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PUBLIC ACCOUNTS COMMITTEE

(1988-90)

(EIGHT ASSEMBLY)

(FIFTY EIGHTH REPORT)

**REPORT OF THE COMMITTEE ON PUBLIC ACCOUNTS ON THE
REPORTS OF THE COMPTROLLER AND AUDITOR GENERAL
OF INDIA FOR THE YEARS 1976-77 TO 1985-86 (CIVIL)
PERTAINING TO POLITICAL, R & R, GENERAL
ADMINISTRATION, PERSONNEL (S.A. & S.A.N.),
FOOD & CIVIL SUPPLY ETC., DEPARTMENTS ;
GOVERNMENT OF ASSAM.**



Presented to the House on 5-10-90

**ASSAM LEGISLATIVE ASSEMBLY ,
DISPUR : GUWAHATI-781006.**

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COMPOSITION OF THE COMMITTEE
(1988-90)

CHAIRMAN :

1. Shri A. F. Golam Osmani.

MEMBERS :

2. Shri Pradip Hazarika.
3. Shri Joy Prakash Tewari.
4. Shri Silvius Condpan.
5. Shri Sheikh Abdul Hamid.
6. Shri Ramendra De.
7. Shri Chandra Mohan Patowary.
8. Shri Abdul Rob Laskar.
9. Shri Abhijit Sarma.
10. Shri Pabindra Deka.
11. Shri Kamakhya Charan Choudhury.

SECRETARIAT :

1. Shri S. N. Deka,
2. Shri S. K. Changmai,
3. Shri A. R. Chetia,
4. Shri Dhiren Nath,

Secretary.
Liaison Officer.
Under Secretary.
Committee Officer.

PREFATORY REMARKS

I, Shri A.F. Golam Osmani, Chairman of the Committee on Public Account, having been authorised to submit the report on their behalf, present this Fifty Eight Report of the Committee on Public accounts on the audit paras contained in the Reports of the Comptroller and Auditor General of India (Civil) of the years, 1976-77 to 1985-86 pertaining to Home (Publicity), Political, R & R., General Administration, Personnel, Food & Civil Supply Departments Government of Assam.

2. The Report of the C.A.G. of India (Civil) for the years 1976-77, 1977-78, 1979-80, 1980-81, 1983-84 and 1985-86 were presented to the House on 21-2-79, 19-3-81, 27-2-84, 27-2-84 and 3-10-87 and 7-6-89 respectively.

3. The Reports of the C.A.G. of India for the years under report were considered by 16-2-89, 17-2-89, 4-3-89 and 15-3-89.

4. The Committee has considered the draft 58th Report on 22-9-90 and finalised it for presentation before the House.

5. The Committee wishes thanks to the departmental witness for their kind co-operation. The Committee also places on record their appreciation for the valuable assistance rendered by A.G., Assam with his staff and Finance.

Dispur,
The 22nd September, 1990

A.F. Golam Osmani,
Chairman,
Public Accounts Committee.

CHAPTER - I

HOME (PUBLICITY) DEPARTMENT

EXPENDITURE ON IDLE STAFF

(AUDIT PARA 3.24/C.A.G. 85-86 CIVIL)

1.1. The Audit has pointed out that a departmental vehicle of the subdivisional Information & Public Relation Officer, Morigaon has gone-off the road in October, 1983 and had been sent to the Directorate at Guwahati for repairs. The vehicle had not been returned till the date of audit during March, 1986. Though the office did not have a vehicle, the driver and the cleaner continued to be posted in the office incurring an expenditure of Rs. 0.69 lakh towards their pay and allowances between November, 1983 and February, 1986. This apart, the regular driver of the vehicle was placed under suspension between November, 1983 and April, 1984 during which period another driver was engaged and was paid Rs. 0.05 lakhs although there was no vehicle.

1.2. The Department in their written replies stated that the Driver of the Subdivisional Information and Public Relations Officer's Office, Morigaon was placed under suspension with effect from 1.9.81 and a substitute was appointed with effect from 3.8.81 as at that period the vehicle was in running condition. Subsequently, when the vehicle was in off the road condition the substitute Driver was transferred to District Information and Public Relations Officer's office, Guwahati with effect from 18th June, 1982 when the driver of district Information and Public Relations Office, Guwahati was transferred to Head Quarter office.

The vehicle of Subdivisional Information and Public Relations Officer, Morigaon was brought to Head Quarter office for repair and after repairing the vehicle was sent to Morigaon with a Driver of Headquarter office on 27th August, 1983. Again the vehicle had gone of the road in October, 1983. The suspended Driver was reinstated with effect from 30th March, 1984 and

the services of the substitute Driver was terminated with effect from 30th March, 1984.

The services of the Driver was utilized by the Subdivisional Officer (Civil) during this period November, 1983 to February, 1986 in connection with publicity and Law and Order duties.

Apart from assisting the Driver the cleaner had to perform other duties such as assisting the Operator in coverage of public meeting through Departmental P.A. System and in holding Cinema shows both in Rural and Urban Areas etc.

Therefore, the expenditures incurred in connection with the pay and allowances of the Driver and the Cleaner can not be treated as expenditure on idle staff.

OBSERVATION/RECOMMENDATION

1.3. The Department have now stated that during the period from November, 1983 to February, 1986, the services of the Driver was utilised by the Subdivisional Officer (Civil), Morigaon. Similarly, the Cleaner was also deployed for some other work in the office. In view of this, the Public Accounts Committee has no comments to offer except that the facts now stated to the Committee could have been stated before the audit at the time of their test check.

CHAPTER - II POLITICAL DEPARTMENT

NON-UTILISATION OF RELIEF MATERIALS [(AUDIT PARA 3.13/C.A.G. 1980-81 (CIVIL)]

2.1 The Audit has brought-out that out of Rs. 112 lakhs drawn by the Deputy Commissioner, Kamrup in February, 1980 for providing relief to the victims of the disturbances in North Kamrup in 1979-80, Rs. 110.07 lacs were paid (February, 1980) to the Steel Authority of India as advance for supply of 1600 tonnes of galvanised corrugated iron sheets (GCI sheets) for distribution to the victims. The Steel Authority of India supplied (June, 1980) 1236.198 tonnes (79,436 pieces) of GCI sheets valued at Rs. 84.71 lakhs. For the balance amount of Rs. 25.36 lakhs, no supply was received, nor was the amount refunded (November, 1981). Of the 79,436 pieces received 72,201 were issued (June, 1980) to the Subdivisional Officer, Nalbari and 7,235 to the Subdivisional Officer, Barpeta for issue to the victims of disturbances. In August, 1981, the Deputy Commissioner Kamrup stated that the victims of disturbances were issued only 15,129 pieces. The other issues included 854 pieces to police, 180 pieces to Defence and 16,804 to other Departments on loan. The Subdivisional Officer, Nalbari to whom 72,201 pieces were issued reported (June, 1980) to the Deputy Commissioner that his requirement was only 15,000 pieces. As less than one fifth of the G.C.I. sheets could be utilised for the purpose of relief in one and a half years after procurement this resulted unavoidable expenditure in the procurement of unutilised sheets (about Rs. 68 lakhs). Meanwhile for storage of the sheets during the period from March, 1980 to April, 1981, a cooperative society preferred a claim of Rs. 0/5 lakh which was under examination (November, 1981).

