time. But in certain cases, pay-
ments are delayed by certain offices,
and in such cases also reminder are
issued and realisation made by
taking urgent steps. The amount in
"Sundry Debtors" in Annual
Balance Sheets and Profit and Loss
Accounts of State Transport are
duly audited by A. G., and steps
taken for realisation were found
adequate and no comment in this
respect was made by A. G., in the
Audit Report.

From the Statement furnished by the Department it appears that there is still a large amount outstanding from the department under the head "Sundry Debtors".

The Committee does not find from the evidence that inherent steps were taken by the Department for recovery of those outstandings. So, the Committee recommends that immediate steps should be taken for recovery of these outstandings and the action taken in this regard should be reported to the Committee

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within three months from the date of presentation of this report before the House.

The report called for was submitted to A. G., under this office No. STH/FA/II/PAC/62-63/13849, dated 10th July, 1965 with copy to Secretary, Legislative Assembly and Secretary Transport, Assam under Memo No. STH/FA/II/PAC/62-63/13850-51, dated 10th July, 1965.

LABOUR DEPARTMENT

70 82 Paragraph 89 at page 84 of the Audit Report, 1964.

The Committee recommends that the Labour Department, should give a complete picture of utilisation of grants paid by the Department to the Institutions and send a report to the Committee through the Accountant General, Assam and Nagaland within three months from the date of presentation of this Report to the House.

Rs. 1,49,000 paid to the various non-official Organisations as grants-in-aid during the year 1962-63 was utilised by the organisations for the purposes and utilisation certificates to this effect were furnished to the Accountant General, Assam for necessary action.

No comment.

71 Para 18 at page 30 of the Audit Report, 1964.

Tribal Areas and Welfare of Backward Classes Department.

The Secretary, T. A. D., has admitted that the entire amount of Rs. 70,000 which was meant for supply of improved seeds, manures and

Departmental proceedings were drawn up against the officer concerned by the Agriculture Department. In giving with the findings of the E. O. that he had acted *bonafide*

No comment.

pesticides and implements was spent on purchase of 938 maunds of barbed wire at a cost of Rs. 49,200 and 650 number of hand pumps at a cost of Rs. 20,780.

The barbed wire was distributed amongst 262 families. Out of 650 hand pumps 505 were distributed upto August, 1962, leaving a balance of 145 in hand. All this reflects a highly irregular state of affair which has been admitted by the Secretary. The Department has completely neglected to ensure that the scheme was executed as sanctioned and the diversion of fund was taking place without its knowledge.

The Secretary also expressed his helplessness in the matter as officer concerned belongs to the Agriculture Department which has not responded to his letters and reminders.

The Committee feels that there is no proper coordination

under somewhat compelling circumstances the officer concerned was enumerated from the charges but severely warned for the error in his judgment.

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among the various Departments and owing to that no action could be taken on the officer at fault in this case.

Therefore the Committee recommends that immediate steps should be taken to fix the responsibility on the officer at fault and action taken should be reported to the Committee within three months from the date of placing the report before the House.

(2) The Committee observes that the practice of keeping unspent money in the Revenue Deposits is most irregular and the Secretary of the Department has also admitted that the Department has taken steps to stop such irregular practice. Therefore, the Committee recommends that the Department should not encourage such irregular financial practice and action should be taken against the officers committing such irregularity.

Finance Department has been requested to give due consideration to the problem, which is faced by all Development Departments and to suggest a procedure for the guidance of all Departments in case of such contingency.

This recommendation and observation of the P.A.C. has also been brought to the notice of the Deputy Commissioner, U. K. & J. Hills, for information and guidance.

No comment.

(3) After hearing the Departmental witness the Committee feels that no action has yet been taken by the Department against the Officer concerned for diversion of the amount without proper sanction. The Department ought to have taken prompt and effective steps to take action against the officers at fault.

The diversion was made by the then Director of Animal Husbandry and Veterinary Department, Shri G. K. Mehra. The person concerned has retired from service in April, 1963. As such it is not possible to take any action at this stage.

No comment.

The Committee, therefore, recommends that the Department should pursue the case with the Veterinary Department and action taken in the Officer concerned should be intimated to the Committee within three months from the date of placing the Report before the House,

No comment.

Observation and recommendations of the P.A.C. have been brought to the notice of the Deputy Commissioner, United Khasi and Jaintia Hills, for his guidance.

(4) *Prima facie* the scheme seems to have been effectively formulated by permitting undertaking contour bunds and terracing against a scheme intended for minor irrigation projects. The Committee also noted that the distributing of money in cash, although for the pur-

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(4) pose of contour bunds, would not have such long term advantages as were likely to have accrued from execution of irrigation projects. The Committee also recommended that Scheme should be formulated after proper examination and include only items suitable for the Scheme.

The scheme has been implemented and the money have been properly utilised. Two ring-wells, approach road to the village and 110 houses have been constructed. Details of expenditure with sub-vouchers and actual payees receipt for Rs. 40,000 was submitted to the Accountant General by the Subdivisional Officer, Haflong in his No. 53 of 27th April, 1964 which fact was communicated to Accountant General, Assam in this Department letter No. TAD/Agri/16/61/184, dated 7th August 1965. All houses, ring wells and approach roads constructed from funds sanctioned under the scheme exists.

The matter was considered by the Finance Department.

From the letter of the Department it appears that the money was distributed in March, 1964. The Committee would like to know whether the scheme has been implemented and money properly utilised and houses constructed. The present position of the case should be intimated to the Committee within three months from the date of presentation of the Report to the House.

The Committee observes that the practice of keeping unspent money in the Revenue Deposit is most irregular and

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73 Paragraph 18 of the A. R. 1964.

72 Paragraph 19 Tribal Areas and W. B. C. Department. 1964.

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the Secretary of the Department has also admitted that the Department has taken steps to stop such irregular practice. Therefore, the Committee recommends that the Department should not encourage such irregular financial practice and action should be taken against the Officer committing such irregularity.

The Committee feels that disposal of the case has been long delayed so the Committee recommends that the Department should collect all the informations, *viz.*, when the case was started, what are the charges, what is the reason for such long delay, what is the present position and other relevant matters and submit a report to the Committee through the Accountant General, Assam and Nagaland within one month from the date of presentation of this Report before the House.

A circular letter to all Heads of Departments and Deputy Commissioners and Subdivisional Officers has been issued asking them to observe the provisions of the relevant Financial Rules in all strictness in the matter of drawal money and to avoid such irregular financial practice.

It is a fact that the disposal of the case has been long delayed. The case was started on 21st June, 1963 and charge sheet was submitted on 24th August, 1964. Actual amount involved in this defalcation case was Rs. 30,000. Audit in June, 1963 detected defalcation by the Accountant, Garo Hills District Council. The said Accountant, his assistant, one Peon of District Council and one Treasury Assistant of Tura Treasury have been charge sheeted. The case was adjourned on various grounds and at present all records of the case are with Hon'ble Gauhati High Court. Orders for stay of further proceeding in this case was passed by the Hon'ble High Court in November, 1966. The case is hence subjudice.

- (1) 75 Paragraph 27 at Page 37 of the Audit Report, 1964.
- (2) Forest Department.
- (3) The Committee is not satisfied with the explanation given by the Department regarding the delay in issuing notification for the creation of the reserve forest. The Committee would like to know whether the notification for the creation of the reserve forest has been issued, and if so, when. The Committee would further like to know whether in actual survey the area tallied with the area acquired for which compensation was paid to the tea garden authorities.
- (4) The notification in question for the creation of the reserve forest has since been issued on 13th July, 1966. The area revealed by actual survey tallied with the area for which compensation was paid to the tea garden authorities.
- (5) As regards the second sub-paragraph the scheme was accepted by the Planning Commission for inclusion in the second Five Year Plan. After inclusion of the Scheme in the plan a preliminary survey was carried out with a view to ascertaining the area to be acquired for the purpose. The scheme has been included in the Fourth Plan under the heading Consolidation of Forest.
- (6) No comment.
- So far as the second sub-paragraph of this paragraph is concerned, the Committee does not appreciate why the survey was carried out before the land was actually acquired and the scheme was accepted by the Planning Commission for inclusion in the plan. The Committee would further like to know whether it has been included in the Fourth Plan.
- It is, therefore, requested that the Public Accounts Committee may be pleased to drop this objection.

The Committee regrets to find that the project which was completed in June, 1961 was put into operation only in August, 1962 owing to the delay in arranging boilers for the plant, electricity and water supply. It also finds that the plant is running at a loss for want of proper markets for its products. Moreover, the installations showed some defects sometimes after the construction and the water supply arrangement has not been rendering adequate service, which had been attributed to less production. The Committee is of the opinion that all these factors, viz., feasibility, availability of essential equipments, proper market, etc., should have been envisaged before launching on the scheme. The Committee is constrained to hold that all these essential requirements were not considered for which there was inordinate delay in installation and the whole scheme has become less productive and uneconomic. Therefore, the Committee

The project could not be put into operation in scheduled time owing to some unfortunate delay in arrangement for a boiler and supply of electricity due to circumstances beyond the control of the department. Unexpected transport difficulties and the state of emergency greatly stood in the way of early installation of the plant and machinery. The installation showed no defects except some leakages in the doors and certain initial deficiency in the water supply system. These defects were all minor in nature and were duly rectified immediately after detection without any extra expenditure to the Government.

