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PUBLIC ACCOUNTS COMMITTEE

(2006-2008)

HUNDRED AND FIFTEENTH REPORT

(TWELFTH ASSEMBLY)



REPORT OF THE COMMITTEE ON PUBLIC ACCOUNTS
ON THE REPORTS OF THE COMPTROLLER AND
AUDITOR GENERAL OF INDIA (CIVIL) FOR THE
YEARS 2002-2003, 2003-2004 AND 2004-2005 RELATING
TO THE HEALTH & FAMILY WELFARE, HOME
AND TOWN & COUNTRY PLANNING
DEPARTMENTS, GOVERNMENT
OF ASSAM.

Presented To the House on 12-11-2007.

ASSAM LEGISLATIVE ASSEMBLY, SECRETARIAT
DISPUR : GUWAHATI-6.

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(i)
COMPOSITION OF THE COMMITTEE

CHAIRMAN:

1. Shri Brindaban Goswami

MEMBERS:

1. Shri Sarat Borkotoky
2. Shri Rameswar Dhanowar
3. Shri Gobinda Chandra Langthasa
4. Shri Abdul Khaleque
5. Shri Rajib Lochan Pegu
6. Shri Phani Bhusan Choudhury
7. Smti Kamali Basumatary
8. Shri Parimal Sukla Baidya
9. Shri Jagat Sing Engti
10. Shri Anwarul Hoque
11. Shri Akon Bora
- * 12.

SECRETARIAT:

1. Shri G.P.Das, Secretary
2. Shri B.Basumatari, O.S.D.
3. Shri K.Rahman, C.O.

* Shri Chandra Mohan Patowary, MLA & Member tendered his resignation being appointed the Leader of the Opposition, Assam Legislative Assembly.

(ii)

PREFATORY REMARKS

I, Shri Brindaban Goswami, Chairman, Committee on Public Accounts having been authorised to submit the Report on their behalf present this Hundred and Fifteenth Report of the Committee on Public Accounts on the Audit paras contained in the Reports of the Comptroller and Auditor General of India (Civil) for the years 2002-2003, 2003-2004 and 2004-2005 pertaining to the Health & Family Welfare, Home and Town & Country Planning Departments, Government of Assam.

2. The Reports of the Comptroller and Auditor General of India (Civil) for the years 2002-2003, 2003-2004 and 2004-2005 was laid before the House on 12th July, 2004, 3rd March, 2005 and 8th February, 2006 .

3. The Reports as mentioned above relating to the Health & Family Welfare, Home and Town & Country Planning Departments have been considered by the Committee in its meeting held on 31st May, 2007, 8th June, 2007, 22nd June, 2007 and 28th September, 2007.

4. The Committee has considered the draft report and finalized the same in its sitting held on 29th October, 2007

5. The Committee has appreciated the valuable assistance rendered by the Principal Accountant General (Audit), Assam and his Junior Officers and staff during the examination of the Department.

6. The Committee thanks to the departmental witnesses for their kind co-operation and offers appreciation to the officers and staff dealing with the Committee on Public Accounts, Assam Legislative Assembly Secretariat for their strenuous and sincere services rendered to the Committee.

7. The Committee earnestly hopes that the Government would promptly implement the recommendations made in this report.

Dispur :
The 29th October, 2007

BRINDABAN GOSWAMI
Chairman
Committee on Public Accounts.

The Report
Chapter-I
Health & Family Welfare Department
Misappropriation of Government money

(Audit para 3.6/CAG(Civil)/(P-59-60)/2002-2003)

1.1 The audit has pointed out that a test check (August 2002) of records of the Additional Chief Medical and Health Officer (Addl. CM & HO) Family Welfare (FW) Goalpara revealed that : (i) Cash book and other connected records for the period from May 1996 to October 1998 were seized (November 1998) by police in connection with misappropriation of Government money by the cashier of the office. These records, produced to audit during local inspection in August 2002, indicated that the ex-cashier had written the cash book upto 16 October 1998. Of the closing balance of Rs.23.92 lakh on that date, Rs.0.03 lakh was handed over (November 1998) by the ex-cashier (under suspension) to the Addl. CM & HO and the remaining amount of Rs. 23.89 lakh stood misappropriated by him. (ii) Acquittance roll in support of payment of salary Rs.43.48 lakh to the Auxiliary Nurse-cum-Midwives (ANMs) from September 1996 to September 1998 and vouchers for Rs.0.33 lakh against contingent expenditure during July 1996 to August 1998 could not be shown to audit, due to which correctness of the disbursement could not be vouched in audit. (iii) Additional CM & HO had neither attested the day-to-day transactions appearing in the cash book since September 1998 nor any physical verification of cash and analysis of closing balance were ever done. Thus, failure of the Addl. CM & HO to apply prescribed checks as per financial rules facilitated misappropriation of Rs.23.89 lakh besides rendering the expenditure of Rs.43.81 lakh unvouched. Addl. CM & HO who had taken over charge in July 2002 on retirement of his predecessor stated (August 2002) that the matter was under investigation by police and no departmental enquiry/Proceedings were drawn up against errant officers/officials for reason not known to him. There was no record to show that the matter of misappropriation was reported by ex. Addl. CM & HO to Government/Department or intimated to the Accountant General (Audit) as required under Assam financial Rules.

1.2 The department by their written reply has stated that as regards misappropriation of Government money amounting to Rs. 23.89 lakhs by the Cashier O/O the Addl. Chief Medical & Health Officer (FW), Goalpara, it may be mentioned that as per reports of the Addl. Chief Medical & health Officer (FW), Goalpara vide his letter No.FWG/Misc/1998/1330 dt. 28/5/02 the amount of misappropriation committed by the cashier was only Rs.

7,14,893/-. Following the misappropriation came into light, the Addl. Chief Medical & Health Officer (FW), Goalpara lodged an FIR at Goalpara Police Station with regards to misappropriation of salary of the field staff including Nurse (ANM) etc. vide his letter No. FW G/Estt-4/98/99. dt. 2/11/98 and in turn the Police Station, Goalpara seized all related documents for conducting enquiry with registration of the case No. 234/98. Further, the E.A.C. and Executive Magistrate, Goalpara had conducted an enquiry into the case of misappropriation and submitted the report to the D.C., Goalpara vide his letter dt. 21/10/98. After the misappropriation of Government money meant for salary of the staff was detected, the services of the cashier, Sri Swapan Sarkar was placed under suspension. Since the all relevant documents pertaining to the case of misappropriation of money drawn for payment of salary have been seized by the Police Station, Goalpara, the matter has been left to the concerned Police authority for further investigation as this Directorate as well as the Addl. Chief Medical & Health Officer (FW), Goalpara find it inconvenient to go further in enquiry in absence of relevant documents which have been seized by Police Station, Goalpara. Furthermore, it may be stated that the Government in Health & FW (A) Department vide their letter No.HLA.607/2005/15 dt. 6/5/05 had directed to submit proposal for redrewal of arrear salary of the concerned ANM & other field staff and accordingly proposal was submitted to Government from this Directorate vide letter No. HSFW/Estt/135/98/3785 dt. 18/6/05.