2.2 The Department in their written replies submitted to the Public Accounts Committee have stated that an amount of Rs. 112 lakhs was sanctioned in February, 1980 for purchase of G.C.I. sheets on Relief Account for providing relief to the victims of the disturbances that took place in North Kamrup during the year 1979-80. The Steel Authority of India Ltd. was accordingly directed to supply 1,600 MT of G.C.I. sheets and an amount of Rs. 1.10,07,360.00 was advanced to them for the purpose. But

the Steel Authority of India Ltd. could supply only 1,236.198 MT of G.C.I. sheets (79,436 pieces) which were stored at Barpeta and Nalbari STATFED Godowns. Out of the total quantity of 70,436 pieces of G.C.I. sheets received, 15,029 pieces were actually issued to the riot affected people of the disturbances. Another quantity of 15,003 pieces of G.C.I. sheets were sold out to various Deptts. and Institutions at the rate fixed taking into consideration the transportation charges upto godown and the storage charges involved in addition to the cost of materials. Thus there was no scope for any loss having been incurred by the State Government in this respect. The sale proceeds were also duly deposited into the Treasury. Out of the balance, a total quantity of 17,751 pieces of G.C.I. sheets were issued on loan to different Police Officers and Government in the Home Department have since given its consent to dispose of this quantity of 17,751 pieces of G.C.I. sheets to the Assam Police Housing Corporation Ltd. on certain stipulations. Accordingly, the D.C., Kamrup had taken up the matter with the Assam Police Housing Corporation Ltd., Guwahati. However, it is now reported by the D.C., Kamrup that the Police Officers concerned have since returned the C.I. sheets. This matter is being looked into further about action to be taken. Besides, for the purpose of rehabilitation of accidental fire victims of Machkhowa and Tokobari, 552 pieces of G.C.I. sheets were issued and the value thereof was deposited into the the Treasury. Another quantity of 31,101 pieces of G.C.I sheets were also issued for rehabilitation of the affected people of 1983 Election disturbances. The distribution position of the available quantity of G.C.I. sheets is summed up below :-

(a) Total quantity received - Barpeta -	7,235 pieces	
- Nalbari -	72,201	"
	Total	- 79,436 pieces
(B) (i) Issued to riot affected people of 1980 disturbances	15,029	pieces
(ii) Issued to riot victims of 1983	31,101	"
(iii) Sold to different Departments and Institutions.	15,003	"
(iv) Loan to Police Department	17,751.	"
(v) Issued to fire victims of Machkhowa & Tokobari -	552	"
	Total	79,436 pieces

It is mentioned in this connection that a total sum of Rs.25,02,812.24 has already been realised from the Steel Authority of India Ltd. for non-supply of 363'802 MT of G.C.I. sheets and the amount thereof has duly been deposited into the Treasury. The Steel Authority of India Ltd. even though requested to refund the balance amount of Rs. 33,187'76 has not as yet complied with it and hence steps have been taken to institute a Bakijai Case against them for realisation of the amount.

It is to be mentioned here that the G.C.I. sheets were obtained by the Government at a time when the law and order situation in the State was in such a shape that the magnitude of disturbances could not be foreseen for making a proper estimate. The quantity of G.C.I. sheets then procured may now appear to be some what on the high side, but in the circumstances then prevailing, preparations were necessary from the administrative point of view to cope with any emergent situation. Viewed in this context, the procurement of G.C.I. sheets cannot be considered as avoidable. It may be added here that no payment on account of godown rent for storage of the G.C.I. sheets has upto now been made for want of adequate details.

2.3. During oral deposition, the Committee raised a number of points for clarification. For proper appraisal, the relevant portion of the Preceedings quoted below :

D.A.G. - I Think the crux of the point here is that the procurement of GCI sheets meant for riot victims were wide off the mark of the actual requirement. It was done on an ad-hoc basis. Now again they have said that out of the total advance the Steel Authority of India could supply GCI sheets leaving a balance of Rs.25 lakhs and that took quite some time for them to refund. The question is when it was refunded; whether it was with interest; whether there was any request from the Government of Assam that it should be refunded with interest because quite a sum was blocked.

Mr. Chairman -The first question is the sum earmarked for this purpose was Rs.112 lakhs and orther was placed with SAIL which rather amounted to Rs. 84.71 lakhs. Rs. 110 lakhs was paid to SAIL for which GCI sheets were supplied valued at

Rs.84.71lakhs. The first question was the balance amount of Rs.25.36 lakhs refunded and if it was refunded when the refund took place ? At the outset may I know when this reply was given ?

Spl. Commissioner, Political : I tried to find out the treasury vouchers etc. but I could not. I have asked the DCs for the dates and treasury voucher numbers. I will send within 2/3 days. Regarding interest, my impression is that normally we do not ask for interest. SAIL always asks for pre-payment for any supply. If there is any instruction, we will ask for interest also.

Chairman : I appreciate your difficulty Mr. Bezbarua. The matter was related to the year 1980-81 ?

Spl. commissioner, Political : In view of the emergent situation and condition prevailing on those days the Political Department was asked to look after the matter. I am not getting the entire records of the year. But D.C. Nalbari, they required only the amount of CI sheets that have been given to them.

Chairman : May I point out here again that it refers to C. & A.G. report 1980-81, presented before the House on 27th February, 1984 ? May I correct ? But it was referred to the Government in August, 1981 and till September 1982 they waited. This is one stage, i.e., relevant point. Again August, 1981 till September, 1982, i.e., a stage where department can earliest meet without audit objection before it is formally presented to the House. After it was presented on 27th February, 1984 as per norms within three months PAC is to get a reply. Now that it is only 1989 February, I think notices were issued in January. Now this is being prepared. I appreciate your difficulty Mr. Bezbarua.

Special Commissioner, Political : The Steel Authority of India Ltd. was accordingly directed to supply 1,6000 MT of GCI sheets and among of Rs. 1,10,07,360.00 was advanced to them for the purpose. But the steel Authority of India Ltd. could supply only 1,236'198 MT of G.C.I. sheets (79,436 pieces) which were stored at Barpeta and Nalbari STATFED godowns. Out of the total quantity of 70,436 pieces of GCI sheets received, 15,029 pieces were actually issued to the riot affected people of the disturbances. Another quantity of 15,003 pieces of G.C.I. sheets were sold out to various Departments, and institutions at the rate fixed taking into consideration the transportation

charges upto godown and the storages charges involved in addition to the cost of materials. Thus there was no scope for any loss having been incurred by the State Government in this respect. The sale proceeds were also duly deposited into the Treasury.

Out of the balance, a total quantity of 17,751 pieces of G.C.I. sheets were issued on loan to different Police Officers and Government in the Home Department have since given its consent to dispose of this quantity of 17,751 pieces of G.C.I. sheets to the Assam Police Housing Corporation Ltd. on certain stipulations. Accordingly, the D.C., Kamrup had taken up the matter with the Assam Police Housing Corporation Ltd., Guwahati. However, it is now reported by the D.C., Kamrup that the Police Officers concerned have since returned the C. I. sheets. This matter is being looked into further about action to be taken.

Besides, for the purpose of rehabilitation of accidental fire victims of Machkhowa and Tokobari, 552 pieces of G.C.I. sheets were issued and the value thereof was deposited into the Treasury.

Another quantity of 31,101 pieces of G.C.I. sheets were also issued for rehabilitation of the affected people of 1983 Election disturbances.

Mr. Chairman : Whether recovery has been made ?

Commissioner, Home : Yes, and the Police said that they did not want these C.I. sheets.

Mr. Chairman : Since then what happened to these C.I. sheets ?

Commissioner, Home : These have been returned to the D.C. In fact, from the Home Department, we are not taking it up.

Mr. Chairman : What has happened to the C.I. sheets ?

Commissioner, Home : D.C. reported that they received. The main point is, as I can see, the intention as I have understood is that the estimate made at the time was much in excess of what ultimately was utilised. But such a judgement

sometime we have to exercise and later with the benefit of hindsight we can often say that we should not have purchased but we feel that at that particular time, the needs, circumstances all taken into consideration this purchase was made.

Mr. Chairman : An amount of Rs. 112 lakhs was sanctioned and 79,436 pieces of C.I. sheets were purchased.

Commissioner, Home : 17 thousand pieces were only used.

Mr. Chairman : Is it the strategy I mean, if something happens you submit this sort of demands - to get maximum quantity of things and then remain on the safer side. Even if we consider that double the quantity could have been required, still, there can be no justification. Of course, at this stage we are not passing any opinion but don't you think so ? The difference between the assessment and the actual requirement is very staggering.

Commissioner, Home : I have not been able to find the records either in D.C.'s office or in the Political Department.

Mr. Chairman : We know it is very old, because at one stage we observed that relief material of 1980 was used in 1983. This is an issue which perhaps the House would like to hear. Materials meant for the relief was utilised for non-relief purpose whatever it may be.