As regards working of the plant, owing to the above unforeseen difficulties, initially it could not run to its full capacity. Only the seasoning plant was running for some time. It may be pointed out that even this limited operation of the plant yielded a working profit although it was ultimately offset by the disproportionately high overhead costs and depreciation natural in initial stage of a project. When the full utilisation of the productive

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takes a very serious view of the matter and recommends that Government should make a thorough probe into the matter with a view to find out causes for the recurring loss incurred and fix responsibility for the loss and also take remedial measures. The

The Chief Conservator of Forests has since thoroughly examined the working of the project and steps have been taken to run both the Treatment Plant and Seasoning Plant to their full capacity which is expected to make the unit economic and productive. Steps are being taken for obtaining orders for the products. Arrangement has been made for the visit to the plant of a technical expert from the Railway Board for necessary technical advice.

77 Paragraph 29 Forest Department,
at Page 38 of
the Audit
Report,
1964.

The Committee is of the opinion that the scheme should have been undertaken after careful thought about feasibility, economic prospects, productivity, marketability, etc. The Committee feels that all these factors were not taken into consideration while launching

The Committee would like to be apprised as to whether the Department has been able to dispose of the goods

The scheme of cinchona plantation was formulated in 1943-44 after careful consideration of the feasibility of economic prospects, marketability, etc. At that time the prospect of this industry were very bright as the prices of Cinchona and Quinine were high and the market highly favourable.

on the scheme, resulting in loss of Rs.16.18 lakhs. Therefore, the Committee recommends that Government should make a thorough probe into the causes for the loss and fix responsibility.

78 Paragraph 65 Forest Department.
(ii) at page
68 of the
Audit Report, 1964.

The Committee is not satisfied with the explanation given by the Department witness for accepting lower tender which led to the loss of Rs. 20,285. The Committee recommends that the Department should be more careful in future in accepting tenders on the basis of the terms and conditions in the tender notice.

Subsequently, the project became uneconomic not because of any inherent deficiency in the scheme but owing to and entirely unforeseen development, namely, invention of anti-malarial synthetic drugs, and introduction of D.D.T. and other insecticides. Those scientific invention effected the market of not only this unit in Assam but the entire industry of the country and Government of India had to issue instructions for curtailment of the plantations (copy of Government letter enclosed). There was, therefore, no alternative but to stop production of quinine. It will be appreciated that in the circumstances the question of fixing responsibility did not arise.

As regards, the loss, it may be pointed out that over three lakhs rupees worth of finished products are still in stock. As soon as the case pending before the High Court of Assam and Nagaland in this connection is dispose of, these goods will be sold and to that extent the loss will be reduced.

The instructions given in this paragraph have been noted.

and if so the
amount
realised.

(1) 79 Paragraph 66 at page 68 of the Audit Report, 1964.

(2) Forest Department.

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(4) The Department should take early steps to recover the amount from the contractors concerned as expeditiously as possible and the progress made in this behalf should be intimated to the Committee within three months from the date of presentation of the Report before the House.

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The recommendation of the Accounts Committee is noted. Out of the total outstanding amount of Rs 97,216-00 shown in the Audit Report, 1964 a sum of Rs.16,050-00 was realised leaving a balance of Rs.81,165-87 P. The realisations would have been bigger but for the fact that the parties filed remission petitions and realisation had to wait till the disposal of these cases by Government.

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No. comment.

80 Paragraph 97 at pages 88-89 of the Audit Report, 1964.

Forest Department.

The Committee is not satisfied with the statement made by the Departmental officers about the progress made in the matter of clearance of the outstanding audit objections and inspection reports. The Committee finds that there are items dating back from 1957. The Committee recommends that urgent steps should be taken for speedy disposal of the outstanding audit objections and inspection reports.

No comment.

Audit objection	No. of items since cleared	Balance
No. of items shown in the Audit Report	198	379

Inspection Reports	No. of items shown in the Audit Report	No. of items since cleared	Balance
I. R. 82-Para 574	I. R. 19 Para 217	I. R. 63 Para 35	

Efforts are made to clear out the objections as early as possible.

(1) The figures supplied by Accountant General seem to be incorrect.

Action has been taken to ascertain the actual loss from the Accountant General, and on receipt of this matter will be finalised.

77 Paragraph 58 Health

... The Committee recommends that a report relating to finalisation of the matter should be submitted to the Committee within three months from the date of presentation of this Report to the House.

(2) **Misappropriation of Rs.3,851 in the Vaccine Department, Shillong.**—A contingency bill for Rs.3,851 was presented to the Shillong Treasury by Shri Sindra Nath, a Grade IV employee of the Vaccine Department on 25th October 1960 for encashment. The bill was drawn by Shri Nath without surrendering the token to the State Bank of India, Shillong Branch. He did not deposit the money to the office. The matter was reported to the Police who arrested him and recovered a sum of Rs.2,000 from him which has already been deposited to Treasury on 26th June 1965. The criminal case against Shri Nath ended in his conviction and he was imprisoned for ten months.

(1) The present position may be stated.

(2) The Committee would like to know as to whether the balance of Rs.1,851 had since been made good by the Bank.

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Shri Nath was dismissed from service with effect from 15th December 1960. As for the balance amount of Rs.1,851 Government have taken up the matter with the State Bank to make good the loss as the Bank paid the bill to Shri Nath without obtaining the token from him which is against rules and procedure.

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(3) **Misappropriation of Rs.5,706 in the Directorate of Health Services.**—The actual amount misappropriated is Rs.5,556) Shri Sadananda Bhuyan while serving in the Directorate of Health Services misappropriated a sum of Rs.5,556. Since the detection of the misappropriation Shri Bhuyan has been absconding. A criminal case was instituted against Shri Bhuyan for misappropriation of Government money Police submitted charge-sheet against the accused showing him as absconder in the case. As Shri Bhuyan remains untraced till to-day. Government is considering to file a Civil Suit against him

with a view to recovering the misappropriated money by attachment of his house which is mortgaged to Government; The matter is now under correspondence with Legal Remembrancer.

78 Paragraph 56 at page 63 of the Audit Report, 1964.

The Committee finds that in the case of three divisions the ceiling limits of stock was exceeded. The Committee recommends that the Department should take all steps to keep the stock within the ceiling limits and also review the ceiling limits from time to time.

Noted for guidance- C. P. H. E. has No comment, been instructed.

79. Para 37 at page 45 of the A.R. 1964.

Health

The Committee regrets to note that the Government has embarked on the scheme without ascertaining the availability of requisite Technical personnel for implementation of the scheme which resulted in loss and shortfall in achievement without corresponding reduction in expenditure. The Committee feels that the Department should not have taken up such immature scheme simply because

An enquiry into the matter by the Joint Director of Health Services (Hqrs.) has since been ordered and his report awaited. Further action taken in the matter on receipt of the enquiry report will be communicated. The Committee has not received any further report as assured by the Department on this matter. The Committee, therefore, would like to be apprised of the final action taken by the Department

(6) on the basis of the Enquiry Report submitted by the Joint Director Health services.

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(4) it was sponsored by the Government of India. The Committee fails to understand why the Department could not arrange proper storage of the drums containing larvicide oil which were kept in an open yard since April 1960 and resulting a leakage. The Departmental officers could not state the reasons for inability to take timely steps for proper shortage as well as for ascertaining the caused for leakage and assessment of loss caused thereby.

Therefore the Committee recommends that the whole matter should be investigated and responsibility fixed on the delinquent officers for negligence, if any, and the action taken should be intimated to the Committee within three months from the date of placing the Report to the House.

The Committee was informed that for future sanction of the grants non-submission of utilisation certificates would be kept in view. The effect of

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Paragraph 91, Municipal Administration Department. Audit Report, 1964.

As regards serial Nos. 31 and 32 No Comment. appearing at page 56 of the above mentioned Report, submission of utilisation certificate by the Municipal Boards/Town

this step would be watched in future.

Paragraph 93
at page 65 of
the Audit
Report, 1964.

Do

According to the usual condition of payment of grants-in-aid the portion remaining unutilised at the end of the year should be refunded to the Government. It is not clear why the repayment of the unutilised portion of the grant was not insisted upon.