OBSERVATIONS/RECOMMENDATIONS

1.3 The Committee is not satisfied with the submission of the departmental representatives. The Commissioner & Secretary of the department himself also expressed his dissatisfaction with the reply submitted by the Directorate. The Committee observed that though the Cashier was re-instated, following the order of the Hon'ble High Court, the departmental Proceedings had to be contained. But it was not done so. The Addl. CM & HO (FW), Goalpara had not checked daily transactions in Cashbook as well as monthly closing with verification of cash for which an amount of Rs. 23.89 lakh had stood misappropriated. The Committee therefore recommends that steps should be taken by the department for realization of mi-appropriated amount from the defaulters. The Committee, further recommends that a detailed report may be submitted to the Committee within 10 days from the date of presentation of this report before the House.

Fraudulent drawal of GPF advance in Assam Medical College and Hospital,
Dibrugarh.

(Audit para 3.7/CAG(Civil)/(P-60-61)/2002-2003)

1.4 The audit has pointed out that scrutiny further revealed that the matter was within the knowledge of the Superintendent, AMCH and the amounts were kept in chest without any investigations as per direction of the then Superintendent who retired from service in May 2001. The present Superintendent who took over charge in May 2001 reported (June 2002) the fraudulent drawal to the Director of Medical Education, Assam and sought further direction which was awaited (December 2002). Acquittance for disbursement of any money out of the amounts drawn could not be shown to audit. In the absence of statutory cash verification certificate, audit was not in a position to verify availability of the amounts in the cash chest and possibility of misappropriation of the funds could not be ruled out. The fraudulent drawals were facilitated mainly due to non-adherence to the prescribed procedures of cash management by the Superintendent as Drawing and Disbursing Officer as laid down in the Financial Rules of the State Government. On the matter being reported to Government in July 2003, the Commissioner and Secretary, Health and Family Welfare stated (August 2003) that a thorough inquiry is being conducted through the Finance Department and the Deputy Commissioner, Dibrugarh. Further development was awaited (September 2003).

1.5 The department by their written reply has stated that the A.G. Assam in its inspection report IC-I/10-28/2002-2003/2524-26 dated 26/05/03 and its Special Audit report dated 21/10/03 revealed that an amount of Rs.8.28 Lakhs (Rupees eight lakhs twenty eight thousand only) were drawn fraudulently by the Assam Medical College Hospital, Dibrugarh during the period April,1998 to August, 2002. On receipt of the A.G's letter Deputy Commissioner, Dibrugarh made an enquiry and then a Departmental enquiry was conducted on the matter. All the relevant documents were seized from the Assam Medical College Hospital, Dibrugarh . On the Department Enquiry a fraudulent drawal of Rs. 7,74,027/- were detected. However, the A.G., Assam could produce the vouchers of 39 cases only. Of fraudulent drawal between the period November, 1999 to April, 2002 amounting to Rs. 6.38 Lakhs. Accordingly the A.G., Assam, produced three lists of drawal. A direction to deposit the drawal amount was issued to the Superintendent, AMCH, Dibrugarh vide PFA- 1/Discrepancy/ TDH Vouchers/ Challan/Pt-

1/317 Dated 13/09/2005. From the enquiry and relevant vouchers it has been found that the bills were drawn from the Dibrugarh Treasury against temporary GPF Advance in the name of fictitious employees by using false GPF Account Nos., vouchers produced by A.G., Assam which were countersigned by the then Superintendent Dr. Madhab Ch. Neog, who was also the Drawing and Disbursing Officer during the period. During the time of Audit Inspection and Inquiry it has been reported that an amount of Rs. 5.37 Lakhs was kept in the cash chest without any entry in the Cash Book and was informed as excess drawal by the Hospital Authority. Later a part of the fraudulent drawal amounting to Rs. 5.48 Lakhs were deposited in to the Government account vide Challan Nos. 1263 Dated 16/12/2003 (Rs. 2.80 Lakhs) and 1264 dated 16/12/2003 (Rs.2.68 Lakhs). On the basis of records and Inquiry reports, a show cause notice was served to Dr. Madhab Ch. Neog, Ex. Superintendent, Assam Medical College Hospital, Dibrugarh and subsequently Departmental Proceedings were drawn up by the Government vide its letter No.HLB.126/2002/153 Dated 8th February, 2006 against Dr. Neog. The Director Medical Education, Assam has been appointed as Inquiry Officer by the Government on the matter. On completion of the inquiry immediate steps to recover the balance amount will be taken up and appropriate actions will be taken against the responsible persons.

OBSERVATIONS/RECOMMENDATIONS

1.6 The Committee observes that the departmental enquiry should have to be completed against the persons who were involved in the irregularity. But till date no enquiry is made by the department. The Committee, therefore, recommends that the departmental enquiry should be made, responsibility should be fixed against the erring officers/officials and a detailed report may be submitted to the Committee within 30 days from the date of presentation of this report before the House. The fraudulent drawals of Rs. 8.28 lakh should be realized from the responsible persons and deposited to the Government exchequer.

Extra avoidable expenditure by Director of Health Service, Assam.

(Audit para 3.8/CAG(Civil)/P-61/2002-2003)

1.7 The audit has pointed out that after scrutiny (April 2002) of records of the DHS revealed that, between June 2000 and July 2001, the DHS procured 62.5 lakh Antacid tablets and 34 lakh paracetamol tablets valued at Rs. 74.80 lakh and Rs. 10.14 lakh respectively from two local firms viz. M/s S.G. Pharma and Asiad Traders (instead of from ASIDC) at rates higher than the approved rates. Records did not show that ASIDC failed to supply the medicines as per approved list, which necessitated procurement by the DHS from the local firms higher rates leading to extra avoidable expenditure Rs. 66.09 lakh.

1.8 The department by their written reply has stated that the Director of Health Services, Assam, procured paracetamol with caffeine tablets from M/s Asiad Traders, an approved supplier of this Directorate at an approved rate. The simple paracetamol tablet and paracetamol with caffeine tablets is more effective than simple paracetamol and the tablets are used in different disease management. Again the composition of both tablets are also different. Paracetamol with caffeine tablets are not manufactured by the S.S.I. Units of the State. Again simple paracetamol tablets were procured only from the A.S.I.D.C.Ltd. Antacid tablets were procured at the approved of D.H.S., Assam from the approved Firms only. It may be noted that during the period of procurement there were no S.S.I. Units with valid manufacturing Licence to manufacture that type of Antacid Tablets of which were procured from the approved of suppliers. The composition of antacide tablets of both the parties are separate and function of both are different. It may be noted that the procurements of both the tablets were made strictly as per requirements from the Districts. The approved rate of tablets paracetamol (500mg) with caffeine (25mg) was Rs. 274/- per 1000 tablets enclusive of Tax. The approved rate with admissible AGST @ 8.8 Stands at Rs. 298.11/1000 Tablets. Again approved rate of Tablets Negaldrate (400mg) Dimthyl polysilxone 25 mg. Algince Acid 200mg. (Reffernce an Antacid Tablets) was Rs. 110/-per 100 Tablets on Rs. 1100/1000 Tab. Enclusive of Tax. The approved rate with admissible AGST @ 8.8% stands at Rs. 1196.80/1000 Tablets.

OBSERVATIONS/RECOMMENDATIONS

1.9 During the course of discussion the Committee observes that the A.G. had given ample opportunity to show the record that ASIDC failed to supply the medicines as per approved list but the DHS could not show the record and procured medicines at higher rate from the firms other than the approved firm incurring an avoidable expenditure of Rs. 66.09 lakh. The DHS was also not consulted with the ASIDC before placing order for supplying medicines to the non-approved firm. The Committee, therefore, recommends that a detailed report may be submitted to the Committee within 30 days from the date of presentation of this report before the House.