The Police Housing Corporation ultimately said, 'we do not need it'. Now, when they said it will not be required ? When they took the C.I. sheets and when they replied that they did not need it and when it was returned ? So that we might say something in our report. Are you in a position to tell us from which head this money came ? Was it a special grant, assistance from the state Government or from the Central Government ?

Commissioner, Home : I will have to check up.

Mr. Chairman : Because if it is a central grant, meant for a specific purpose, whether it can be diverted to another purpose without their clearance - this proposition has to be cleared. I would also like to know whether you need any clearance if you want to divert the fund. Here it is material but it is in relation to

fund - from one purpose to another. If it is so, whether such clearance has been taken and if so, who cleared it ? Might be, your political deptt. might have done it ? In that case at what level the clearance was given. We would like to know whether our senior administrators took all these facts into consideration that such an inflated assessment was made which has no direct bearing with the situation. It may be that the people need these materials but they were deprived of their legitimate relief materials.

Mr. Sarma we are to take note of it. We want to examine it. Now Mr. Bezbaruah in 1983 holocaust money was given by the Central Government under different heads as assistance. I do not know about the loan. How it got mixed up and how adjustment was made ?

Spl. Commissioner, Political Department : in this case, it may be against gratuitous relief or free relief of CI sheets to the affected people in 1983.

Chairman : How the account will be adjusted for utilising the CI sheets ?

Special Commissioner, Political : Sir, sometimes we give at subsidised rate, sometimes it is sold to the people and sometimes it is given free of cost and adjustment is made accordingly. How it was given in 1983 we will have to see.

Chairman : So, Mr. Bezbaruah we will have to see all these things for future transactions. We want to clarify this. One thing is very interesting how the assessment was made.

Special Commissioner, Political : Sir, I could not get all the papers. I will try again. On the assessment made by the Deputy Commissioners, the figures arrived at. I will try again to get the connected papers and inform the Committee.

Chairman : People will say that you could not utilise the things for the actual purpose where there was demand. We will have to see that in future this type of things can be utilised properly.

Special Commissioner, Political : Sir, requirement was much less than which was procured. Since the expenditure had

already been made, it was Government's concern how best it could be utilised.

Shri A. R. Laskar, Member : In which year GCI sheets were supplied to the Assam Police Housing Corporation ? whether it was possible at that time ?

Special Commissioner, Political : GCI sheets were not supplied directly to the Assam Police Housing Corporation, GCI sheets were taken by different district polices and later on Home Department had given its consent to dispose of this quantity of 17,751 pieces of GCI sheets to the Assam Police Housing Corporation Ltd. for construction purposes.

Shri A.R. Laskar, Member : In the year 1981-82 the situation was normal; why these materials were not supplied to the affected people of 1979-80 disturbances at that time ?

Special Commissioner, Political : My impression is that the Deputy Commissioner's requirement was this much i.e. altogether about 15,000 pieces. Actually this was the requirement given by the Deputy Commissioner for this purpose.

Chairman : Whether there was such projection in the demand that so many houses were gutted, so many CI sheets will be given and so many will be required for other ancillary purposes. We must see that we can execute in future. There should be a realistic approach in future and AG also cannot raise any objection.

Special Commissioner, Political : Sir, today I am unable to say any thing exactly about the assessment but some assessment was made.

OBSERVATIONS / RECOMMENDATIONS

2.4.1. The audit has brought out that out of Rs.112 lakhs drawn by the D.C., Kamrup, for providing relief for victims of the disturbances in 1979-80, Rs. 110 lakhs were paid to the steel Authority of India as advance for supply of 1600 tonnes of C.I. Sheets. SAIL supplied 12,036 tonnes (79,436 pieces) of C. I. sheets valued at Rs. 87.71 lakhs. The balance amount of Rs. 25.36 lakhs, No

supply was received nor was the amount refunded. From the Department's reply it is seen that out of the total quantity of 79,436 pieces received, 15,029 pieces were actually issued to the affected people. Another quantity of 16,300 pieces were sold out to various departments and institutions. Out of the remaining balance a total quantity of 17551 pieces were issued on loan to different police establishments in Home Department.

2.4.2. Another quantity of 31,101 pieces were issued for rehabilitation of the affected people of 1983 election disturbances. It is also seen in this connection that total sum of Rs.25,02,812.24 have been realised from SAIL for non-supply of 363,802 M.T. of C.I. sheets. The balance amount of Rs. 33,187.76 remained unrealised for which Department was to initiate a Bakijai case.

2.4.3. From above it is seen that the quantity proposed to be purchased was inflated for the purpose for which it was required. Only 15029 pieces were actually given to the affected people out of 79,436 pieces procured. The Committee is of the view that, no realistic projection was made about actual requirements. It is also seen that the materials procured for the riot victims of 1979-80 were utilised to rehabilitate riot victims of 1983. As to the refund of Rs. 25.36 lakhs, the department could not State clearly when such refund took place. It is also seen from the statement of the Special Commissioner, Political, that the entire records of the relevant year was not available with them.

2.4.4. It is further seen from the Department's reply that 15,300 pieces were sold to different departments and institutions and 17,751 pieces loaned out to Police Department. So far the quantity loaned out to the Assam Police Housing Corporation Ltd., the Department could not tell definitely whether the above quantity had been returned and if returned, what happened to the returned quantity.

2.4.5. Going through the relevant portion of the proceedings recorded in connection with the Para 3.24, the Committee cannot but hold that gross irregularities were committed in this transaction. Admittedly when Rs. 112 lakhs were sanctioned for the purpose of the victims of the disturbances in 1979-80, how money sanctioned for a particular purpose could be utilised for other purposes ? This type of malafide transactions cannot be justified on the grounds of emergent situation.

It is observed, it is becoming a practice with the various Government Departments to get inflated sanctions and spent the sum for purposes other than the purpose for which it was sanctioned .

2.4.6. The Committee feels that there should be a thorough enquiry by a high level authority to find out the irregularities and illegalities committed and suggest remedial measures. Report of the enquiry to be submitted to the committee within 3 months of the presentation of the report.

CHAPTER - III

RELIEF & REHABILITATION DEPARTMENT

ISSUE OF G.C.I. SHEETS TO THE RIOT AFFECTED PEOPLE
(Audit Para 3.32/CAG-83-84 Civil)

3.1. The audit has brought out that the Central stock register and other relevant records of the Sub-divisional Officer (Civil), Morigaon for relief materials received and issued to the riot-affected people of Morigaon Sub-division in 1983 revealed that (a) 24,531 bundles of GCI sheets were distributed to 8,177 families (@ 3 bundles per family). The number of families affected by the riot in the approved list of the Sub-division being 8,144 (arson affected, 7,955 families and other families whose houses were fully damaged : 189) the excess issue of 99 bundles to 33 ineligible families resulted in an unauthorised expenditure of Rs. 0.99 lakh (@ Rs. 1,000 per bundle).

(b) Between April 1983 and June 1983, ten consignments totalling 1040 bundles of G.C.I sheets were despatched to the Sub-deputy Collector, Lahorighat for distribution to the riot affected families. Of this, 219 bundles (one full consignment of 200 bundles and 19 bundles out of the remaining nine consignments) worth Rs. 2.19 lakhs, were not received by the consignee.

Reasons for excess issue and short receipt of G.C.I. sheets were neither investigated nor were intimated to audit.

3.2 The Department, in their written memorandum submitted to the Committee stated :-

(A) Out of the total quantity of 24531 bundles of G.C.I. Sheets, only 24231 bundles were issued to riot affected families i.e. to only 8077 families against approved families numbering 8144. The balance was issued to Deputy Commissioner, Nagaon (250 bundles) and to Public institutions (50 bundles). Hence, it is not a fact that 33 ineligible families were given G.C.I. Sheets.

(B) As regards non accounting of 219 bundles of G.C.I. Sheets received by Sub-Deputy Collector, Lahorighat, the fact is that-

(i) 200 bundles (out of 219 bundles) were actually received by an authorised person on behalf of S.D.C., Lahorighat and duly distributed, but as the S.D.C. Lahorighat was not informed immediately at that time, no records of receipt in the register could be made right at that time. This has been corrected in the meantime.