Committees concerned in respect of conditional Government grants is always insisted upon and no conditional Government grant is generally given till the utilisation certificates are received in the Department. Moreover, regarding the unspent balance of the conditional Government grants, the Municipal Boards/Town Committees concerned are asked to refund the same and in the event of failure on their part to do so, the unspent balances are adjusted against the grants with the approval of the Finance Department. Such adjustments have also been made so far in respect of Dibrugarh Municipality; Goalpara and Golaghat Municipal Boards against last year's (1966-67) grants for payment of Cash allowance to sweepers in line of F. R. and R. C. Every possible step is also taken by this Department to scrutinize the utilisation certificates furnished by the Municipal Boards/Town Committees concerned and anomalies, if any, detected therein are promptly brought to their notice for necessary reconciliation and refund. A letter was issued by

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this Department asking the Municipal Boards/Town Committees concerned to take step to ensure submission of utilisation certificates well in time.

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34 Grant No.71 at page 109 of the Appropriation Accounts.

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The Committee regrets to note that there was lack of co-ordination between the Municipal Administration Department and the Public Health Department and the Committee would like to emphasise that there should be better co-ordination between different Departments of the Government so that such irregularities may not occur. The Committee would like to be apprised, if any action against the person concerned has since been taken.

As regards Serial No.34 appearing at page 57 of the above mentioned Report it may be stated that since 1964, the P.H.E. Assam had been repeatedly requested for the explanation on account of the irregularities made by his Department in incurring the expenditure without Government financial sanction. No reply has yet been received from that end. The matter is being pursued. However, it may also be mentioned that, no better co-ordination could be thought of since at that particular time in question Secretary Municipal Administration Department was also the Secretary Health (PH).

The Committee would like to be apprised of the final Action taken by the Department without further delay.

Co-operation Department.

The Committee have considered carefully all records at their disposal and the facts stated above. The Committee is constrained to hold that there was no proper supervision in the functioning of the Mill at the initial stage. So the Mill had sustained such huge loss. Had proper care and attention been taken, these losses or at least substantial portion of it could have been avoided. As this was the only Co-operative Venture of its kind and as it was heavily financed by the Government and the Industrial Finance Corporation, strict vigilance and watch should have been given by the Department in its functioning, in order that loss may be avoided. As stated by the Secretary staff was inexperience and in excess of actual need and also there was inadequacy of sugar-cane supply and low recovery. Duration of operation was short and early variety of sugar-cane was not available, communication in the interior was bad

1. Repayment of the Government loan.—As already remarked by the Committee, the recovery of the loan was postponed on account of the unsatisfactory financial position of the Mill. As a result of the implementation of the recommendations of the High Power Committee the financial position of the Mill has shown a gradual improvement. The expected profit of the Mill during the last crushing season (1965-66) would come to Rs.2—3 lakhs with this improvement and on the proposed Distillery unit of the Mill going into production, there is likely to be a good prospect of the commencement of the recovery of the loan.

2. Execution of the loan bond.—The loan bond has been finalised but could not be executed, as the Industrial Finance Corporation is insisting upon inclusion of certain further kinds in the schedule to be attached with the agreement. The copy of relevant correspondence is enclosed. The agreement will be executed as soon as the reply from Industrial Finance Corporation is received.

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which rendered sugar-cane collection from the interior most difficult. All these should have been envisaged and appropriate measures taken to remove these difficulties before launching the scheme. Now that a High Power Committee was formed and their recommendations are before the Government, the Committee recommends that the recommendations of the High Power Committee should be fully implemented. All endeavour should be made for growing the early variety of the crops so that there may be better recovery and operation of the Mill can be effected. Effective steps should be taken for the recovery of the balance of Rs.10 lakhs now outstanding from the defunct Co-operatives. Further, steps should be taken for exercising stricter vigilance in the functioning of the Mills. The loan Bond should be finalised and executed without delay.

3. **Implementation of the recommendation of the High Power Committees.**—Copy of a detailed report received from Sugar Mill is attached which indicates the action taken so far in implementation of the recommendation of the Committee regarding various matters including about re-trenchment, etc., of the staff. In this connection a reference is invited to the Report submitted earlier under this Department Memo No. Coop.70/62, dated 27th April, 1964. Attached herewith as Annexure I.

Co-operation
Department

The Committee feels happy to find that the financial position of the Mill has made some improvement.

The actions taken as indicated above and progress made should be reported to the Committee through the Accountant General, Assam and Nagaland within 3 months from the date of presentation of the Report to the House.

87. Pages 26—27
Para 35 of
A. R. 1964.

Do.

The Committee regrets to note that the Government has not been able to come to a decision uptill now regarding the dividends amounting to Rs.1.54 lakhs and Rs. 77,000 due to them for the years 1960 and 1961 and 1 62 from the Assam Co-operative Apex Bank

This is under consideration of the Government and steps are being taken for expediting a decision. The Department has taken steps to bring down the over dues. The Machinery of realisation of loans through coercive and persuasive measures has been geared up.

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The steps taken are enumerated below—

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Ltd. The entire amount is lying with the Bank without earning any interest as there was no decision of the Government in this regard. The Committee is further worried to find from the evidence of the Secretary that the percentage of over dues in respect of loans and advance issued by the Bank is very high as the Primary Societies are not paying back even after adoption of the revitalised scheme.

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(1) In every subdivision collection drives have been organised and launched by the supervisory staff of the central and Apex Bank in collaboration with the Departmental staff.

(2) The strength of the supervisory staff of Central Banks has been increased that there may be timely and frequent approach for realisation of loans from the Loanee members of the Co-operative Societies.

The Committee therefore recommends :—

1. That the Government should come to an early decision about the utilisation of its dividends due from the Bank and also in regard to interest that has been accruing on the dividend money lying with the Bank.
- (3) All Assistant Registrars Co-operative Societies have been instructed to dispose of the arbitration cases speedily and expeditiously. For disposal of cases a yard-stick has been fixed. As per the yard-stick each Assistant Registrar, Co-operative Societies is required to dispose 2500 cases in a year.

Co-operation Department

2. The effective steps should be taken to reduce the percentage of overdues from the Primary Societies.

Action taken in regard to the above should be reported to the Committee through the Accountant General, Assam and Nagaland within three months from the date of presentation of the report to the House.

- (4) In order to speed up the rate of execution of Co-operative Bakijai cases, a standard has been prescribed for Bakijai process servers. As per the prescribed standard each process-server is required to serve 750 cases in a year. The above measures have yielded better result as may be seen from the year-wise realisation of loans and overdues.

(a) (Year-wise realisation of loans).

1963/64:—	13,69,000
1964/65:—	38,85,000
1965/66:—	41,73,000

Year-wise amount of overdue and the percentage of overdue.

	Amount of overdue	Percentage of overdue
1963/64:—	96,77,000	85%
1964/65:—	77,67,000	70%
1965/66:—	71,92,000	60%

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Audit of the Assam Co-operative Apex Marketing Society for 1961-62, and 1962-63 have been completed. The Accountant General, Assam advised not to sent Balance sheet any more and to keep ready in office for their audit, as per their letter No. OA. II/10-41/62/867, dated 15th July 1964. The Balance Sheets are ready for perusal by the Accountant General's Staff, if and when necessary.

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The Committee is not aware if there was further loss in the years 1962 and 1963 as the accounts of these years were not submitted till December, 1963. The Registrar however says that the account for the years ending 30th June, 1962 and 1963 were completed recently and accepted departmentally and that June, 1962, accounts were ready for audit in July, 1964. It appears that there was great delay in preparing the accounts for audit. Registrar says that there was shortage of departmental staff. The Committee

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Co-operation
Department

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Pages 27-28
Paragraph 36 of
the A.R. 19 54.

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The Assam Co-operative Apex Marketing Society incurred loss of Rs. 1,64,542.94P. during 1961-62 and during 1962-63 earned profit of Rs. 35,071.66P. As the accounts of the different branches of the Apex Marketing Society are to be audited in different places and are to consolidated and reconciled with the accounts of Head Office, and as accounts of the Head Office and Branches were not kept ready for audit in time, there was delay in completion of the audit.

As to the causes for the losses incurred by the Society, a special audit was undertaken under the direct supervision of a senior

98.

Pages 27—28
Para 36 of the
A. R. 1964.

however is not prepared to accept this contention. The Committee after going through all facts at their disposal recommends as follows:—

1. There should be a probe into the causes for the loss sustained by the Society upto the year ending 30th June, 1960 and responsibility fixed on the person or persons at fault. Remedial measures should be adopted against recurrence of such loss in future. Accounts for 1962 and 1963 should be made available for audit without delay.
2. The Committee does not look with favour such delay in the preparation of accounts for audit in a Commercial undertaking like this. So the Committee recommends that in future accounts should be prepared and kept ready for audit strictly within the prescribed period.

Aistant. Registrar and the audit ascribed the losses suffered by the Society to (1) The difference in price fixed by Government and the price paid by the Society for gunny Bags, and (2) heavy demurrage charge paid for sugar consignments.