Idle investment on hospital buildings at Hailakandi and Cachar

(Audit para 3.9(A)/CAG(Civil)/P-62)/2002-2003)

1.10 The audit has pointed out that a test-check (July-August 2002) of records of the Joint Director of Health Services (Jt.DHS), Hailakandi revealed that the Health and Family Welfare Department administratively approved (March 1986 and January 1993) construction of two 30-bed rural hospital buildings for Rs.72.34 lakh one each at Mohanpur (Rs.39.63 lakh) and Lala (Rs.32.71 lakh) by the Public Works Department (PWD). According to the physical and financial progress report of Executive Engineer PWD, Karimganj Building Division on works programme for the year 1996-97 an expenditure of Rs. 52.61 lakh was incurred on hospital buildings at Mohanpur (Rs.40.17 lakh) and Lala (Rs.12.44 lakh) for completion of 98 per cent and 80 per cent of the works respectively. Status of completion of remaining works and expenditure there against were not on record. The Jt. DHS, Hailakandi stated (August 2002) that although the buildings were handed over by the PWD between January 1992 and October 1995 they could not be made functional for non-sanction and non-posting of medical and para-medical staff by the department.

1.11 The department by their written reply has stated that (i) The construction work at Mohanpur 30 bedded Rural Hospital has already been completed and functioning since 1993. The existing sanctioned Medical and paramedical staffs are utilized in the Rural Hospital. There are 27 Nos of sanctioned post which are already normalized vide Government letter No.HLA.1213/03/Pt-II/47, dt. 28-12-2006 against Mohanpur CHC. (ii) The construction work of Lala 30 bedded Rural Hospital has already been completed and handed over by the P.W.D. (Building division) to the Health Department during the year 1995. But the same could not be made functional for want of necessary man power. Director of Health Services, Assam submitted necessary proposal to the Government for sanctioning necessary Medical & Paramedical Staff vide No.P & D/CDN/15/99/520, dtd. 17/8/1999. It may kindly be noted here that no post has been created by the Government since 1994. Now, the Lala Block P.H.C. is functioning in the newly constructed building by the existing staff of the said P.H.C.

OBSERVATIONS/RECOMMENDATIONS

1.12 The Committee observes that in spite of having buildings at Mohanpur and Lala in the district of Hailakandi no sufficient officers and staff could be posted by the department. After investment of Rs. 67.99 lakh, the department is unable to provide health care facilities to the rural people. The Committee, therefore, recommends that steps should be taken by the department for appointment of medical and para-medical staff to the above mentioned hospitals urgently. Action taken in this regards may be intimated to the Committee within 30 days from the date of presentation of this report before the House.

Idle investment on hospital buildings at Hailakandi and Cachar

(Audit para 3.9(B)/CAG(Civil)/P-62)/2002-2003)

1.13 The audit has pointed out that after scrutiny (July 2002) of records of the Jt. DHS, Cachar revealed that the primary health centre (PHC) building at Sibtila was constructed and completed by PWD during 1993-94 to 2000-2001 at a cost of Rs. 15.38 lakh against the approved cost estimate of Rs. 18 lakh. The Jt. DHS, Cachar stated (July 2002) that the PHC building taken over from PWD in May 2001 could not be put to use due to non-providing of the required medical and paramedical staff by the department. Thus, failure of the department in providing staff resulted in idle investment of Rs. 67.99 lakh besides denial of health care facilities to the rural people for over nine years.

1.14 The department by their written reply has stated that it is a fact that P.H.C. building work of Sibtila N.P.H.C. under the jurisdiction of the Jt. Director of Health Services, Cachar was completed by the P.W.D. Department as per Government approval involving total expenditure of Rs.15.378 lakhs and handed over to the disposal of Jt. Director of Health Services, Cachar, Silchar accordingly in May, 2001. But the Staff of the said N.P.H.C. (Both Medical & Paramedical) has not yet been sanctioned by the Government. Regarding sanction of the above posts necessary proposals has already been submitted to the Government vide D.H.S. letter No.P & D/CDN/15/99/518, dtd. 17-8-99, Jt. DHS, Cachar letter No.DH/Estt/Staff sanction/NPHC/03/4617, dtd. 31-5-03. Government comment is invited in this matter.

OBSERVATIONS/RECOMMENDATIONS

1.15 The Committee observes that though the building of Sibtila PHC was completed in the year 2001 but till date it is not functioning due to non-sanctioned of Medical and Para-medical officers and staff by the Government. The Committee, therefore, recommends that the department should take steps for appointment of Medical officers and staff for the PHC to facilitate to the poor people of the locality. Action taken in this regards may be intimated to the Committee within 30 days from the date of presentation of this report before the House.

Unfruitful expenditure

(Audit para 4.4.3/CAG(Civil)/(P-81-82)/2003-2004)

1.16 The audit has pointed out that a test-check (August 2003) of records of the Joint Director of Health Services (Jt.DHS) Tinsukia revealed that the Health and Family Welfare Department of the Government of Assam in two separate notifications (February 1994 and February 1995), created 28 different categories of officers and staff to the two newly upgraded Community Health Centres (CHCs) of 30 bedded rural hospitals, one at Dangari and other at Doomdooma in the Tinsukia district. The two upgraded CHCs cum rural hospital could not start functioning, as the buildings required for their upgradation remained incomplete as of August 2003. Records showing action having been taken by the Jt.DHS and the Government for completion of the buildings meant for upgradation of the CHCs were neither on records nor could be stated to audit. Further scrutiny reveal that the Jt.DHS on the basis of retention orders issued by Government from time to time continued to entertain 27 out of 28 officers and staff since their date of appointment (April 1994 and February 2001) till August 2003 against these two upgraded CHCs. In the absence of requisite infrastructure, the entire additional officers and staff posted to these CHCs remained virtually idle and on this idle manpower, the Jt. DHS incurred an expenditure of 97.88 lakh towards their pay and allowances from April 1994 to August 2003. The contention of JDHS during discussion that the staff appointed against the non-functional CHCs were being utilized in the Dangari and Doomdooma State Dispensary cum Mini Primary Health Centres (PHC) and other hospitals in the district was not tenable as the utilization of the services of the officers staff appointed against specific requirement of upgraded CHCs was not justified by the requirement of State dispensaries/mini PHCs/hospitals which were adequately staffed. Thus, appointment and entertainment of officers and staff against the non-functional CHCs resulted in unfruitful expenditure of Rs. 97.88 lakh, besides deprival of the rural people from improved health care services through the rural hospitals.

1.17 The department by their written reply has stated that Doomdooma & Dangori CHC building construction work already completed & handed over to the Health Department since 2003-2004 and normally functioning as reported by the Jt. DHS, Tinsukia. The construction work had been executed by the Executive Engineer, PWD (Building) Division, Tinsukia. The Doomdooma & Dangori CHC building are constructed at the premises of

Doomdooma State Dispensary & Dangori Mini PHC Complex. After creation & sanction of necessary post vide Government letter No.HLA.628/94/7 dated 27.2.95 and HLA.657/93/42 dated 28.2.94, Officers & other Staffs were posted against Doomdooma & Dangori CHC by the Government Jt..DHS, Tinsukia reported that the service of the staffs were utilized at the Doomdooma & Dangori State Dispensary & Mini PHC respectively after posting their service by the Government during the construction period. It may be mentioned here that Doomdooma & Dangori CHC are constructed at the State Dispensary & Mini PHC Complex.Both the Health institution are rendering Health Services to the people of that area. At present all staff are working at their original place of posting smoothly.