(ii) Another 9 bundles were also received and recorded after verification with reference to the actual payees receipts, and

(iii) The balance of 10 bundles were actually not received. It was already reported vide memo No.RR. 106/84/48-A dated 20th March, 1985 to Sub-Divisional Officer, Morigaon that one bundles each was received less against challan No.283,284,561,352,292,293 & 407 and two bundles less against challan No.495. This accounts to 9 bundles and not 10 bundles. Sub-divisional Officer, Morigaon was accordingly requested to reconcile the discrepancy in quantity received less in the challan as indicated by him together with the request to note that the records so corrected to be produced to the next Audit. In fine it may be submitted that the huge task of Relief & Rehabilitation of people affected by 1983 disturbances, particularly in Nellie areas was undertaken by the S.D.O., Morigaon under taught and abnormal situation. It was difficult for S.D.O. to maintain all records and accounts perfectly upto-date with a skeleton staff.

3.3. During oral deposition, the Committee expressed their concern about discrepancies between facts revealed in the audit para and facts admitted, together with functioning of the Deptt in the matters of distribution of relief materials. For proper appraisal, a portion of the proceedings is quoted :-

Chairman : When this para was taken up last year it was found that materials were not there and when notice was given that reply of the Department was scanty then an attempt was made for collecting additional information. But as soon as a para is receive if you hold a joint discussion with the A.G. the matter can be sorted out easily.

Commissioner, Revenue : It has been very difficult operation. Things were in such a shape in Morigaon sub-division, now a District, where operations were done. Camps were opened and people were kept there. No order was followed in the opening of camps. The situation was very very bad. All the formalities required were perhaps not followed. Man power was not adequate. Shortage of staff was there. Even with these people were not satisfied . Despite all the attempts people were not given proper relief.

Chairman : From your end you might say you made all attempts and it is not possible to do this in orderly manner. Some people may have vested interest to put in disorderly condition. That aspect may have to be also considered. Shri Pabindra Ch. Deka - You give money to the district authority but you cannot keep accounts of it to see that whether the money so sanctioned has been spent or not properly ?

Commissioner, Revenue : Our links are with the D. C.s and they work on our behalf and they look after the procurement and distribution of relief materials; but the actual work is got done by the S.D.C.s/E.A.Cs.

Shri Pabindra Ch. Deka : From our practical experience we have seen that when we go to the spot personally distribution of relief materials are found okay; but otherwise complaints come and made from the people that in place of 2 quintals of rice they are given 1 quintal of rice etc. All such complaints are there.

Commissioner, Revenue : There will be.

Shri Pabindra Ch. Deka : We must think of something to make improvement in such state of affairs.

Mr. Chairman : So far as the distribution of flood relief are concerned there is Advisory Committees at the Block level consisting of public representatives also.

Commissioner, Revenue : Sir, this is a matter where lot of improvement is called for. I know there are some serious allegations at the lower level. But as and when we get allegations we get them enquired into. Apart from associating the non-officials at the time distribution of relief materials we do not

have any other means to check; we rely heavily on the functionaries also. They themselves should be honest and above board. In all fairness, I may say that sometimes we receive unfounded allegations against some of our officials because certain interests had not been served by them.

Mr. Chairman : It may be vice versa also.

Commissioner, Revenue : Yes, Sir, an Assembly question was raised by Shri Das, MLA that at Boko instead of giving Rs. 150/- to the people, Rs. 75/- only was given to them. The S.D.C. in charge said that it was a fact that Rs.75/- in place of Rs. 150/- per affected family was distributed there. We confronted the S. D. C. and he said that it happened by mistake. We said that such a mistake should not have been made as it was not desirable. He said that he did not distribute but the U.D. Assistant did that. We had asked for his explanation as to why such gross mistake took place. Action has been taken against that chap. Similarly in the distribution of large scale relief materials like C.I. sheets, frocks etc., temptation will be there and some irregularities may take place. The only thing is - we have to keep watch on this take action against the defaulting staff. And we also should associate non-officials/impartial observers in these things; but a total clean case is very difficult to have.

Shri S. Condpan : Do you agree to have an internal audit in this matter ?

Mr. Chairman : A special request may be made to the A.G. to conduct a special audit.

Accountant General : If the PAC desires, then we can do a special audit in this case.

Mr. Chairman : We request that there may be a special audit by the A.G. in view of the circumstances who may give his recommendation into the whole matter.

OBSERVATION/RECOMMENDATIONS

3.4.1. Audit has brought out that the Central Stock Register and other relevant records of Subdivisional Officer, Morigaon, revealed that

24539 bundles of G.C.I. sheets were distributed to 8177 families but the number of the families affected in the riot were 8144. As such, there was excess issued of 99 bundles to 33 inelligible families resulting in an unauthorised expense of 0.99 lakhs. It has also pointed out, between April and June, 1983 that 10 consignments totaling 1040 bundles of G.C.I. Sheets were despatched to Sub-Deputy Collector, Lahorigat for distribution to the riot affected families. Of these 219 bundles worth Rs. 2.19 lakhs, were not received by the consignee.

3.4.2. So far, the excess issue coming under first category is concerned, the department stated that out of 24,531 bundles only, 24,239 bundles were issued to the affected families. The balance was issued to Deputy Commissione, Nagaon (250 bundles) and to public institutions (50 bundles). As regards non-accounting of 219 bundles of G.C.I. sheets despatched to S.D.C., Lahorigat, the department's contention is that 200 bundles out of 219 bundles were actually received by an authorised person on behalf of the S.D.C., Lahorigat and duly distributed. As the S.D.C., Lahorigat were not informed immediately recording of receipts in the register could not be made. Another 9 bundles were also accounted for. The balance of 10 bundles were actually not received.

3.4.3. The explanation of the Department to cover up the points raised by Audit for excess issue and short receipt is not at all convincing. During oral deposition, many discripencies have been found out between the facts stated in the audit para and facts revealed by the witness at the time of the deposition. When this para was taken up for hearing for the first time it was found that relevant records could not be produced. attempts were made subsequently to give a face-saving explanation. The departmental witnesses also could not satisfy the Committee about the accountability of various persons involved in this transaction.

3.4.5. As seen in the case of Pars 3.24, in this case also the Revenue Department could not come up with a cogent case. Unfortunately, this is observed in nearly all cases where distribution of relief materials are concerned. In course of hearing, a suggestion was made that a special audit by A.G. be made in the instant case and the A.G. was agreeable to do so. The Committee have great doubts as to the existence of relevant records of this transaction. It is accordingly recommended that a special audit by the A.G. be made looking into all aspects of the matter and report submitted thereto.

CHAPTER - IV

GENERAL ADMINISTRATION DEPARTMENT
(AUDIT PARA 3.6 (E) CAG.76-77-CIVIL)

4.1. It has been brought out in audit that the sub-divisional Officer, Barpeta noticed (January, 1977) that between August 1975 and March, 1976, about Rs. 0.17 lakhs were allegedly misappropriated by an Upper Division Assistant of his office by fraudulently showing a sum of Rs. 0.13 lakh in the cash book as having been deposited into the treasury and by not accounting the drawal of Rs. 0.04 lakh from the treasury. The case was reported by the Sub-divisional Officer to the police for investigation (January 1977). The Government stated (September 1977) that the Assistant had been placed under suspension and departmental proceedings drawn up against him. Results of police and departmental investigations are awaited (March 1978). Misappropriation in this case was facilitated by lack of timely observance of the rules regarding among others, daily verification of entries in the cash book with the relevant records and reconciliation of departmental figures with the treasury figures.

4.2. The Department in their written memorandum have stated that as reported by the Deputy Commissioner, Barpeta, vide his letter No. BPA.49/84/27 dated 16th August, 1986 that the misappropriation relates to S.R.D. fund under the Head of Account "314-P.&C.D." which is not under the control of the General Administration Department.