The price for gunny bags was fixed by the Government at the beginning of the year. The Society had after inviting tenders give the contract for supply to same parties. But when the price of the gunny bags went very high these contractors backed out leaving the Society no other alternative but to purchase bags at high prices. A probe was made by a Senior Deputy Registrar into the matter and he came to the conclusion that no responsibility could be fixed for the losses suffered by the Society on this account.

The heavy demurrage charge that the Society had to pay was due to unhelpful attitude of the sugar suppliers who did not send the R/Rs in time and in the

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usual manner. Personal responsibility cannot therefore be fixed in this case also.

An action taken as indicated above and loss or profit accounting during the years 1962 and 1963 should be intimated to the Committee within three months from the date of presentation of the Report before the House.

89. Pages 28—29 Co-operation Department.
Para 37 of the A. R. 1964.

The Scheme envisaged channelling of the loans through Central-Banks to the Gramdan Co-operatives. But as Gramdan Societies can be organised in these areas only which are declared as gramdan villages under the Gramdan Act, it took some time for organisation of those Societies as declaration of gramdan villages started only from the month of May, 1963.

Under the Gramdan Act, immovable properties like land cannot be mortgaged nor attached. The question of security for the loans to be issued therefore stood in the way as the Co-operative Banks were reluctant to undertake responsibility for those loans. The Government of India in the mean time

The Committee after going through the evidence on records and the explanations of the Departmental witnesses, holds that at the time of drawal of the money (Rs. 4 lakhs) the Department was not ready for full implementation of the scheme. There was only a small number of full-fledged Co-operative Societies in the gramdan areas, and the gramdan villages were yet to be converted to Co-operative Societies. The Department could not give the total number of such Societies to which loans were issued the total amount of loans issued by the Block Development Officers. The Department did not

make proper assessment of their actual requirement before the whole amount (Rs. 4 lakhs) was drawn. The Department could not indicate whether the whole amount was disbursed if so, on what date. The Committee could not be enlightened whether the whole scheme was implemented. The Committee, therefore, holds that the drawal of the money in advance of requirement was not justified and recommends that the Department should be careful in future in drawing money from Contingency Fund which should be done only when conditions for such drawal are fulfilled.

The Committee further recommends that the Department should furnish a detailed statement to the Committee clarifying all the points referred to above within three months from the presentation of the Report before the House.

revised the entire scheme and it was decided to issue the loans through the Block organisation and the Co-operative Department was called upon to refund the unutilised portion of the loan to the Government.

The Central Banks had in the meantime issued loans to the extent of Rs. 64 lakhs out of the total drawal of Rs. 4 lakhs. No amount was issued through the Block Development Officers as it was not in the Co-operative Scheme to rout the loans through any other agency but Co-operative Banks.

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There were 31 Gramdan Societies upto September, 1963. The Gramdan Act was under preparation at the time the money was taken from the contingency fund.

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As regards charging of interest during the period when money was locked in and used by the Apex Bank, the Committee recommends that the Government should expedite its decision on the point and intimate the same to the Committee within 3 months from the presentation of the Report before the House.

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With a view that the Gramdan Societies can function as soon as the Act is passed by the Legislature, the money was drawn and kept in the Apex Bank.

As the money was kept in the Bank only for safe custody and withdrawable without notice, no interest accrued. If it could be stipulated, that the money would not be required till a particular time, it could have been kept as a time deposit to earn interest. But the expectation was always there that it would be utilised immediately after clarifications are received from the Government of India and therefore it could not be kept in the bank as a time deposit.

91 Page 30 Para-
graph 38 of
the A. R.
1964.

The Committee therefore,
recommends that the Depart-
ment should be more careful
in future in such matters.

The Departmental Officers
should not give the informa-
tion and said that they were
collecting them. But they
did not furnish the informa-
tion.

As regards the utilisation of grants. The present
in-aid sanctioned to Gaon Pan-
chayats during the year 1960-61
for the purpose of construction
of godowns detailed particulars
have so far been collected in
respect of 211 Gaon Panchayats
indicating the following position:

Sixty-four Godowns have been con-
structed.

As the witness could not fur-
nish information regarding
utilisation of the money the
Committee, therefore, fur-
ther recommends that the
Department should furnish a
detailed report regarding
implementation or otherwise
of the scheme within three
months from the date of
presentation of the Report
before the House.

Twenty-eight Godowns are under
construction.

One hundred and nineteen. Two
hundred eleven. Construction
work remains to be undertaken.

The point whether any balance

In addition, disbursement of grants-
in-aid to another 138 Gaon Pan-
chayats has been confirmed and

(1) is left and if so, where it has been deposited, evidence does not give any indication.

(2) So the Committee recommends that a report in this regard should also be furnished by the Department to the Committee within three months of the presentation of this Report before the House.

(3) detailed particulars indicating the utilisation of grants-in-aid are being awaited from the field. The particulars in respect of other Gaon Panchayats are also being collected by the local Officers in collaboration with the Block Development Officers concerned.

(4) As regards the undisbursed amounts particulars collected so far indicate that grants-in-aid have remained undisbursed to 7 Gaon Panchayats. The local Officers usually keep the undisbursed amount deposited with the Central Bank or the Apex Bank.

(5) In view of the unsatisfactory position of utilisation of grants-in-aid, necessary instructions have already been issued asking the field Officers to take steps for refund of all undisbursed and unutilised grants-in-aid into Treasury. An amount of Rs.47,000-00 has already been refunded into Treasury during the year 1965-66.

The progress of submission of utilisation certificates in respect of amounts shown outstanding is indicated below year-wise:—

1959-60 and earlier year	Amount under objection	Amount for which a/c. have been submitted	Remarks
	81,000-00	16,000-00	All objection upto 57-58 have been met.
1960-61	3,65,000-00	1,67,690-00	Utilisation Certificates have been submitted for more than 45 per cent of the amount under objection.
1961-62	2,86,000-00	24,900-00	
	7,32,000 00	2,08,590-00	

The Committee would like to observe that the financial Rules of the State require that Certificates for proper utilisation of Grants-in-aid should be furnished to Audit by the Departments concerned. Without these Certificates, it cannot be ascertained whether these Grants-in-aid were utilised for the purpose for which they were sanctioned. Such certificates are wanting in this Department since 1959-60 before. It seems to us that the Department has not given serious importance to the matter. There is no instance placed before the Committee if any action was taken against any defaulting Officer. The Committee is not satisfied with the explanations given by the Secretary. Had adequate and timely action been taken the Committee would not have before it so many old out-standings.

So the Committee recommends that all outstanding upto It will be observed from the above that the amount under objection stands at Rs.7,32,000-00 instead of

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1962-63 should be cleared before the end of the current year and action taken and progress made in this regard should be reported to the Committee through the Accountant General, Assam and Nagaland from time to time and appropriate action should be taken against any Officer who is found still defaulting in the discharge of their responsibility in this regard.

Rs. 7,52,000-00 as indicated at Page 30 of the Report. Against this outstanding amounts utilisation certificates for a total amount of Rs. 2,08,590-00 have so far been submitted to the A. G. representing more than 28 per cent of the total amount under objection.

No comment.

As regards the outstanding position of utilisation certificate for 1962-63, utilisation certificates for a total amount of Rs. 1,50,869-00 have been submitted to the Accountant General during the current calendar year.

All efforts are being made to ensure speedy collection of utilisation certificates from the Society located in the remote areas of the State. Necessary instructions have already been issued to the field officers asking them to pay due attention to the urgent need for removal of all audit objections.

Do.

The Committee finds that the outstanding audit objections in relation to Co-operation involve Rs 196.94 lakhs and these date back to 1955-56. The Accountant General, Assam and Nagaland pointed out that with regard to inspection reports, they were pending since 1955-56 and further stated that these reports were supposed to be finalised within six months from the date of issue.

Secretary stated that out of 92 inspection reports, 67 had already been replied. Out of the total number of paragraphs of 285, 108 already dropped. Total number to be verified by the Audit was 40 and total number outstanding was 137. So almost 60 per cent had already been met.

The Committee expresses concern about the State of affairs relating to the outstanding Audit objection and inspection reports. These date back to 1955-56. Such inordinate delay on the part of the Con-

The Audit of subordinate Officers viz Zonal Deputy Registrar, Co-operative Societies, Assistant Registrar, Co-operative Societies and Subdivisional Deputy Co-operative Officer were taken up from the year 1961-62 by the Accountant General, Assam. The Audit is be annual at present. Prior to that, there was no such audit. In this connection it may be pointed out that a circular letter with the clear instruction embodying there in the salient features of Audit Notes was issued by the Registrar, Co-operative Societies vide letter No. CA.16/65/43, dated 2nd September, 1965. It has been clearly stated that the Audit Notes should be disposed of within 15 days from the date of receipt of the same from the Accountant General, Assam. As a result of the follow up action from the Headquarters, the position has considerably improved.