OBSERVATIONS/RECOMMENDATIONS

1.18 The Committee satisfied with the submission of the departmental representatives and pleased to drop the para.

Extra expenditure on procurement of medicines

(Audit para 4.1.1/CAG(Civil)/(P-69-70)/2004-2005)

4.1.19 The audit has pointed out that a test-check (July 2004) of records of the Director of Health Services (DHS), Assam, Guwahati revealed that the Director made payment of Rs.39.73 lakh in July 2001 (Rs.7.31 lakh), November 2003 (Rs.9.75 lakh) and July 2004 (Rs.22.67 lakh), to the Gauhati High Court and other trial courts of Guwahati in pursuance of different decrees of the courts. Further scrutiny of relevant records revealed that during October 1990 to April 1991, the Additional Chief Medical & Health Officer, Goalapara procured medicine worth Rs.1.61 lakh but could not make payment due to shortage of funds. The supplier, therefore, filed a suit (November 1993) in the district Court of Kamrup. The Court directed (November 1998) the Government to pay Rs.1.61 lakh and compound interest at varying rates ranging from 21 to 25.75 per cent as per provision of "The Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertakings Act, 1993" from the 'appointed day' till realization. Due to non-execution of the court order, in July 2000 the Court attached the heads of accounts operated by the Health and Family Welfare Department till realization of the decretal amount of Rs. 14.62 lakh. The Government filed (April 2000) an appeal petition to the Gauwahati High Court seeking stay on execution of the trial court order. In response to the petition, the High Court passed (April 2001) an interim order directing the Government to pay 50 per cent of the decretal amount till final disposal of the case. Accordingly, the DHS deposited (July 2001) to the High Court Rs. 7.31 lakh being 50 per cent of the decretal amount of Rs. 14.62 lakh. Subsequently, in July 2002 the High Court modified the trial Court Judgement dated (November 1998) and allowed rate of interest as awarded by the trial court from 23 September 1992, the date from which the revealed relevant Act came into force and at reduced rate of interest @ 12 per cent per annum upto 22-9-1992. The case was finally decided (June 2003) in favour of the supplier and the Government was directed to pay to the decree holder the balance amount of Rs. 20.82 lakh on or before 1-7-2003. As the balance amount was not paid within the scheduled date, the Civil Judge on being approached again by the aggrieved supplier attached (18-7-2003) all moveable properties including vehicle of the Department till the balance of Rs.22.67 lakh was deposited in the court. Accordingly the DHS, Assam obtained (June 2004) sanction for Rs.22.67 lakh from the Government and deposited the amount to the court on 30 July 2004. Similarly, during 1994-

95 medicines worth Rs.3.17 lakh were procured from another Guwahati based firm but payment was not made to the supplier. Being aggrieved, the supplier went to Industry Felicitation Council, which passed (May 2001) a decree to pay to the supplier Rs.3.17 lakh with interest of Rs.6.37 lakh. Against the decree, only Rs. 3.09 lakh was paid to the supplier in December 2001 and as such the supplier moved the District Judge, Kamrup, Assam who passed (May 2003) a verdict for payment of Rs. 9.75 lakh being principal, interest, cost of execution and cost of attachment. The payment was deposited in the Court in November 2003. Thus, due to laxity in financial management, the department had to pay Rs.42.82 lakh, against procurement of medicines worth Rs.4.78 lakh (Rs.1.61 lakh + Rs.3.17 lakh), burdening the State exchequer with an extra expenditure of Rs. 38.04 lakh (Rs.42.82-Rs.4.78 lakh).

1.20 The department by their written reply has stated that the bill for purchasing medicines worth Rs. 1.61 lakh was made by the Addl. Chief Medical and Health Officer (FW), Goalpara from M/S J.D.Pharmaceuticals, the payment of which could not be made due to the reason that the matter was came to the knowledge of this Directorate after receipt of money suit No.233/93. But subsequently it was revealed by the Governemnt that the firm M/S J.D.Pharmaceuticals was involved in excess irregular drawal of fund in connection with the supply of medicines and Government stoped the payment vide W.T.No.HLA.654/93/3 dtd. 20.10.93 and Government finally set-up enquiry committee vide Notification No.HLA.654/93/5 dt. 16.12.93 and Notification No.HLA.65/93/81 dtd. 18.03.94 to enquire in to the alledged drawal of bills in different districts through out the State by M/S J.D. Pharmaceuticals by supplying drugs in excess of the permissible quantity of manufactured drugs and without supplying some of the Drugs against the indented items headed by the Director of Health Services, Assam, Hengrabari, Guwahati-36 as Chairman vide Government Notification No.HLA.654/93/5 dtd. 16.12.2003 and Notification No.HLA.65/93/81 dtd. 18.03.94 and therefore enquiry report may perhaps be available with the Director of Health Services, Assam, Hengrabari, Guwahati-36. A report had also been submitted to Government Advocate, Assam, Guwahati High Court by the Director of Health Services, Assam, regarding stop of payment of bills for supply of medicines by M/S J.D. Pharmaceucal vide his letter No.HSD/20/93/2311 dated 30.6.94 which has already been indicated in para-2 of this Directorate letter No.HSFW/Store/115/2005/5077 dtd. 28.07.2005. In later course, it may be stated here that, the Hon'ble Court of Civil Judge (Sr. Division) No. 1

Kamrup, Guwahati-1 has passed decree and served notice in Money Execution No.2/99 MS.No.233/03 for payment of Rs.14,62,221,28 with an order of affaching head of Accounts operated by the Health & F.W. Department till realization of the decretal amount . Than as per instructions of Government vide their letter No.HLA.29/99/22 dtd. 30.03.2000 and appeal petition was moved to the Hon'ble Gauhati High Court in R.F.A.58/2000 vide this Directorate letter No.HSFW/Court/100/94/2282 dtd. 03.04.2000 seeking stay order on execution of the Civil Court order. In response to the petition, the Hon'ble High Court passed an interim order dtd.23.04.2001 directing the Government to 50% of the decretal amount. Accordingly as per sanction received from the Government vide their letter No.HLA.28/99/Pt/107 dtd. 28.06.2001 this Directorate deposited an amount of Rs.7.31 lakhs being 50% of the decretal amount of Rs. 14.62 lakhs. The case was finally decided on 18.07.2002 by the Hon'ble Gauhati High Court in favour of the supplier. There after the Hon'ble Court of Civil Judge(Sr.Divn.)No. 1, Kamrup, Guwahati-1 has served notice for payment of Rs. 22.67 lakhs within the scheduled date with a direction to attach all moveable properties including vehicles of this Department if the payment was not made within the stipulated time. Accordingly as per sanction received from the Government vide sanctioning letter No.HLA.28/99/Pt-II/27 dtd. 04.06.2004 this Directorate deposited an amount of Rs.22.67 lakhs to the Hon'ble Civil Judge(Sr.Divn.) No.1, Kamrup, Guwahati-1.This Directorate purchased some medicines from the concerned firms alongwith the other firms through the A.S.I.D.C.Ltd. Bamunimaidam, Guwahati -21 . After making payment of the bills of the concerned firm, some payments were remained to be paid to the firms alongwith the concerned firm M/S humanoid Laboratories.Accordingly the payment worth (Rs.3,09,290.95 + Rs.7,717.40) =Rs. 3,17,008.35 i.e. Rs.3.17 lakhs were remain to be paid to the concerned firm M/S Humanoid Laboratories. Due to poucity of fund for the purpose at that time, the above balance amount could not be paid alongwith other firms till 2000-2001. When the fund was received from Govt. during the month of September/2001 of the year 2001-1002 necessary process were made for payment of the pending bills to the concerned firm M/S Humanoid Laboratories alongwith the other firms. But the concerning firm M/S Humanoid Laboratories had already approached to the Faciliation Council for their claim. The Faciliation Council passed award on 16.05.2001 to pay Rs.3.17 lakhs being the goodes value alongwith interest thereon as per provision of interest on Delayed payments Act, 1993. The matter was referred to Government vide this Directorate letter No.HSFW/Store/29/2001/51145 dated 30.07.2001, No. HSFW/ Store/ 29/ 2001/ 6541 dated 13.9.2001 and