It is also reported that the case is subjudice and the decision of the Court is still awaited. Pending decision of this Court the D.P. Case could not be finally disposed of. The person concerned has since been reinstated in service and recovery is being made @ Rs.400.00 P.M. from the monthly pay bill of the person concerned.

As regards verification of cash book, it is reported by the Deputy Commissioner, that the relevant S.R.D. fund cash Book for the period from 15th July, 1974 to 14th October, 1976 was regularly signed by the then SDPO concerned with his dated initials in respect of every receipts and payment recorded in the

Cash Book. Certificates of verification of cash is not however recorded nor the monthly analysis of cash balance appears to have been done regularly.

As the matter does not relate to General Administration Department the follow up action in the matter is required to be taken by the Panchayat and Rural Development Department which is concerned with the matter. The matter was taken up with the P & C. D. Department in G.A.D.'s letter No. GAG.110/84/39 dated 3rd September, 1986 and the P. & C. D. Department. also took action vide their letter No.PDB.174/86/7 dated 6th January,1987.

OBSERVATION/RECOMMENDATIONS

4.3. The Public Accounts Committee would like to know if the entire misappropriated amount has, by now been recovered.

4.4. The Committee would also like to know what measures have since been taken by the Department to stop recurrence of these type of embezzlement it for non-observation of financial norms and if any circular/direction have been given thereto.

4.5. The Committee further observes that the misappropriation was facilitated due to lack of supervision/irresponsibility of the Drawing Disbursing officer of that time. The Committee would also like to know what action was taken against the officer concerned for dereliction of his duties. The above information will be furnished by the concerned Department within a period of three months from the date of presentation of this Report before the House.

SHORTAGE OF CASH AND STORES
Audit Para. 3.6.CAG-80-81 (Civil)

5.1. The Audit has brought out that as per Rule 95 of Assam Financial Rule, physical verification of cash at least once in every three months and of stores once in six months to ensure that physical balances agree with book balances. Rule also provide that losses should be immediately reported to Government and Audit even when such loss has been good by the person responsible for it.

The records of the Deputy Commissioner, Darrang indicated that physical verification of stores had not been done between 1966 and 1979. Verification done in February, 1980 and again in August, 1980, disclosed shortages of stock materials like furniture, bicycle, clothings, etc. valued at R. 1.05 lakhs. Information about investigation of the loss is awaited (September, 1982).

The cash balance of Rs.0.18 lakhs as on 23rd August, 1979 as per cash book of the loan and Relief Branch of Deputy Commissioner, Darrang was not carried over to the new cash book. Verification done in May, 1980 by the Finance and Accounts Officer disclosed further shortages, fictitious entries and non-accountal of receipts, raising the total cash shortage to Rs.0.30 lakh. Rules require that the head of the office or an officer authorised by him on his behalf should verify each entry and closing balance of the cash book daily. Had this been done, the irregularity would have been detected as soon as it occurred. Information about investigation of the irregularities is awaited (September, 1982). These shortages of cash and stores were not reported to the Accountant General as required under Rule 195 of Assam Financial Rules, nor has responsibility been fixed for the shortages (April, 1981).

5.2. The Department in their written replies have stated that the Audit para relates to shortage of cash and Stores in respect of Loan & Relief Branch of the Deputy Commissioner,

Darrang. The Loan & Relief branch of the Deputy Commissioners Establishment are not under the control of the General Administration Department. However, from the Deputy Commissioner's report, it appears that the enquiry was conducted in the whole matter and it appears that no proof could be found to fix responsibility on the Cashier against the outstanding liabilities in question. Hence, the Deputy Commissioner, Tezpur, requested the Finance (A.P.F.) Department for treating the matter as finally dropped. The matter was also referred to the Accountant General, Assam in connection with finalisation of pension papers of the person concerned. Further, the Deputy Commissioner, Tezpur intimated the matter to the Secretary, Revenue Department so it appears that the matter relates to the Revenue Department. Follow up action if any be taken by the Revenue Department. As regard irregularities in maintenance of Accounts and Cash Books, all the Drawing and Disbursing Officers under the Control of this Department are instructed from time to time to follow the Rules and Procedures as prescribed.

OBSERVATIONS/RECOMMENDATIONS

5.3.1. In the instant case, cash balance of Rs.18,000 as on 23rd August, 1979 in the cash book of Loan and Relief Branch of Deputy Commissioner, Darrang was not carried over to the new cash book. Verification done on 1980 by the F.A.O. disclosed further shortage and fictitious entries and non-account of receipts raising the total cash shortage to Rs. 30,000.

5.3.2. Records of D.C., Darrang also indicated on the basis of physical verification of stores made in February, 1980 and August, 1980 that there was shortage of stock materials valued at Rs.1.05 lakhs. In the departmental reply, it is said that no proof could be found to fix responsibility on the cashier and a request was made to Finance Department for treating the matter as finally dropped. It appears that there is also dispute as to the accountability of the department concerned. It is not settled whether the concerned department is General Administration or the Revenue Department.

5.3.3. The Committee is of the opinion that there is a prima-facie case of malafide deeds in violation of the rules. At the time of the audit the records as produced before the audit party, there is a prima-facie case of embezzlement and defaulcation. It is also not found in records whether there was a departmental proceedings to find out the delinquent officials. The recommendation of the D.C. concerned for dropping the matter raised many questions. Committee therefore feels that there should be an enquiry into the whole matter and if necessary departmental proceedings have to be instituted to fix responsibility for shortage cash and stores.

CHAPTER - V

Department of Personnel (SAA and S.A.N)

Repairs to staff cars.

(Audit para 3.19/A.G.76-77 Civil)

6.1 The Audit has pointed out that during audit (December 1976) of the Nazarat Branch, Assam Civil Secretariat that Rs. 1.99 lakhs were spent on repairs of five staff cars during April 1974 to March 1976 as indicated below :-

Vehicle	When purchased	Purchase price	Amount spent on repairs during 1974-75 to 1975-76.
			(in lakhs of rupees)
A	June 1973	0.23	0.51
B	March 1973	0.23	0.45
C	May 1973	0.23	0.37
D	March 1973	0.23	0.36
E	April 1974	0.26	0.30

No report for the replacement of the cars was, however, made by the Nazarat Branch to the higher authorities.

6.2 The Department vide their memorandum, stated that when economic repair of a vehicle is no longer possible because of old age/defects the vehicle should normally be condemned by observing due formalities and disposed of.

Difficulties of immediate arrangement for replacement involving fresh sanction and provision of fund sometimes compel the Department to use old vehicles. At present, Government in S. A (Estt.) Department (Vehicle Cell) have a fleet of 85 (Ambassador) cars. Particulars regarding purchase of new cars, allotment of cars to the Council of Ministers and others, maintainance and repair are being maintained in S.A.D. (Vehicle Cell).

Observations/Recommendations

6.3.1 The P.A.C. observes that in the light of the figure quoted by the audit showing heavy expenditure made, question naturally arises whether such repairing expenditure is justified in relation to the price of the vehicles. In some cases it is seen that repairing expenditure was double the price of the vehicles.

6.3.2 The financial rules stipulates that every public officer should exercise the same vigilance in respect of expenditure incurred from public revenues, as a person of ordinary prudence would exercise in spending his own money. In the light of this provision the Committee has doubts whether a private person of prudence would have gone for such uneconomic repairs of his car spending double the cost price within a span of two years or so from the date of purchase.

6.3.3 The P.A.C. therefore recommends that a special audit of the accounts of the vehicle cell since 1974-75 would be conducted under the supervision of an officer of Finance Department not below the rank of Deputy Secretary. The report of special audit should also incorporate a comparative study of the expenses made by Department of Personnel (Vehicle Cell) vis-a-vis State Poll Transport. The report would be submitted within a period of three months from the date of presentation of this Report before the House.