For one major common type of objection viz "Security Deposit for handling Cash" Accountant General has been requested vide this Department letter No. Coop-

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trolling Officers in taking action to submit detailed countersigned bills must be regarded as a serious laps since the entire expenditure in respect of which detailed countersigned bills and vouchers are not submitted escaped Audit scrutiny altogether for an unduly long period.

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199/66/1, dated 30th August, 1966 to waive the objection as there was some technical difficulties on the matter. If the Accountant General is satisfied to waive the objection then 25 paras of objection will be dropped.

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No Comment

Beside necessary action has already been taken up for disposal of different paragraphs of Audit Note. The Accountant General, Assam was requested as per this Office Letter No. CA.100/65/11, dated 8th February 1966 and 1st, 2nd and 3rd reminders No. CA.100/65/28, dated 27th May, 1966 respectively to furnish an upto dated list of outstanding number of paragraphs for further followup action. A statement was received recently as Accountant General's memo No. CA./II/5-36/65-66/1196-67, dated 28th May, 1966 but it appears that it is full of discrepancies. A good number of discrepancies, as well as action taken already were reported to the Accountant General, Assam to enlighten and confirm for future followup action at an early date.

So the Committee recommends that outstanding audit objections and inspection reports should be meted by the Department by the end of the current year and appropriate action should be taken against the defaulting officers.

Action taken and progress made should be intimated to the Committee through Accountant General, Assam and Nagaland from time to time.

The reply of Accountant General,
Assam on the following letters are
awaited—

1. No. CA.34/62/58, dated 11th
July, 1968.
2. No. CA.34/62/62, dated 19th
July, 1966.
3. No. CA.34/62/46, dated 9th
April, 1966
4. No. CA 35/62/53, dated 14th
July, 1966.
5. No. CA. 50/62/(P)/53 dated
14th July, 1966.
6. No. CA 30/64/72, dated 14th
July, 1968.
7. No. CA.33/62/89, dated 21st
July 1968.
8. No. CA.33/62/61-62, dated
25th July, 1968.
9. No. CA.32/62/46, dated 16th
July, 1966.
10. No. CA.43/62/130, dated 3rd
March, 1966.

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11. No.CA.43/62/160, dated 14th July, 1966.

12. No.CA.43/62/164, dated 19th July, 1968.

13. No.CA.20/61/103, dated 14th July, 1966,

14. No. CA.20/61/110, dated 19th July, 1966.

15. No.CA.26/62/68, dated 14th July, 1966.

16. No.CA.23/62/83, dated 23rd May, 1966.

17. No.CA.39/62/(Part)/38, dated 16th July, 1966.

18. No.CA.46/64/66, dated 14th July, 1966

19. No.CA.36/62/26, dated 14th July, 1966.

20. No. 100/65/45, dated. 10th August, 1966,

Co-operation
Department

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Inspection Report (Audit Objections) of Head Office. There are 111 Paras of objections of Inspections Report of Head Office from 1955-56 to 1962-63. Out of those 111 paras of objections replied to 89 paras have in the mean time been furnished to the Accountant General, Assam. Step are being taken to meet the remaining objections. In this connections replies were furnished to the Accountant General, Assam *vide* R.C.S.'s letter No.CA.43/56/25, dated 20th October 1965, No.CA.43/56,29, dated 28th July, 1966, No.CA.51/57/70, dated 5th May, 1961, No.CA.51/57/75, dated 13th February 1962, No. CA.89/65/21, dated 28th July, 1966, No.CA.89/65/23, dated 28th July 1966, No. CA.25/60/51, dated 20th October, 1965 No.CA.41/63/17 dated 20th October, 1965, No.CA.12/62/31, dated 26th July, 1966, No. CA.40/63/P/11, dated 20th October 1965.

- (1) 94. Paragraph 70 at page 73 of the Audit Report, 1964.
- (2) Relief and Rehabilitation.
- (3) The Committee recommends that a report relating to progress of recovery should be furnished to the Committee through the Accountant General, Assam, within three months from the date of presentation of this Report to the House.
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- (5) In view of the Government of India directives for remission of loans the question of recoveries cannot be taken up now. The Deputy Commissioner has been requested to submit his proposal for remission of loans in respect of the displaced persons of the Khowang rehabilitation colony. The case of each loanee, according to the process prescribed by the Government of India, will have to be taken up individually and this will necessarily take time to complete. The question of recovery will be taken up after remissions have been effected and the actual balance due for repayment by each family is calculated. From a preliminary estimate of the outstanding that will have to be repaid after remission of loans, it is seen that 60 families will have to repay a balance of Rs.387.50 each and 36 families will have to repay who are also according to Government of India, entitled to remission will not have any balance left to be recovered. Hence the total amount to be recovered after remission has
- (6) The present position of realization of the sum of Rs.28,206 may be initiated to the Committee.

been effect will be Rs.28,200 only instead of Rs.98,588 previously due from the displaced persons of Khowang and the interest thereon will be proportionately reduced.

Deputy Commissioner, Lakhimpur was reminded to send proposal who replied that remission proposal would be sent soon which is awaited.

95 Page 66 (Scheme for Mechanised Cultivation). Agriculture Departt.

The Committee holds a very serious view of the dismal state of affairs prevailing in the Department. There seems to be none to keep watch over the functioning of the Department in regard to various schemes which have resulted in most cases either wasteful expenditure or huge loss.

So the Committee recommends to the Government to make a thorough probe into the whole matter with a view to fix responsibility on one hand and devise measures to re-organise and revitalise the whole machinery, so that this nation building Department

(a) To make a thorough probe into the whole matter with a view to fix responsibility and devise ways and adopt measures so that recurrence of such loss can be avoided in future, the Additional Director of Agriculture, Assam has been directed to make an enquiry and submit a report to Government on the points recommended by the Public Accounts Committee.

The Committee would like to know as to the action taken by the Department on the basis of the enquiry Report.

- (1) may function more efficiently and properly and recurrence of such state of affairs may be avoided in future.
- (2) The Committee further recommends that proforma accounts in respect of this scheme should immediately be prepared so that the true financial result can be ascertained.
- (3) Action taken in this regard may be intimated to the Committee within three months of the presentation of this report before the House.
- (4) That a High Power Committee should be constituted by the Government to go into every issue raised and all other matters relating to the Scheme with a view to find out the cause for failure to implement the Scheme fully as envisaged; and for failure to recover all legitimate Government dues such as reclamation cost, and loans from the settlers, and to fix responsibility on person or persons at fault.
- (5) (b) The Director of Agriculture, Assam has been directed to prepare a proforma account of the scheme so as to ascertain the financial result of the scheme in question and also to take necessary action on the other points.
- (6) A High Power Committee has been constituted by Government to go into every issue raised and all other matters relating to this Scheme.
- The Committee would like to be apprised as to whether the High Power Committee has since submitted its Report and what action Government has taken on the basis of the Report of the Enquiry Committee so appointed.

The Committee expresses grave concern at the dismal state of affairs in the Department. The Departmental witnesses are not aware whether the loans were utilised for the purpose for which they were issued, how many people were benefitted by the loans, Deputy Commissioner's were not responsive to reminders issued for recovery of the loans. The Departmental witnesses cannot say if any sums were realised up-till now. There was no proper maintenance of accounts in the Districts, there was no effective action taken for recovery by the District authority. There was no follow up after issue of the loans.

So the Committee feels that the whole matter requires a thorough enquiry and so recommends that the Government should set up a High Power Committee to go into the whole matter with a view to fix responsibility. On the Officer

The question of appointment of a High Power Committee as recommended by the Public Accounts Committee is under examination of the Government. The Committee may be apprised of the present position.

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or Officers concerned through whose fault, there was no follow up and such huge sums of money have remained outstanding.

Action taken should be reported to the Committee within three months of the presentation of the report before the House.

98 Pages 34—35
(Working of
a Fruit Preservation
Factory).

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Committee recommends that the Government should review the scheme immediately to avoid further loss. The Committee further recommends that a thorough probe into the matter should be made by the Government to fix responsibility on the officer or officers concerned who are responsible for initiating the scheme without considering essential factors due to which the Government have to incur such huge losses. Action taken, should be reported to the Committee within 3 months from the presentation of the report before the House.

This scheme was originally initiated by the Development (P. & C. D.) Department and subsequently transferred to this Department. To take action as per recommendation of the Public Accounts Committee, the Development (P. & C. D.) Department has been requested to forward to this Department the relevant files.

The Committee may be informed as to the final action taken by the Department on this matter.

No Comment.

The Director of Agriculture, Assam has instructed all the subordinate officers under him to make serious efforts to settle up the old outstanding Audit objection and Government have recently engaged some Internal Auditors to help the subordinate officers to meet those objections. The recommendation is note for future.