No.HSFW/Store/29/2001/320,dtd.19.01.2002,No.HSFW/Store/29/2001/105
 3 dtd.14.2.2002 & No.HSFW/Store/29/2001/2661 dtd. 16.5.02. However, on
 received of willingness from the concerned firm M/S Humanoid
 Laboratories to received the Principal amounts, the payment of the amount
 of Rs.3.09 lakhs was made to the concerned firm through the A.S.I.D.C.
 Ltd. Bamunimaidam, Guwahati-21 vide Banker Cheque BC No.106497
 dtd.18.10.2001 out of the fund received from Government as stated above
 alongwith the other firms. But due to non-receipt of bill in time from the
 Addl.Chief Medical & Health Officer(FW), Goalpara the payment
 amounting to Rs.7.717.40 (Rupees seven thousand seven hundred seventeen
 & forty paise) could not be made alongwith the above mentioned payment.
 The firm concerned M/S Humanoid Laboratories move the Hon'ble Court of
 District Judge, Kamrup, Guwahati-1 on the basis of award passed by the
 Faciliation Council on 16.5.01.The Hon'ble Court passed a verdict on
 02.05.2003 in money Execution No.(A) 1 of 2002 for payment of Rs.9.75
 lakhs as interest and other expenditure alongwith the principal amount of
 Rs.7,717.40(Rupees seven thousand seven hundred seventeen & forty paise)
 only within the scheduled date with a direction to attach all heads of
 Revenue Accounts under major head of A/C 2211. The matter was reported
 to the Government vide this Directorate letter No.HSFW/29/2001/4694 dtd.
 05.06.2003, No.HSFW/29/2001/5032 dtd.23.06.2003,
 No.HSFW/29/2001/5620 dtd. 14.07.2003, No.HSFW/29/2001/6316
 dtd.31.07.2003,No.HSFW/29/2001/7019 dtd. 14.08.2003 and
 No.HSFW/29/2001/7350 dtd. 28.08.2003. As per sanction received from the
 Government vide letter No.HLA.102/2002/137 dtd. 10.09.2003 this
 Directorate deposited the amount of Rs.9,74,842/- to the Hon'ble Judge, in
 the Court of District Judge, Kamrup, Guwahati-1.

OBSERVATIONS/RECOMMENDATIONS

1.21 During the course of discussion the Committee observes that the Government did not impress upon the DDOs to ensure availability of fund before ordering supply . Due to non-payment of supplier's bill in time, the Director of health Services, Assam had to pay Rs.42.82 lakh against procurement of medicines worth Rs.4.78 lakh. It is a gross irregularity. The Govt. even did not take any action against the officers/official who had placed order without ensuring provision of fund. The Committee therefore, recommends that an enquiry should be made by the Commissioner & Secretary, to the Government of Assam, Health & Family Welfare department and responsibility should be fixed against the officers/officials and action should be taken against the guilty persons and a detailed report may be submitted to the Committee within 30 days from the date of presentation of this report before the House.

Wasteful expenditure on mosquito bednets

(Audit Para 4.1.2/CAG(Civil)/(P-71-72)/2004-2005)

1.22 The audit has pointed out that the Government of India, Ministry of Health and Family Welfare, Department of Health in September 2000 allocated 5,20,000 single sized mosquito bednets to Assam under the National Anti Malaria Programme for distribution among the beneficiaries. The Joint Director of Health Services (Jt. DHS) (Malaria), Assam received the bednets at Guwahati between 9 February and 7 April 2001. Out of the mosquito bednets received, 4,86,133 bednets were issued to 22 districts between 7 and 11 April 2001 and the remaining 33,867 bednets were kept at the headquarters at Guwahati. In the districts the bednets were kept at the departmental stores, while at Guwahati these were kept at the Amingaon Godown of Assam Warehousing Corporation hired at a monthly rent of Rs.82,500 from February 2001. The Government of India, Ministry of Health & Family Welfare issued (9 April 2001) directives to the State Government to withhold distribution of the bednets until further communication from the District officer to withhold distribution of the mosquito bednets the Ministry, without assigning any reason. A Central Team headed by a Deputy Secretary to the Government of India visited the Amingaon Godown on 13 April 2001 and sealed the godown. The Team also directed the Jt. DHS (Malaria), Assam to instruct the beneficiaries and to seal the depots where the bednets were kept. Accordingly, directives were issued to all District Officers and the stores were kept locked. Further instruction in this regard had not been received from the Government of India, as of February 2005. All the 5,20,000 mosquito nets were lying in the warehouse and departmental stores without any arrangement for preservation and in all likelihood rodents and insects had already damaged these. Taking the cost of each mosquito bednet at the prevailing market rate of Rs.130 per piece (actual cost of purchase not known), the loss worked out to Rs. 6.76 crore. Besides, the storage of mosquito bednets at the hired godown of Assam State Warehousing Corporation has so far (March 2005) entailed futile expenditure of Rs. 43.16 lakh being hire charges of the godown. There was no action on the part of the Government to persuade the Government of India to take an early decision on the matter so that unfruitful expenditure from the State exchequer being the godown rent could be stopped.

1.23 The department by their written reply has stated that National Anti Malaria Programme, Delhi allotted 5,20,000 Mosquito bednets (Single Sized) for Assam vide No.9-46/2000-01-NAMP(II)/Bednets dated 12th September 2000 for the year 2000-01. The Mosquito bednets were received between 9.2.2001 & 7.4.2001. A Central team headed by Dy. Secretary, Government of India inspected the material stored at Assam Stated Warehousing Coporation Godown at Amingaon during 29.3.2001 & collected samples, 4,86,133 Nos of bednets were distributed to various districts in between 7.4.01 to 11.4.01 as there was no information received from Ministry of Health, Government of India. The Secretary to the Government of Assam, Health & Family Welfare Department issued a W.T. Message to all districts to withheld distribution of bednets. As instructed, Jt. DH (M) also send Telegram message to all districts to stop distribution of the Mosquito net. In this regard Government of India letter No.T.-14014/11/2000-Mal may also be refered to. A team from Government of India visited the Ware House at Amingaon & sealed the Godown. Jt. DHS (M) vide letter No.NVBDCP/Store/Bednets/2004-05/6219, dtd. 14.7.04 apprised the Director, NVBDCP, Delhi present status of the matter & solicited an early action. But till date DHS did not received any instruction from higher authority regarding disposal of the Bednets.

OBSERVATIONS/RECOMMENDATIONS

1.24 The Committee heard the deposition of the departmental representatives and suggest the Government to pursue the matter with the Government of India at highest level to settle the case early to avoid further recurring expenditure on godown rent.