Drawal of funds in excess of requirements.
Audit para. 3.14/CAG-80-81 Civil)

7.1 The Audit has pointed out that, according to rules, the drawing officer should ensure before signing an establishment bill that the arithmetical accuracy of the bill has been checked by a responsible official by addition of component items. After disbursement he is also to ensure that the totals of acquittance rolls have been compared with those of the bill at the end of the month cash in hand is to be verified and tallied with cash book

balance. Rule also provides that the Treasury Officer is required to check the accuracy of the arithmetical computation in a bill. It was noticed in Central Audit (October 1980/June 1981) that the arithmetical mistakes in totalling in the following cases resulted in an overdrawal of Rs. 31,024 :-

(i) The Under Secretary, Department of Personnel and Administrative Reforms and Secretariat Administration Accounts drew Rs. 64,325.30 on a voucher, in April 1980 in respect of nine departments towards arrears of dearness allowance. Though the inside details worked out to Rs. 34,625.30, an amount of Rs. 64,325.30 was drawn resulting overdrawal of Rs. 29,700.00. Though the cash Book depicted receipt and payment of Rs. 64,325.30 on 7th April 1980, the acquittance rolls available with the departments were for Rs. 34,594.40. When this was pointed out by Audit in December 1980 the overdrawal of Rs. 29,700.00 was credited into the Treasury in 28th March 1981. The Department stated (July 1981) that the excess drawal (which was not disbursed) was due to arithmetical mistake in totalling.

(ii) In other two cases the same drawing and disbursing officer overdraw Rs. 180.00 and Rs. 1,143.70 due to totalling mistake on two other vouchers paid in April 1980. The overdrawal of Rs. 1,323.70, pointed out by Audit (June 1981) was refunded into the Treasury on 6th July 1981. It was stated by the Department (July 1981) that overdrawal occurred due to rush of bills and through oversight.

Had the undisbursed amount remained in hand the excess drawal could have come to notice at the end of the month at the time of physical verification of cash. Information regarding investigation to fix responsibility in the matters is awaited (September 1982).

7.2. The Department have stated that it is a fact that there were overdrawals of Rs. 31,024.00 during the month of April, 1980 and the amounts were refunded to Treasury in March and July, 1981 on being detected by Audit. No departmental proceeding was started against the Drawing and Disbursing Officer and the Cashier.

However, considering the enormous volume of works in S.A. (Accounts), the Department was divided in two parts with

effect from 1st June 1982 viz S.A. (Accounts) 'A' Section and S.A. (B) Section and two Drawing and Disbursing Officers, two Cashiers and two Accountants have been posted to watch the proper billing, checking, drawal and disbursement etc. Every care is being taken so that such irregularities do not recur in future. Also monthly physical verification of Cash is also being conducted.

OBSERVATIONS/RECOMMENDATIONS

7.3.1 The Committee observes that in the first case an amount of Rs. 29,700.00 only was overdrawn in April 1980 and refunded in March 1981 and in the second case, Rs. 1,323.70 was overdrawn and refunded in July 1981. In both the cases, refund was made only when it was pointed out in audit. The Committee find it difficult to uphold the plea of oversight and arithmetical mistakes in totalling in respect of the overdrawals by responsible officials. The reasons for unusual delay in refund of the undisbursed amounts and non-observance of financial procedures are also not clarified.

7.3.2 The Committee, therefore, recommends that the D.D.O. should be made accountable and responsible for such lapses in future. The Committee be intimated about the steps taken in this regard.

Avoidable expenditure

(Audit para. 3.29/Cag-76-77 Civil).

8.1 The Audit has brought out that in response to tender notice issued (May 1975) by the Secretariat Administration Department for supply of stationery articles to all State Government offices at Gauhati during 1975-76, 8 tenders were received of which 5 tenders were found in order. A committee was constituted in August 1975 for selection of suppliers. The committee recommended (August 1975) that the Assam Government Marketing Corporation (a Government of Assam undertaking) should also be asked to submit its tender by 18th August 1975 (subsequently extended to 10th December 1975). This Corporation offered (September 1975) to arrange supply of

articles on certain conditions. No decision in this regard was taken by the committee and contracts for supply of stationery articles during 1975-76 were not finalised till the year was over. Due to non-finalisation of the contracts, excess expenditure on purchase of stationery articles during 1975-76 (as computed with reference to the lowest tendered rates) in one office alone amounted to Rs. 0.16 lakh. Taking all the offices together, financial effect on the Government as a whole may be considerable.

8.2 The Department's contention, as intimated, was that these had some misunderstanding with regard to the finalisation of tenders received for supply of Stationery Articles to State Government Offices during 1975-76 at Gauhati. As a matter of policy the State Government decided to make all purchases from the Assam Government Marketing Corporation which is a Government sponsored corporation and it is in pursuance of this policy that the contract for supply of Stationery etc. on the basis of the tenders received was not finalised. Government proposed that the purchases should be made on terms & conditions agreed to. But due to circumstances beyond the control of the Department negotiations could not be completed for one reason or the other. One major hurdle was the share capital of Rs. 2 lakhs which the Assam Government Marketing Corporation wanted for operating the scheme. And it was all the time expected that the settlement was round the corner. Hence in the context of this peculiar situation no arrangement was possible on the basis of tender invited & received and purchases had to be made as and when required from open market at a price quoted for supplies by Assam Government Marketing Corporation.

OBSERVATIONS/RECOMMENDATIONS

8.3 The Public Account Committee observes that the delay in arriving at a decision to the followed in all the offices located at Guwahati, resulted substantial loss to the State exchequer. Now the P.A.C. would like to know what were the constraints which prevented the highest bureaucrat of the Government to take a decision.

8.4 It is seen that there were 5 valid tenders for supply of the stationery articles. A Committee was constituted in August, 1975 for selection of

suppliers instead of selected suppliers. The Committee recommended in August, 1975 that the Assam Government Marketing Corporation should be asked to submit its tenders by 18th August, 1975 subsequently extended to 10th December, 1975. Though this corporation offered to arrange supply of articles in certain conditions, the Purchase Committee did not take any decision in 1975-76. Though some explanation is given by the Department for its inability to come to a decision, the Committee is not at all convinced about it.

CHAPTER - VI

Food & Civil Supplies Department

Avoidable Expenditure.

(Audit paras. 3.31.1 & 3. 31.2/CAG-76-77 Civil).

9.1 The Audit has pointed out that between 1962 and 1968, the Department hired some godowns at Dhubri for storage of rice, paddy, etc. Due to inordinate delay in payment of rent, reportedly due to non-fixation of godown rent and issue of sanctions, the owners filed suits in the court between 1969 and 1971. The suits were decided in favour of the parties. The decretal amount of Rs. 0.66 lakh paid during 1971 to 1977 included interest of Rs. 0.08 lakh and cost of suit amounting to Rs. 0.11 lakh incurred by the owners. In addition, the Government incurred Rs. 0.04 lakh in defending the suits.

9.2 The Audit has further pointed-out that between November 1962 and December, 1963 a contractor submitted six bills (Rs. 0.34 lakh) to the Sub-divisional Officer, Goalpara for carriage of 10,000 quintals of rice from Gauhati to Goalpara during 1962 and 1963. The payment was not made reportedly due to non-receipt of sanction from the Government and the contractor filed a suit in the court in 1969. The court ordered (January 1972) payment, within 60 days, of Rs. 0.59 lakh (carriage bills : Rs. 0.34 lakh) plus interest at 6 percent on the decretal amount with effect from 31st January 1972 to the contractor. The date of payment was extended several times (last extension was upto 2nd December 1975) on appeals made by the department. Ultimately, Rs. 0.70 lakh (inclusive of Additional interest of Rs. 0.11 lakh) were paid in November 1975.

9.3 The Department in their written replies have furnished particulars of 8 cases of money Suits involved in the para and contended :- It would appear therefrom that in one case even though rent was sanctioned the party did not accept this and went to court. In another case the party did not submit the bill. In other cases correspondence had to be made seeking some

clarification other information, submission of non-availability of Government building, assessment certificate etc., before sanction could be issued. Meanwhile the party filed the case and obtained the decree. Accordingly, the decretal amount was paid by the Government.