The Committee noted with regret the progress in the clearance of the Audit objections which is very slow. Some of the items, dated back to 1956-57. Moreover, no details of the D.C.C. Bills amounting to Rs.1.17 lakhs were furnished to Audit.

The Committee, therefore recommends that the Government should examine the whole matter and try to evolve a procedure whereby such outstandings may be cleared.

The Secretary regretted the state of affairs very much and pleaded guilty and could not offer any explanation. He assured the Committee that he would submit a report

In view of the admission of the irregularity and expression of regret, the Committee does not feel inclined to recommend any action but observes that the Department should be careful in these matters in future.

99. Page 68 (Audit objection).
Agriculture Department

Page 68 ... Do

- (1) (2) 100. Para 3(c) at Finance Department. pages 3-4 of the Audit Report, 1964.
- (3) The Committee therefore reiterate its recommendation contained in its earlier report and urges upon the Government to implement the recommendations immediately so that effective realisation can be made to decrease the arrears of realisation to decrease the arrears of revenue. The action taken by Government should be reported to the Committee within three months from the date of presentation of this Report to the House.
- (4) The following steps have been taken for the realisation of arrear taxes so far as this Department is concerned:—
- (5) (6) The position of arrears of revenue and collection are not at all satisfactory. The Committee recommends that Government should take effective steps to find out ways and means to improve the situation.
- (1) The Assistant Commissioner of Taxes have been asked to dispose of the appeals as expeditiously as possible.
- (2) A target has been fixed against each Superintendent of Taxes for realisation of the taxes.
- (3) As regard the amount under Bakijai proceedings, the Superintendent of Taxes have been asked to take the steps as mentioned below:—
- (a) To make a list of pending cases and get the position of the cases ascertained as per records of the Bakijai Officer.
- (b) To meet the Bakijai Officers very frequently with the list of defaulters and make a programme to realise the outstanding taxes in consultation with the Bakijai Officers.

(c) To meet the Deputy Commissioner and Subdivisional Officers with the list of defaulters at least once in a month and bring to their notice the cases which require immediate action.

(d) The Inspectors of Taxes have been asked to accompany Nazir to identify the property of the defaulters whenever such request are made by the Bakijai Officers.

The arrears of Rs.95,000-00 under the "Taxes on goods carried by roads and inland water ways" could not be realised as the party concerned filed petitions to the High Court challenging the validity of the Act and the High Court in their judgment declared the Act as invalid and inoperative. Against the orders of the High Court the State Government of Assam have filed appeal before the Supreme Court and their judgement is awaited. Hence the arrear taxes under the said Act could not be realised. However some assesseees have paid arrears of Rs.54,820 during the year 1963-64 and Rs.48,065 during the year 1964-65 under this Act.

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(5) As regard Agricultural Income-tax, the Assistant Commissioners of Taxes have been asked to dispose of the appeals under them as early as possible.

As regards arrears under this Act under Bakijai proceedings, the collectors have been reminded from time to time for effecting early realisation of the same. The list of defaulters against whose arrear certificates have been issued has also been forwarded to the Commissioner of Divisions for favour of taking up the matter with different collectors and impressing the later about the need for early realisation of the arrear taxes. But the progress of realisation through Bakijai proceedings is slow and no headway could be made in the realisation through Bakijai proceedings.

In respect of the amounts which are not lying under appeals, revisions and Bakijai proceedings and petition to High Court, etc., the Agricultural Income Tax officers have been directed to take all possible steps including imposition of penalties under Section 36 of the Assam Agricultural Income-tax Act for realisation of the dues.

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101. Para 12 at page 19 of the Audit Report, 1964.

The Committee, therefore, reiterates its recommendations contained in paragraph fourteen at page four of the Report on the Audit Report 1963, etc., urge upon the Government to implement the recommendations immediately and action taken should be reported to the Committee within three months from the date of submission of this Report to the House.

No amount on abstract contingent bill is drawn by this Department and as such, the question of submission of detailed accounts in this respect by this Department does not arise. However, according to rule 14 of the Assam Contingency Manual all Sub-vouchers of regular contingent bills in excess of Rs.50 are being sent to the Accountant General, Assam and Nagaland, Shillong and all drawing and disbursing officers of unit offices under the control of this Department have been instructed to send the same accordingly.

The Committee requested the Secretary, Finance Department to take some extraordinary steps to regularise the objection without further delay.

At page 211 of the Report of the Public Accounts Committee on Audit Report, 1964, 66 numbers of outstanding audit objections have been shown as lying pending on 31st March 1964 for settlement. But from the report obtained from the Unit offices under the control of this Department it appears that most of the outstanding audit objections have already been settled by the officers concerned. Only a few objections remain to be settled by them. It appears that some of the audit objections, which were already dropped by the

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(5) audit and intimated to officers concerned under their different letters, have again been shown in their half yearly objection. The matter is being taken up with them for removal of the same from their record. Necessary steps are being taken by the officers concerned to settle up the remaining objections at an early date.

The treasuries and sub-treasuries concerned have been requested to dispose of early the pending Inspection notes and immediate settlement of outstanding audit objections by the Superintendent of Stamps.

Instructions have been issued by the Superintendent of Stamps for submission of monthly expenditure statement under "14—Stamps" to all D. Cs/T. Os and they also are acting up.

The District officers have been requested to settle the discrepancies immediately. The Accountant General also have been requested to furnish more details for locating the Treasuries where the irregularities have occurred, by the Superintendent of Stamps.

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The Committee recommends that in both the cases the discrepancy should be settled within six months from the date of submission of this Report to the House.

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102. Para 54 at page 60 of the Audit Report, 1964.

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103. Para 63 at page 67 of the A. R. 1964. Finance Department. The Committee would like to know about the result of action taken by the Government within a course of six months from the date of presentation of the Report to the House. The proceedings drawn up against the officer has been dropped by Government as intimated to this office *vide* Government letter No.FTX.209/59/140, dated 14th May 1965.
104. Para 64 at page 67 of the A. R. 1964. Do The Committee would like to know the progress made by the Department in this regard within six months from the date of presentation of the Report to the House. The realisation of tax assessed could not be made as the party has filed an appeal against the order of appellate authority to the Board of Revenue and their judgement is awaited. The Committee would like to be apprised of the present situation and the final action taken by the Department in this regard, as soon as the judgement of the Board is complete.
105. Para 98 at page 91 of the A. R. 1964. ... The Committee therefore recommends that the improvements made by the Department should be reported to the Committee through the Audit. The D. Cs and Treasuries concerned had been requested to submit the monthly expenditure statements regularly and to settle up the discrepancies immediately, by the Superintendent of Stamps. No comment.

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The Committee in its Report on the Audit Report, 1963 recommended action to be taken by the Department to avoid delay in finalisation of cases. It appears that position has since then been not improved. The Finance Secretary, however, assured the Committee that he was looking into the matter personally.

106. Para 100 at page 92 of the A.R. 1964.

The Committee therefore reiterates their recommendations contained in its Report on the Audit Report, 1963 and urge upon the Government to implement the recommendations immediately so that Accounts Officials can be brought to book for whose negligence pension cases are delayed.

ANNEXURE

Report on Implementation of the High Power Committee's Recommendation

Item No. 1 (a) and (b).—This was implemented in collaboration with the State Agricultural Department from 1961-62 season. But the total cane received in respective years bears a very adverse ratio in relation to the acreages surveyed due to high price of Gur and also for unwillingness of the growers of local zone to supply cane to the Mill.

The reason for this is mainly due to the fact that the average cane holding of the respective growers of local zone hardly exceeds 1 acre of land and out of this $\frac{1}{3}$ of the area is comprised of 2 years old ratoon cane giving an average yield of cane at 50/50 mds. per bigha only. Further Gur making is practised as a Cottage Industry by them and the cost of Gur making is not counted by them. Therefore the cane supply from local zone has proved to be much less in proportion to the acreages cultivated by them.

The difficulties experienced by the local growers in regard to transportation of cane, payment of cane price, etc., are being removed but still the response from them in supplying cane to the Mills is found to be always poor.

Annexure No.1 will give an idea as to the year-wise supply position.

Item No.1(c)—Relates to the Agricultural Department.

Item No.1(d)—From 1962-63 season the movement of sugar-cane by Rail has been fairly regular and as a result the loss of cane in transit has minimised.

This is particularly visible in 1963-64 season's working.

Annexure No.2. The incidence of transport cost was borne by the growers effecting mill gate delivery of cane at Rs.1.50 per maund in 1961-62. As this measure did not leave any margin of profit to the distant cane growers beyond 20 miles distance from the factory, most of them partially abandoned cane cultivation and did not do any after cultivation operations to their cane crop. This resulted in poor supply of cane in 1962-63 and 1963-64 seasons in spite of granting transport subsidy and enhancing the cane price. The soaring Gur price was

also a main factor for the poor supply of cane to the Mill. As the cultivators could not have reasonable margin after meeting transport cost which was beyond 50 P. per maund, they, therefore, preferred Gur making at their fields to supply of cane to the Mill.