Chapter – II

Home Department

Idle outlay on acquisition of land avoidable payment of interest due to advance possession of land

(Audit Para 4.4.4/CAG(Civil)/(P-82-83)/2003-2004)

2.1 The audit has pointed out that a test-check (November- December 2003) of records of the Deputy Commissioner (Collector) Hailakandi revealed that the Superintendent of District Jail (SDJ), Hailakandi moved (March 1990) the DC for acquiring two plots of land measuring 19 bighas 19 kathas 16 chatak (2,87,856 Sqft.) from the land owners for construction of a new Jail at Hailakandi. The Additional Deputy Commissioner, Hailakandi, estimated (January-February 2000) the amount of compensation payable for the proposed land at Rs.21.30 lakh on the basis of the prevailing market rate of the locality. Scrutiny of relevant records and the information made available to audit showed that the Superintendent District Jail Hailakandi took possession of the land (March 1990) in advance of completing all requisite formalities and payment of land compensation to the owners. The Superintendent paid Rs. 15.60 lakh (April 1990 and January 1991) to the landowner leaving balance of Rs. 5.70 lakh out of total estimated compensation amount of Rs. 21.30 lakh. The landowners filed a suit(WPC No.14/2000) in Guwahati High Court, whereupon the Honourable Court awarded (15-03-2001) a decree of Rs.16.68 lakh including Rs. 10.98 lakh as interest accrued up to 31 December 2002. Although the department took possession of the land on emergency basis in March 1990 before completion of the land acquiring proceedings, the Superintendent had not initiated construction works of jails as of June 2004 for reason neither on records nor stated to audit. Thus, due to delay in construction of the district jail, the land acquired at a cost of Rs. 32.28 lakh (Rs.21.30 lakh + Rs.10.98 lakh) remained idle for 14 years. The jail department had to pay interest of Rs.10.98 lakh to the landowners due to taking hasty possession of land without completion of land acquisition proceedings.

2.2 The department by their written reply has stated that for construction of a new jail at Hailakandi advance possession of a 20-Bigha plot of P.P land was taken over by the Superintendent of Jail, Hailakandi in March, 1990, with permission from Deputy Commissioner, Hailakandi and pending formal acquisition, in order to facilitate preparation of Plan & Estimates by

P.W.D. for the proposed new Jail, which was to be funded under 'Plan'. However, the proposed scheme for construction of the Jail could not be implemented in view of the fact that the 'Jail' sector was excluded from 'Plan' by the Planning Commission w.e.f. 1.4.93, which resulted in fund constraint for taking up the scheme. As such the land in question could not be utilized so far for construction of the proposed new Jail at Hailakandi. As regards payment of interest to the land owners due to taking advance possession of land pending formal acquisition, it is stated that while a part of the land acquisition (LA) cost was met from 'Plan', the balance LA cost had to be met from 'Non-Plan'. However, due to fund constraint under 'Non-Plan', requisite fund could not be arranged in time to clear the balance LA cost. The land owners then filed a writ Petition (WP(C) No.14/2000) and also a contempt case (No.21/2002) in the Guwahati High Court to press for their payment. Ultimately, an order was issued during 2002-2003 for meeting the balance LA cost including interest which accrued under the Assam Land Acquisition Manual (ALAM) on account of delay in clearing the balance LA cost. Under the circumstances, the payment of interest to the landowners could not be avoided.

OBSERVATIONS/RECOMMENDATIONS

2.3 The Committee heard the deposition from the departmental representatives and recommends to furnish a detailed report to the Committee within one month from the date of presentation of this report before the House.

Irregular parking of funds

(Audit para/4.3.2/CAG(Civil)/P-86-87(2004-2005))

2.4 The audit has pointed out that a test -check (July-August 2004) of records of the IG, Prisons and subsequent collection (June 2005) of information revealed that on the basis of State Government sanctions, the IG, Prisons drew (January 2003-March 2005) the released amount of Rs.5.57 crore on four abstract contingent (AC) bills in the months of release. Till March 2005, the IG, Prisons could utilize only Rs.4.90 crore towards construction works through Public Works Department of the Government and kept the balance Rs.67 lakh idle in the form of Deposit at Call Receipts (DCRs) for period ranging from one to 126 days. This indicated that the IG, Prisons drew the funds from Treasury in advance of actual requirement and to avoid lapse of budget grant. Had the amounts not been drawn, the Government could have avoided interest liability to the tune of Rs. 22.14 lakh at the average borrowing rate of the State @ 6.32 per cent per annum. Besides, as required under rules the IG, Prisons had also not prepared (June 2005) detailed countersigned contingent (DCC) bills for Rs.5.57 crore drawn on four AC bills. The matter was reported to Government in May 2005. The Government in its reply stated (August 2005) that the advance drawals in AC bills were permitted with a view to providing a corpus fund with the IG of Prisons to enable him to get the works done through PWD without interruption due to non-availability of fund .It also stated that further release of fund under the schemes would be made only against specific demand of IG Prisons on the basis of physical progress of works. The Government reply indicated that the funds could have been released on actual requirements based on the physical progress of works. (b) Out of Rs. 128.71 crore (Serial No.3), the State Government released Rs.95.06 crore to the Director General of Police (DGP), Assam for implementation of the scheme, modernization of Police Force. Test-check (January-February 2005) of records of the DGP revealed that the DGP drew the entire amount of Rs.95.06 crore in 15 Abstract Contingent (AC) bills between September 2001 and March 2005. Till the end of March 2005, the DGP utilized only Rs.83.08 crore and kept the balance Rs.11.98 crore idle in the form of deposit at call receipts (DCRs) in the bank for periods ranging from one to 51 months. This indicated that the DGP drew the funds from treasury in advance of actual requirement to avoid lapse of budget grant. Drawal of funds in advance of requirement and parking thereof in bank was irregular and provided undue financial benefit of interest free deposit of Rs.11.98 crore to the bank. Besides, the Government sustained loss of interest of

Rs.1.09 crore at the average borrowing rate of the Government prevailing during 2000-2001 to 2003-04. Besides, as required under rules the DGP had also not prepared (March 2005) detailed countersigned contingent (DCC) bills for any of the 15 AC bills. Further, the State Government did not release Central assistance of Rs.33.65 crore and State matching share of Rs.92.09 crore to the implementing agency for reasons not on record.

2.5 The department by their written reply has stated that (a) In respect of the Inspector General of Prisons : Out of the Central assistance of Rs. 887.25 lakh received from the Government of India under the following schemes, the State Government released Rs. 492.75 Lakh as Central share together with Rs.64.25 lakh as State matching share (i.e., a total amount of Rs. 557.00 lakh) to the Inspector General of Prisons up to March 2005, and the said amount of Rs.557.00 lakh was drawn in four Abstract Contingent (AC) bills by the Inspector General of Prisons with permission from the State Government as shown below :

Name of Scheme	Approved Allocation			Released by Govt. of India	Released by State Govt.		
	Central Share	State share	Total		Central Share	State share	Total
(A) Upgradation of Prisons Admn. Under 11 th F.C.award	300.00	300.00	300.00	300.00	300.00	-	300.00
(B) Moder-nisation of Prisons Admn. Annual Action Plan (2002-03)	587.25	195.75	783.00	587.25	192.75	64.25	257.00
Total	887.25	195.75	1083.00	887.25	492.75	64.25	557.00

Name of scheme	Amount drawn in AC bill	Date of drawal
(A) Upgradation of Prison Admn. under 11 th F.C. Award	(i) Rs.120.00 Lakh	13.1.2003
	(ii) Rs.168.65 Lakh	31.3.2004
	(iii) Rs. 11.35 Lakh	31.3.2005
(B) Modernization of Prison Admn.	Rs.257.00 Lakh	31.3.2004