9.4 In respect of the other case as pointed out in audit the Department stated that Shri Birdhichand Chajer was engaged as Handling and Transport Contractor for carrying rice from Guwahati to Goalpara in the year 1962 by S.D.O. (S), Goalpara. They handled and transported 4,579.81 qtls. of rice from Guwahati to Goalpara in the year 1962. The Contractor submitted bill for Rs. 6,593.19 only which was intimated to Government. In the year 1963, the said party was again appointed as handling and transport contractor for the above - mentioned route on the basis of lowest tender. The party carried 4,995.41 qtls of rice from Guwahati to Goalpara and submitted bill for Rs. 17,052.00. Thus the total bills payable to the party for the party for the year 1962 and 1963 comes to Rs. 33,645.19. The S.D.O.), Goalpara reported that after receipt of the bills from the party, the same were already forwarded to the Controller of Supply, Goalpara, Dhubri for obtaining sanction. In the meantime the party filed a money suit case No. 3/69 in the court of the Assistant District Judge, Dhubri claiming the bill amount for the years 1962 and 1963. The party got the decree in his favour for Rs. 55,945.19 including interest plus cost of the suit amounting to Rs. 3,337.16 plus an interest @ Rs. 6% per annum with effect from 31st January, 1972 on the total decretal of Rs. 59,282.35 and subsequently party filed Money execution case No. 14/72. The S.D.O. Goalpara submitted a proposal to the Director of Supply, Assam for sanction to the payment of the decretal amount of Rs. 59,282.35 with a copy to Government. Accordingly the Director of Supply, Assam moved Government to accord sanction. The S.D.O., Goalpara was asked to explain the reasons for such inordinate delay in submitting the proposal. Ultimately, the Government accorded sanction after being satisfied to the payment of Rs. 59,282.35 plus interest @ 6% amounting to Rs. 10,670.76 with effect from 31st January, 1972 to 31st January 1975 (total Rs.69,953.11). The main constraint in the Food & Civil Supplies Department was that the entire department is financed from non-plan fund. Therefore, the required sum had to be taken as 'advance' from 'Contingency Fund' the payment was made to the party in November (1975).

OBSERVATIONS/RECOMMENDATIONS

9.5. The Public Accounts Committee observes that for the delay in payment of rent for hired godowns for Rs. 0.66 lakhs in the first case and in payment of carriage charges of Rs. 0.34 lakhs in the 2nd case, the Government had to incur extra expenditure of Rs. 0.23 lakh and Rs. 0.36 lakhs respectively as the parties went to court and obtained decree in their favour for payment of dues together with interest and lost of Suits. During oral deposition, the departmental witness could not reply satisfactorily as to the reasons for delay in fixation of rent for hired godowns, and payment of Government dues at proper time. The Committee, recommends that the Department would take necessary steps to stop recurrence of such cases of inordinate delay in future and also to fix responsibility for whose fault or negligence the loss occurred.

OUTSTANDING RENT

(AUDIT PARA 3.7/CAG 77-78 CIVIL)

10.1 The Audit has brought out that a godown owned by the Supply Department at Udalguri had been handed over to the Apex Marketing Society (Now Assam State Co-operative Consumers, and Marketing Federation) on 4th January 1968 for storage of paddy without fixing any rent or entering into any agreement etc. The rent was assessed at Rs. 3,100 per month by the Public Works Department in August, 1977 following a request made by the department in this regard in July 1975. On this basis a bill for Rs. 3.62 lakhs was submitted (September 1977) by the department to the Federation towards rent for the period from 4th January 1968 to September 1977. No rent had, however, been paid by the Federation (March 1979). Information regarding action proposed to recover the dues is awaited till March 1979 by Audit.

10.2 The Department in their Written Memorandum have stated that the accounts of STATFED together with other

documents were scrutinised by a Committee constituted by Government for settling all matters of claims and counter claims. The Committee finalised the accounts of STATFED and State Government for the period upto 1982-83. The State Government is required to pay Rs. 7,72,72,242.00 to Statfed and Statfed is required to pay Rs. 1, 10, 72,825/- to State Government on different accounts and realised from Statfed Rs. 1,10,72,825/- during the year 1986-87. A sum of Rs. 5,57,700.00 being the rent of Udalguri godown for the period from 4th January, 1968 to 31st December 1983 have already been recovered from Statfed during the year 1986-87.

OBSERVATION/RECOMMENDATIONS

10.3 The Public Accounts Committee expresses unhappiness for the inordinate delay (about 18 years from 1968 to 1986) in settling the matter. The Committee, however, feel that the Department would take stringent action against the persons found at fault for such delay in future.

LOSS IN SALE OF GALVANISED CORRUGATED IRON SHEETS.

(AUDIT PARA 3.8/CAG-77-78 Civil)

11.1 The Audit has pointed-out that on 28th November 1974, the Director of Consumer Goods allotted 132 bundles of galvanised corrugated iron sheets to the Sub-divisional Officer, Mangaldoi for sale, at price to be fixed by the Government, mainly to co-operatives engaged in procurement of paddy. The price was, however, fixed by Government at Rs. 612.59 per bundle only in March 1975 and communicated to the Sub-divisional Officer, Mangaldoi in the same month. A test-check (November 1977) of the records of the Assistant Director of Supply, Mangaldoi disclosed that the entire quantity of galvanised corrugated iron sheets had meanwhile (December 1974) been sold by the Sub-divisional Officer, Mangaldoi to parties other than co-operatives at the rate of Rs. 443.36 per bundle thus resulting in a loss, as compared to the price fixed by Government later, of Rs. 0.22 lakh.

The Department stated in August 1978 that the Director's letter of 28th November 1974 (stating that the sale

price would be fixed by the Government) had been received by the Sub-Divisional Officer on the 4th December 1974, that the sheets had been issued by the latter between 2nd December and 31st December 1974 and that the loss could have been avoided had the Sub-Divisional Officer cancelled/modified the sales of sheets in accordance with the instructions of the Director.

11.2 The Department in their written replies have stated that a consignment of 132 bundle of G.C.I. sheets was allotted to the Sub-Divisional Officer, Mangaldoi by the Director of Consumer Goods, Assam, Guwahati in the month of November 1974 for issue to the Co-operatives engaged in procurement of paddy at the price fixed by the Government. The Sub-Divisional Officer, Mangaldoi fixed the price of G.C.I sheets at Rs. 443.36 per bundle and passed order on 30th November, 1974 for issue of G.C.I sheets brought from Guwahati. The Sub-Divisional Officer's instructed under letter No. DCG. 17/74/91 dated 28th November, 1974 to await fixation of the price of G.C.I. sheets by Government. The said instruction was reported to have been received by the Sub-Divisional Officer on 4th December, 1974. Subsequently, the Government fixed the price of G.C.I. sheets at Rs. 612.59 per bundle in March, 1975.

The Sub-Divisional Officer, Mangaldoi did not cancel his earlier order fixing the price of G.C.I sheets at a lower rate and continued to issue G.C.I. sheets to individuals from 2nd December 1974 to 30th December 1974 and as a result of this Government had to sustain loss of Rs. 22,338/-. In fact, he disposed off 51 bundles of G.I. sheets on and after 4th December, 1974.

11.3 The Committee expressed their serious concerned for the loss due to the apathetic attitude of the then S.D.O., Mangaldoi for proper appraisal, the Proceedings are quoted :- Shri S. Condpan - In this particular case, the loss is due to sale of G.C.I. sheets at a lesser price fixed by the Government. Now has the Government taken any action in the matter on receipt of the report from the Director of Supply ? What action has been taken by the Government in this regard ?

Shri A. C. Changkakoty, Secy. Supply :- Apparently, no action has been taken, but now I am taking action and I think within one month the matter will be finalised.

Shri Abdul Rob Laskar : - It is clear from the reply that by violating the Government order, the S.D.O. sold out the C.I. Sheets, knowing fully well that will make loss to the Government, inspite of the long period that the matter is pending, no action has been taken.

Shri S. Condpan : - Will the Government now get back the money ?

Shri A.C. Changkakoty, Secretary : - If the Officer concerned is still in service now, then I think something will happen and the money can be realised. Anyway within about one month's time I shall settle up the matter.