2. An automatic Weigh Bridge is being installed and will be put into commission from the next season. Besides the correct weighment, the installation is expected to reduce the cost of the weigh bridge staff.

3. As recommended by High Power Committee a medium term loan of Rs.7.5 lakhs was received from the State Government for 1962-63 season. Deduction at .06 Paise per maund of sugarcane from the cane price payable to the growers was made. The recommendation for deduction of .12 Paise per maund of sugarcane could not be implemented due to the strong opposition from the cane growers. Therefore, the Board decided to deduct at .06 Paise per maund which was also unanimously upheld by the meeting of the last General Assembly.

4. With regard to the detailed costing, there is a need to appoint one Accountant having knowledge of cost Accountancy. For imparting necessary training in cost Accountancy to one of our Accountants, the help of the Registrar was prayed for vide letter No.CG.10/62/4, dated 19th October 1962 and also vide resolution of the Executive Committee held on 19th November 1962. Therefore the chance is still being awaited.

The yearwise production cost of this factory from the year 1958-59 to 1963-64 are shown in the following table :—

Year	Cost of production per md. of Sugar					
						Rs. P.
1958-59	...	...	...	...	...	62.90
1959-60	...	...	...	...	...	53.36
1960-61	...	...	...	...	...	43.63
1961-62	...	...	...	...	...	43.60
1962-63	...	...	...	...	...	46.00
1963-64	...	...	...	...	...	40.22

It appears that the production cost in 1963-64 have come down to Rs.40.22 Paise. The factors like better recovery, purchase of manufacturing and engineering materials at a cheaper rate, the minimum loss in sugar, etc., count must forwards reduction of manufacturing cost. The low percentage of loss in hours to the total available during a season depends chiefly on the proper unkeep of machineries to minimise the stoppage. This also vitally relates to regular feeding of the mill with canes. The comparative statement annexed herewith No.3 will show the gradual reduction in stoppage and in loss of hours during all the last season.

A note from the Engineer with regard to the maintenance of machineries is incorporated herein. Measures taken by the Chief Engineer for proper maintenance of machinery are given as under—

Due to various modifications and improvements in the factory we are able to reduce hours losts due to mechanical breakdown from 9% to 1.68% average in last two crushing seasons. This figure can favourably be compared with the most leading and technically advanced factories in India. In the past up to 1961-62 crushing season troubles were mainly due to—

Millig Section—(1) Uncontrolled cane carrier speed.

(2) Scrapers.

(3) Intermediate carrier.

(4) Clutch and maceration system.

So by installing steam engine and modifying the angle of scrapers maceration system and fitting proper type of intermediate carrier chains, we have reduced hours lost in the Milling Station.

Boiling House.—In this section main troubles were due to failure of condensate and syrup pumps ; Screw conveyor under centrifugal injection pump and grass hopper and by making vacuum priming device of the injection pump and installing condensate receiving bottles and taps we are able to improve working in this section.

Steam Plant.—By making close sharped condensate system and lagging of the pipes with proper height of hot water tank, etc. We are now able to use feed water upto 200 of also we have made one of flash steam from condensate and thereby saving a bagasse for last two seasons.

Formally there was no provision to feed the boilers under full pressure due to temporary failure of electricity on low pressure by installing weirfeed pump we have overcome all the drawbacks and the risks of high speed pump.

Working of Spray Pond has considerably improved and the result of steady and high vacuum in the factory.

For the last two years we have also made use of Jowels Filter to eliminate slimy matter and oil emulsion from the water supply which used to choke water pipes of the factory.

This year we have also installed on 20' Lathe and we have machined all the Mill Rollers for the First time in the history of this mill. We hope this will considerably improve the working of Milling Plant. We have also approached the electricity board for giving us 800 K. W. as stand by to overcome the risk of failure of our only Turbo. Alternator in the factory.

It is suggested in the interest of this concern to improve the existing workshop by installing universal milling machine, 4' Pinion Lathe, Radial drilling machine and Cupola furnace for casting. It is also emphasized to install for recording CO₂ metre to control the combustion of Boiler furnace and to install water metre on the Pan station to control drinks at the Pan Station so that steam can be utilised efficiently in the factory.

5. The sale of the finished product of this factory is controlled by the Chief Director of the Directorate of Sugar and Vanaspati, Ministry of Food and Agriculture. Government of India, During the period when sugar was not controlled, the release orders were received at the time when the demand for sugar in the market. The market was in its declining tendency. But, unfortunately this Sugar Factory was not receiving release orders when the demand for the Sugar was heavy or when the scarcity of sugar was in the market. But, since the imposition of control on sugar price, the release orders are being received from the Sugar directorate regularly after an interval of one month and normal period of 45 days is allowed to deliver the released stock. Therefore, the difficulties encountered for want of regular release orders seem to be very much overcome.

The release orders are now issued in favour of the State Government and more particularly to the NEFA Administration. In this connection it may be mentioned here that the lifting of sugar by NEFA Administration is considerably delayed and an instance is there that the period of delivery was

once allowed to lapse. This puts the factory into loss, because the borrowed capital invested in the sugar stock unnecessarily accrues interest. Quick sale of sugar is linked in its entirety to be quick liquidation of production loan. Therefore quick reduces the burden of unnecessary interest.

The release orders should also be issued in favour of the agency which has got greater demand for meeting the situation of sugar scarcity.

The peculiar circumstances, in which this factory being situated in the easternmost part of the Country is working with high cost of production, should be taken into account and the price of sugar of this mill therefore requires to be fixed in consideration of the factors responsible for high cost of production.

6. **Export quota (Sugar).**—The export quota apportioned by the Export Agency was not lifted in last two years timely. The delay involved in disposal of this quota also entails payment of unnecessary interest on the borrowed capital that remains blocked in the stock. The quick lifting of the export quota is also desired to minimise the revenue loss in payment of interest.

7. The suggestion given to include Government representatives in the Board of Management has been fully implemented.

8. The Residential Managing Director has already been appointed.

9. Action to minimise the frequent changes in top ranking officials like Chief Engineer and Chief Chemist is being taken as far as practicable. But this deficiency to recur always cannot wholly be overcome until some local enthusiastic persons are trained up in the line.

10. Reduction of staff in both General and Cane Section of the office has already been effected. The previous staff of 34 has been reduced to 23 only.

This barest minimum cannot further be reduced.

11. The Chief Engineer has been placed in-charge of the General Stores and this arrangement serve the practical purpose.

12. A Boundary Wall has been erected and looking forward to a change for appointing a Security Officer.

13. The construction of Hospital Building is nearing completion and the question of appointing a full-time residential Doctor and Compounder is being placed before the Board of Management.

The Recommendation of the Wage Board Award has been implemented.

14. Due to complicated formalities, the advantage of the Industrial Labour Housing Scheme is not yet availed of.

15. A Steam Engine has been installed for feed control of the crusher and a Crank Shaft has already been purchased to run the auxiliary diesel generator of 100 K. W.

16. Two more Assistant Engineers in the cadre of Shift Engineer have already been appointed.

17. There is one Assistant Electrical Engineer who supervises the work of Electrical Section under the guidance of the Chief Engineer.

18. The workshop has been upgraded to some extent by equipping the same with a big size lathe machine. The stock of spares and replacements is being maintained as far as practicable subject to the availability of fund.

19. The Director of Sugar Technologist Association was requested to provide with the services of student chemists for special analysis.

20. A first Class Boiler Attendant has been working.

21. An economy was observed in the use of Lubricants, Coal and Firewood and consequently much saving was made in respect of coal and firewood during the last two seasons.

22. The following figures given in the tabular form will give a comparative reading as to the sugar losses recorded in the past years.

Year				Total Loss Per centage
1958-59	...	...	...	2.75
1959-60	...	...	...	2.74
1960-61	..	...	...	2.88
1961-62	..	...	...	2.57
1962-63	...	...	...	2.31
1963-64	...	...	...	2.33

The total Sugar Loss is gradually declining

Sd./J. Ali,
General Manager.

Telegram: DERGAON 8.

Tele: 'SUGAR, Dergaon

ASSAM CO-OPERATIVE SUGAR MILLS LTD.
P. O. BARUABAMUNGAON

Ref. No. ASH.9/62/45-46.

Dated 25th August 1962.

To

The Secretary to the Government of Assam, Co-operation Department, Shillong.

SUBJECT—Implementation of the recommendation of the High Power Committee by the Assam Co-operative Sugar Mills Limited.