-Annual Action Plan(2002-03)

Total Rs.557.00 Lakh

The advance drawal of the above amounts in AC Bills was permitted with a view to providing a corpus of funds with the IG of Prisons to enable him to get the works done through PWD without interruption due to non-availability of fund. Accordingly, out of the said funds drawn in AC Bills, payments were made by IG of Prisons to the concerned divisions of PWD against their demands submitted from time to time on the basis of actual progress of the works entrusted to them under the aforesaid schemes. As such, the ready availability of such funds drawn in AC Bills helped in the smooth execution of the works as well as in their effective monitoring, since the payments were made to PWD only against actual progress achieved. Up to March/2005, out of the aforesaid Rs. 557.00 Lakh drawn in AC bills, an amount of Rs. 490.46 Lakh was utilized on construction works executed through PWD, leaving a balance amount of Rs. 66.54 Lakh which was kept in Deposit-at-Call Receipt (DCR) as shown below :

Scheme	Amount drawn in AC bill	Amount utilized	(Rs. In Lakh)	
			Amount kept in DCR	
(A) Upgradation of Prison Admn. Under 11 th FC Award	(i) 120.00	102.55	17.45	
	(ii) 168.65	139.20	29.45	
	(iii) 11.35	Nil	11.35	
(B) Modernisation of Prison Admn.	257.00	248.71	8.29	
Total		557.00	490.46	66.54

As at present (May/2007), out of aforesaid Rs. 557.00 Lakh drawn in AC bill, a total amount of Rs.556.16 Lakh has been utilized, leaving a balance amount of Rs.0.84 Lakh only, which is kept in DCR as shown below :

Scheme	Amount drawn in AC bill	Amount utilised	(Rs. in Lakh)
			Amount kept in DCR
(A) Upgradation of	(i) 120.00	120.00	Nil
Prison Admn.	(ii) 168.65	168.65	Nil
Under 11 th	(iii) 11.35	10.51	0.84
F.C. Award			
(B) Modernisation of	257.00	257.00	Nil
Prison Admn.			
Total	557.00	556.16	0.84

The above amount of Rs. 0.84 lakh presently kept in DCR is the balance amount remaining out of the AC bill drawn for Rs. 11,35 Lakh which is meant for the work of Construction of Additional Barrak for inmates in the District Jail at Dhemaji. The said balance amount is to be PWD on receipt of residuary bills against the said work (since completed). Regarding submission of Detailed Countersigned Contingent (DCC) bills for the following amounts (totaling to Rs. 557.00 Lakh) drawn in four A C bills, it is submitted as below : (i)Rs.120.00 Lakh : DCC bill is being prepared and submitted on receipt of relevant disbursement vouchers which are under collection from the concerned division of PWD.(ii) Rs.168.65 Lakh : DCC bill is being prepared and submitted on receipt of relevant disbursement vouchers which are under collection from the concerned divisions of PWD. (iii) Rs. 11.35 Lakh : DCC bill is being prepared and submitted after making payment of the aforesaid balance amount of Rs. 0.84 Lakh on receipt of residuary bills awaited from PWD against the afore-mentioned work of Construction of Additional Barrak for inmates in District Jail at Dhemaji (since completed) and collecting the relevant disbursement vouchers from PWD against the said work.(iv)Rs. 257.00 Lakh : DCC bill is being prepared and submitted on receipt of relevant disbursement vouchers which are under collection from the concerned divisions of PWD.

OBSERVATIONS/RECOMMENDATIONS

2.6 The Committee is satisfied with the submission of departmental witnesses and decided to drop the para.

Diversion of funds

(Audit para 4.4.1/CAG (Civil)/P-90)/(2004-2005)

2.7 The audit has pointed out that a test-check (August 2004) of records of the Director, SFSO, Assam, Guwahati and subsequent collection (June 2005) of information revealed that the basic objective of obtaining the loan from GIC was frustrated as the State Government released only Rupees three crore in March 2005, which according to the instruction of Government (Finance Department) was drawn and deposited (March 2005) to Civil Deposit by the Director, SFSO. Thus, no part of the loan of Rs.11.06 crore was utilized for the purpose for which it was obtained even after expiry of two years from the date of drawal of the loan. The entire loan amount remained assimilated with the general cash balance of the Government implying its diversion and utilization for other activities of the Government. Besides, the loan entailed an interest liability of Rs.2.48 crore up to March 2005. The Government stated (June 2005) that there was no diversion of loan amount since Rupees three crore was held in Civil Deposit of Director,SFSO and balance Rs.8.06 crore was available with the State Government.The reply of the Government is not tenable as the entire loan amount (including Rupees three crore held in Civil Deposit) remained with the State exchequer which was in clear violation of the agreed terms with GIC and the directives of the Government of India.

2.8. The department by their written reply has state that the Govt. of India, Ministry of Home Affairs vide their letter No.11/17017/1/2002-DGCD(F),dated 5.3.2003 sanctioned an amount of Rs.11,13,50,000/- for purchase of fire fighting equipments/appliances and also for construction of Fire Station buildings during 2002-2003. The schemes originally submitted were meant for purchase of fire fighting equipments and appliances contained in letter No.FSO/PS/43/2001-02/2212,dated 21.9.2002.The Director of Fire Service, Assam collected the cheque No.617575,dated 7.4.2003 for an amount of Rs.11,05,51,173/-out of the total sanctioned amount of Rs.11,13,50,000/- after deduction of the outstanding dues and handed over the same to the Govt. of Assam and the cheque has been deposited in the State Govt.Account through treasury challan by Finance (EA) Deptt. On receipt of the loan amount the cabinet was moved for ex-post-facto approval for utilization of the loan for purchase of selected fire fighting equipments and appliances and the Cabinet accorded its approval dated 5.8.2003. After obtaining the Cabinet approval, Government in Home (B)Deptt.issued sanction for the expenditure of Rs.

10,67,79,371/-with the concurrence of Finance Deptt. vide No.HMB.228/99/260,dt.16.3.2005.Out of this a sum of Rs.300.00 lakhs could only be drawn and deposited into Revenue Deposit as per instruction of finance Deptt.But inadvertently the sanction so issued contained certain items of expenditure which were not approved by the Cabinet. The Govt.,therefore,had to cancel the aforesaid sanction and issued fresh sanction vide No.HMB.41/2006/108,dated 7.2.2007 and HMB.228/99/356,dt.12.2.2007 keeping in conformity with the Cabinet approval. During 2005-06 there did not exist sufficient budget provision to accommodate the entire expenditure. Government in Finance (Bt) Department has also issued permission for withdrawal of the fund kept in Revenue Deposit vide U/O No.BB.541/2007, dt. 20.3.2007. The procurements of the items in question have already been initiated & most of the items have been received by Director of Fire Service. The sanction clearly indicate that there was no diversion of fund but it is a fact that there occurred delay in issuance of the relevant sanctions. The delay was mainly due to raise of queries at difference levels during the process & also due to inadequate budget provision during 2005-2006.

OBSERVATIONS/RECOMMENDATIONS

2.9 The Committee during the course of discussion observes that the loan obtaining from GIC was frustrated as the State Government released only Rupees three crore in March 2005, which according to the instruction of Government (Finance department) was drawn and deposited (March, 2005) to Civil Deposit by the Director, SFSO. Thus, no part of the loan of Rs.11.06 crore was utilized for the purpose for which it was obtained even after expiry of two years from the date of drawal of the loan. Besides, the loan entitled an interest liability of Rs. 2.48 crore upto March, 2005. The purpose of loan was meant for purchase of fire fighting equipment etc. to the State Fire Service Organization but it is delayed from the part of the department in implementation. The Committee, therefore recommends that the outstanding amount may be utilized within six month for the purpose for which the loan was obtained.