Sir,

With referene to your letter N0. Co-op. 205/62/17, dated the 16th August, 1962 on the Subject quoted above we have the honour to report that the implementation of the recommendation of the Committee made so far is given as under—

1. The Survey work of sugarcane area in the Mill Zone has already been started by the Mill own staff as well as the staff of the Sugarcane Development Office of the Agricultural Department. The Mill staff in spite of natural calamity like flood has hitherto completed the work in respect of Gulabil area and Kokodonga Mouza. The progress so far made by the Agricultural Department staff has not been made known to us. The progress made by our staff is not so remarkable in view of the fact that the cane growers being deeply engaged in paddy cultivation cannot be contacted easily for collection of datas required.

2. As regards taking up the activities of the Mill the Engineering Section has been asked to set to work with such efficiency as required with a view to minimising the stoppages. A detailed report in this regard from the Chief Engineer is enclosed herewith separately for your kind perusal and information.

3. The steps to reduce the General Staff is taken. The Indoor staff of the office has been reduced in the sense that as many as five office Assistants of the cane office have been engaged in Field Survey Work. Redistribution of work of the

indoor staff has also been made. The matter for further reduction of the General staff will be put in the next meeting of the Executive Committee.

4. Regarding movement planning by rail, the Railway Authority is requested to call a meeting with all concerned in early part of September 1962.

5. The suggestion for deduction of 12 P. per maund of sugarcane supplied by the growers towards share capital will be materialised in due course.

Yours faithfully,

for Assam Co-operative Sugar Mills Ltd.

Sd./—J. ALI,

General Manager.

Enclo.—1.

Copy to R.C.S., Shilong for favour of information.

Phone : DERGAON 8'

Tele : 'SUGAR' Dergaon

ASSAM CO-OPERATIVE SUGAR MILLS LTD.
P. O. BARUABAMUNGAON

Ref. No.ASH.9/62/49,

Dated the 30th Oct. 1962

To

The Registrar of Co-operative Societies,
Assam, Shillong.

SUBJECT—High Power Committee Report

Sir,

With reference to your letter No.CG.10/62/4, dated the 19th October, 1962 we have the honour to inform you that in view of the bad pecuniary position of the cane growers and more particularly of the critical cane supply position of the Mills during the season 1962-63 the Board in their meeting held on 26th June 1962 have decided to deduct, 0.06p. per maund of sugarcane supplied by the cane growers towards share capital against Re.1 per ton as provided in our Bye-law. This was intimated to the Secretary to the Government of Assam, Co-operation Department and a copy endorsed to you *vide* our letter No.ASH./9/62/47-48, dated the 17th October, 1962.

As regards other items the reports are as under—

Item No.1.—In 1961-62 the cane supply was received at the Mills gate and thus we saved the transport cost. The same system will be adhered to. Moreover payment of cane price will be regulated in proportion to the recovery above 9 per cent. Proper attention is being given by the Engineering staff to ensure minimum mechanical break-down. Steps are being taken to minimise production cost so that it may not range beyond Rs.42. System of Job Card has also been introduced in consideration of making detailed cost against each item.

Item No.12.—A person knowing cost accountancy will be appointed when available.

Item No.16.—Necessary arrangement is being made to take the advantage of the Industrial Housing Scheme.

Item No.17.—The Chief Engineer has been advised to look properly on this score and he is doing his utmost for the purpose

Item No.20.—We have at present an Electrical Sub-Engineer holding Supervisory Licence. To made up the efficiency in the staff, we require the services of three Electrical Engineer with Supervisory Licence. The post have been advertised in leading newspapers. In response we received 2 applications from outside. They were requested to appear before interview but they did not turn up.

Item No.21.—To run the Auxiliary Diesel Generator of 100 K.W. a Crank-Shaft was ordered for. The foreign firm with which order was placed has already despatched the same. We expect to receive the Shaft soon.

Item No.22.—Due to want of sufficient fund no arrangement could be made for an adequate stock of spares and replacements. However we have procured the minimum requirement of the same with great difficulty.

Item No.23.—The repair workshop is running with the same set of tools and operator as it was doing last year. The purchase of full set of the same could not be effected for want of fund. This will be done as soon as fund will be available for the purpose.

Item No.24.—Necessary correspondences have been made with the Director, Sugar Technologist Association for providing the Service of a Student Chemist for special analysis.

Item No.25.—We are in need of 4 First Class and 7 Second Class Competency Certificate holder Boiler Attendants and we have requested the Employment Exchange to provide us with the Service of qualified Boiler Attendants. Recently one of our Boiler Attendants have got the 1st Class Competency Certificate. We also advertised the posts. Four applied for the post demanding higher salary beyond sanctioned scale.

Item No.26.—Necessary arrangement is being made to effect economy in use of Lubricants, Coal and Firewood. A Lubricator has already been ordered and is expected to reach here soon.

Item No.27.—The Chief Engineer and the Chief Chemist as requested already have been giving attention from now to reduce the losses to the minimum possible.

Yours faithfully,
For Assam Co-operative Sugar Mills Ltd.

Sd./—J. ALI,
General Manager.

ASSAM CO-OPERATIVE SUGAR MILLS Ltd.
P. O. BARUABAMUNGAON

14th May 1966

Ref.—No. 6994.

To—The Secretary to the Government of Assam,
Co-operation Department, Assam, Shillong.

**SUBJECT.—Recommendation of High Power
Committee.**

SIR,

As directed by you during your last visit to the Mill we have the honour to say that all recommendations given by the High Power Committees have been implemented by the Mill so far possible that too in time. Earlier reports on implementation of the recommendations were submitted to you as well as to the Registrar, Co-operative Societies, we again enclosed herewith the copies of those report with the following observations and in reply to your queries.

(1) Almost all the recommendations of the High Power Committee have been implemented.

(2) Economy effected by reducing the excess office staff from 34 to 23.

(3) Appointment of 2 shift engineers was effected in the implementation of the High Power Committee. The post of electrical supervisor was also up-graded one electrical supervisor has been promoted to the post of Assistant Electrical Engineer, 3 Boiler attendants have also been promoted to the rank of class I as they could qualify themselves in the examination held for the purpose. All these appointments have been made in keeping with the recommendations of the High Power Committee to increase efficiency of the staff.

The Assam Co-operative Sugar Mills Ltd. has been issuing production credit to the cane grower members since 1962-63 to finance this sugarcane plantation activities. In brief it can be said that entire activities of the Central Co-operative Bank Ltd., have come over to the Mill for execution with the implementation of the Scheme (for supply of production credit) and

this has amply justified the appointment of additional staff for the office as well as in the field for the purpose of maintaining individual accounts of as many as 1,000 to 1,100 growers. The field Assistant appointed for the purpose of field supervisor found to be inadequate. Previously there was 1 Supervisor and 3 field assistants, now the strength of the staff has been raised to have 2 supervisors, 24 field assistants.

Perhaps present engineering staff shall have to be also increased to cope with the volume of work that might come in for speedy execution with the establishment of the proposed distillery the works of which are being taken in hand from 22nd May 1966.

The establishment cost of this concern is also increasing from year to year as Mill has got to implement the recommendation of Wage Board Award in the matter of giving better pay scale to the workers as well to pay Dearness Allowances at enhanced rate quite in keeping with the price index of consumers goods.

We way kindly kept informed if any more informations with regard to the implementation of the High Power Committee are to be furnished which have been left unexplained.

Yours faithfully,

For Assam Co-operative Sugar Mills Ltd.

Sd./J. ALI,

General Manager.

GOVERNMENT OF ASSAM
CO-OPERATION DEPARTMENT
 CO-OPERATION BRANCH

No.Co-op.198/59/248,

Dated Shillong, the 12th July, 1966

From:—

Shri Ramesh Chandra, I.A.S.,
 Secretary to the Government of Assam, Co-operation
 etc., Department, Shillong.

To:—

The Manager,
 Industrial Finance Corporation of India Ltd.,
 22, Rajendra Nath Mukharjee Road.,
 Calcutta-1

Subject—Tripartite Agreement to be entered into between the
 Society, the State Government of Assam and the
 Corporation.

Reference—Your letter No.LA.136/Legal/DOC/66-4772, dated
 10th May, 1966 addressed to Assam Co-operative
 Sugar Mills Ltd.

Sir,

With reference to your letter quoted above I am directed
 to say that the minor corrections as proposed by the Indus-
 trial finance corporations of India are acceptable to
 that Government.

As regards inclusion of certain lands in the agreement,
 I am further to say that acquisition proceedings of those
 lands are not yet completed and hence lands have not yet
 been vested in the mill. As such those lands may be exclu-
 ded from the agreement at present and as soon as the title
 of the land passes to the mill a supplementary Agreement
 may be executed. The difficulty may also be obviated by adding
 a suitable proviso to the effect that Industrial finance corpora-
 tion's charge will be created and the mortgage would cover
 the lands if and when title to those lands passes to the
 sugar mill.

You are requested to indicate which of the above
 alternatives are acceptable to the corporation, after which the
 final deed of agreement will be drawn up and executed

Yours faithfully,

Secretary to the Government of
 Assam, Co-operation Department.