Chapter-III

Town and Country Planning Department

Non-accountal of undisbursed loan and subsidy

(Audit para 4.5.6/CAG(Civil)/(P-92-93)/2003-2004)

3.1 The audit has pointed out that after scrutiny (April-May 2003) of records of the Commissioner, ASHB, for the years 1996-99 revealed that, of the total amount of Rs. 2.65 crore, the Commissioner disbursed only Rs. 21.74 lakh (loan: Rs.14.48 lakh, subsidy : Rs. 7.26 lakh) leaving a balance of Rs. 2.43 crore till the end of March, 1999. It was further seen that against this undisbursed balance, the cashbook as on 31 March 1999, reflected a balance of Rs. 0.10 lakh only and Rs. 2.43 crore (Rs. 243.06 lakh- Rs.0.10 lakh) was kept out of accounts till the end of May 2003. The ASHB could not explain how the balance amount of Rs. 2.43 crore was kept or utilized. Besides, due to non-disbursement of loan and subsidy to the targeted beneficiaries under EWS, while the intended purpose of the Government was frustrated, the Board had to bear an unjustifiable annual interest burden of Rs. 25.76 lakh on the principal amount of loan of Rs. 1.84 crore (Rs. 1.99 crore- Rs. 0.15 crore) remaining undisbursed for a period of five to six years. The Commissioner stated (February 2004) that due to non-receipt of sufficient numbers of loan applications from the district offices and also due to time consumed at the Head Office in processing the loan applications the entire amount could not be disbursed in time. He added further that the loan and subsidy were being disbursed in a phased manner during subsequent years. The reply of the Commissioner, ASHB is not tenable, as he did not spell out the manner in which the unspent amount was kept or utilized and the details of loan and subsidy disbursed during subsequent years.

3.2 The department by their written reply has stated that as observed by A.G. (Audit), the Assam State Housing Board received an amount of Rs. 264.80 lakhs i.e. Rs. 198.54 lakhs plus Rs. 64.26 lakhs during the years 1996-97, 1997-98 and 1998-99 from Government for implementation of Janata Housing Scheme for General, TSP and SC Areas. However, due to non-receipt of sufficient loan application in time from the District Offices and Non-completion of the lengthy process of scrutiny of the loan application for sanction, to be followed by execution of Mortgage-Deed with the beneficiary in the Head Office, the amount received from the Government for disbursement of loan and subsidy could not be utilized within the financial year. However, the fund has been utilized by way of disbursement of loan and subsidy to the beneficiaries in the subsequent years. The amount of Rs.264.80 lakhs was duly accounted for in the cash Book as per entry at page 68 dt. 17.3.1998 of Draft-Receipt Cash Book, page 69-70 of Bank Draft Cash Book dt. 17.3.1998 and 18.3.98 and cash Book page No.2 dt. 2.4.1997. The un-disbursed amount had been kept under Fixed deposit and a statement is prepared on the up-to-date position on amount lying under fixed deposits in different Bank Branches relating to the fund received from Government for implementation of Janata Housing Scheme. The interest

accrued on the F.D.Rs is also indicated in the statement and it is felt that such interest earned out of F.D.Rs. would help neutralize the interest-burden of the Principal loan amount under the Scheme.

OBSERVATIONS/RECOMMENDATIONS

3.3 After threadbare discussion the Committee observes that the balance amount of Rs.2.43 crore, the Assam State Housing Board under Janata Housing Scheme neither utilized the fund nor the amount was accounted for in the Cash Book for a period five/six years. As per rule balance in hand should be reflected in Cash book. Besides, the Board had to bear the burden of interest Rs. 25.76 lakh on the undisbursed loan. The Committee, therefore, recommends that the Commissioner & Secretary to the Government of Assam, Urban Development Department should make an enquiry into the matter and submit a report to the Committee within 30 days from the date of presentation of this report before the House. The Committee also recommends that since the entire amount had not been utilized so far, and as a result of which a big amount of interest had been paid by the department and therefore, the entire amount should be surrendered to the Government.

(Audit para 4.5.7/CAG(Civil)/(P-93-94)/2003-2004)

3.4 The audit has pointed out that after scrutiny (April-May 2003) of records of ASHB revealed that the entire amount of Rs.4.44 crore was subsequently withdrawn from RD between 1996-97 and 2000-01 and utilized (August 1996-November 2001) for repayment of HUDCO loan (Rs.2.42 crore) and payment of salaries etc. (Rs.2.02 crore). The Government subsequently allowed (January 2002) the ASHB to utilise Rs. 1.88 crore towards repayment of HUDCO loan (Rs. 1.00 crore) and payment of salaries etc.(Rs.0.88 crore). Thus, the ASHB unauthorisedly diverted and utilized the scheme fund of Rs. 2.56 crore towards repayment of HUDCO loan (Rs. 1.42 crore) and payment of salaries etc., (Rs.1.14 crore) instead of utilizing the same for social housing scheme for which original sanctions were given. Besides, on the loan obtained at 13 per cent interest, the ASHB had to bear the interest burden of Rs. 85.02 lakh (upto 2002-03) in addition to the repayment of principal amount of Rs.1.85 crore without achieving any tangible assets and social objective for which the fund was sanctioned.

3.5 The department by their written reply has stated that out of an amount of Rs.4.44 crores kept in Revenue Deposit during 1994-95 and 1995-96, the Assam State Housing Board unutilized an amount of Rs.1.00 crore for HUDCO-Repayment and Rs. 0.88 crores for salary etc. of Board's Staff, as per instruction of Government (T & CP Department) vide Government letter No.ICP.214/95/300, dt. 02-01-2002. The remaining amount of Rs.2.56 crores was utilized against the salary of the 14 Sub-Divisional Housing Officers in the spirit of the Government approval to the creation of these 14 new posts as contained in Government approval letter No.TCP.45/90/29, dt. 19-07-1990 with the instruction that "the expenditure for the posts would be borne partly by the State Government and partly by the Assam State Housing Board". However, due to lack of sufficient earning by the Assam State Housing Board and also in sufficient provision in the Government Budget (Grants-in-aid), the Assam State Housing Board had, at that period of time, no other alternative but to utilize the above-mentioned amount against the salary of the above-mentioned 14 (fourteen) Sub-Divisional Housing Officers. In this regard a short fall of Rs. 250.96 lakhs in the Government Budget from 1992-93 to 2001-2002.

OBSERVATIONS/RECOMMENDATIONS

3.6 The Committee observes that the fund was meant for Social Housing Scheme but the Commissioner, Assam State Housing Board unauthorized diverted the Govt. fund towards payment of HUDCO loan and payment of Staff salaries etc. The Committee surprised to note that why the amount had been kept in Revenue Deposit involving interest component of Rs. 85.02 lakh up to 2002-2003. On the other hand, when a post is to be created by any Department, approval of Finance department should be obtained. It is also seen that 14 nos. of Sub-divisional Housing Officers posts were created by the department and 50% salary of the posts were paid by the Housing Board and another 50% were paid by the State Government. It is a gross irregularity. The Committee, therefore, recommends that the Commissioner & Secretary to the Government of Assam, Finance Department may cause an inquiry on the matters and submit a report to the Committee within 30 days from the date of presentation of this report before the House.