Shri S. Condpan : - The amount involved is Rs. 22,000 -. The Director, Supply already reported that he could not take any action against the erring officer and that the Government was only competent to take suitable action against him for causing loss to the Government. Even if you take action now, probably the explanation will come that money has been lost and that there is no scope for getting back that money.

Shri Abdul Rob Laskar :- If Government officers can do such a thing and remain unpunished for such a long time, this will naturally give encouragement to others to indulge in such malpractice. If an officer on the verge of his retirement can do such a thing and go unpunished, then this sort of thing will give encouragement to others. Can there be no check ?

Shri S. Condpan :- We are very much concerned with all kinds of lapses committed by the Government servants. And at the cost of the public, we are sitting here on both sides of the meeting today.

Mr. Chairman :- This matter was referred to the Government in 1978 but the Accountant General did not get reply till April, 1979. After this was forwarded to the department by the Accountant General, if the department had taken necessary action in time, this would have satisfied the Accountant General and the case would perhaps would not have come here. Today, in your reply you have said that the matter is being pursued. Now it is also not certain whether the officer involved in this case is in service or not. The Public Accounts Committee's duty is precisely to go into all this type of irregularity committed by

the Government servants, and as Legislators also we would like to see how Government money is being spent and we would be failing in our duty if the P.A.C. do not ensure that the norms prescribed are observed by all concerned. I understand that the whole department is practically liable for this culpable act. After you enquire into this case, we would like to have the relevant facts. On the 28th November, 1974, the Director of Consumer Goods reported that 32 bundles of C.I. sheets were sold by that S.D.O., Mangaldoi, and then its price could not be fixed till March 1975. And only in November, 1977 the allotted C.I. sheets were disposed of. How many bundles of C.I. sheets were sold in between 28th March 1974 and March 1975? When the price was fixed? Whether the original allotment carried any direction as to the manner of disposal? When the fixation of the price was announced? Whether the order of fixation of price was communicated?

Secretary, Supply Department :- Yes, Sir, that was communicated and it was received on 4th December, 1974. Subsequently, the Government fixed the rate of G.C.I. sheets in March, 1975. It appears that the Sub-Divisional Officer did not cancel his earlier order fixing the price of G.C.I. sheets at a lower rate and continued to issue C.I. Sheets from 2nd December, 1974 to 30th December, 1974.

Chairman :- Even after receiving that same on 4th December, 1974. He issued the same and as a result of that Government had to sustain loss?

Secretary, Supply Department :- Yes, Sir, he disposed of 51 bundles of C.I. sheets on and after 4th December, 1974.

Chairman : Please make an enquiry as to what circumstances the whole stock was disposed of. We request you to give us the information datewise. At the sametime we want that the department should fix up the responsibility. I hope by the time of next hearing at-least you can give us the report?

Secretary, Supply Department : Sir, within one month we shall furnish the report of this enquiry.

11. 4. In the subsequent meeting of Public Accounts Committee, the departmental witness deposed :

"The whole matter is under investigation at the Government level Regarding the further information required by the PAC are as follows :-

(A)	81	bcls.	sold	@	Rs. 443.36	per	bcl.	before	4.12.74	at	Rs. 35,912.16	P.
(A-II)	13	"	"	"	"	"	"	on	4.12.74	at	Rs. 5,763.68	P.
(B)	38	"	"	"	"	"	"	after	4.12.74	at	Rs. 16,847.68	P.

T = 132 bcls.

Rs.58,523.52 P.

The original allotment order the D.C.G. Guwahati intimated to SDO, Mangaldoi that the C.I. Sheets are to be issued mainly to Co-Operative Societies engaged in procurement and the sell price will be intimated as soon as price is fixed by Government."

OBSERVATIONS/RECOMMENDATIONS

11.5 The Public Accounts Committee observes that as per proceedings quoted the Committee raised some questions but these are not made clear in the subsequent meeting.

11.6 The Committee further observes that the audit objection was mainly because of the failure of the system. The Sub-Divisional Officer had received several consignments and he did not know how to go about. First of all he did not take the instruction from the Head Office, the price of the material should be fixed by the Government and he should wait for that but he went ahead with the sale of the materials. So, *prima facie* it is a case where the department should initiate some action. Departmental investigation has not been done.

11.7 It is a common practice in Supply Department to buy materials in bulk centrally and despatch them to the Districts and Sub-Divisions for distributions as was the case referred to in this para. Admittedly, there has to be some set of rules or directions for the disposal of such Government regulated materials through Government agencies. It is presumed that there must be directions as to the fixation of the price by the relevant authority at the time of the despatch. In the instant case, nothing

been put forward by the department to show why this transactions supposed to be a regular feature was conducted.

11.8 The Committee would like to know whether there were any departmental rules or circulars regulating the marketing of these articles at the time of this transactions and what is the present position.

11.9 The Public Accounts Committee regrets to note that the report of the enquiry assured to be furnished within a month has not been received even at the time of writing this report. The Committee therefore recommends that the report shall be submitted within a period of one month from the date of presentation of this Report before the House.

LOSS OF MATERIALS

(Audit Para 5.7/CAG. 77-78 Civil)

12.1 It is pointed out in audit that on 20th October 1974, the Special Officer, Supply, Gauhati despatched 291 bundles of galvanised corrugated iron sheets to the Deputy Director, Supply, Dhubri through the Inland Water Transport Department. The stock book of the Deputy Director, Supply Dhubri, however, indicated that only 253 bundles and 12 pieces of sheets of different sizes had been received, the value of the short receipt (31 bundles 4 pieces) worked out to Rs. 0.23 lakh. In March 1978, the Director of Supply asked the Special Officer, Supply to investigate into the matter and fix responsibility for the shortage. Further developments are awaited (December 1978).

12.2 The Department in their reply has stated that the discrepancies pointed out has been enquired into and the matter is under investigation at the Government level. The final position will be intimated to Public Accounts Committee on receipt of final investigation report very soon.

OBSERVATIONS/RECOMMENDATIONS

12.3 The Public Accounts Committee would like to have a copy of the report of investigation within a

period of 3 months from the date of presentation of this Report before the House.

LOSS BY TRADING IN RICE
(Audit para 3.11/CAG.-79-80 Civil)

13.1 The Audit has brought-out that (1) following flood and other natural calamities, in the middle of 1974, the Government of Assam, in July 1974, authorised the Assam Co-operative Apex Marketing Society Limited (now Assam State Co-operative Marketing and Consumers Federation Limited, to procure 10,000 tonnes of the common variety of rice on Government account for distribution through fair price shops. The Federation was to obtain loan at 15.5 per cent interest per annum from the Assam Co-operative Apex Bank Limited again at Government guarantee. The terms and conditions on which the Federation was entrusted with the job of trading in rice or the agreement, if any, executed with it could not be produced to Audit by the Department.

(ii) Only 4,514 tonnes of Basmati rice were procured by the Federation from August to October, 1974 at a cost of Rs. 129.30 lakhs (at the rate of Rs. 285 per quintal ex Punjab). The reasons for purchasing costlier Basmati rice instead of the Common variety of rice were not on record. Though the Government had fixed the issue price of Basmati rice at Rs. 310 per quintal from 16th September 1974, and at Rs. 350 per quintal from 15th October, 1974, quantity of 4251, tonnes was sold by the Federation between October 1974 and May 1975 at various rates as given below :-

	Quantity sold	Rates	Rates per tonne
(a) 400	(Tonnes)		Rs. 1,595
(b) 1017	"		Rs. 3,500
(c) 135	"		Rs. 3,400
(d) 625	"		Rs. 3,350
(e) 153	"		Rs. 3,250
(f) 1921	"		Rs. 3,000
Total	4251		

The quantity of 400 tonnes mentioned at (a) above was sold through fair price shops at Gauhati when the issue price of lahi rice was Rs. 159.46 per quintal and of fine variety rice at

Gauhati at the time. Sales at rates lower than Rs. 350, varying from Rs. 340 to Rs. 300 per quintal, were reportedly due to arrival of kharif crop in the market which reduced the demand for Basmati rice. Arrival of kharif crop in the market from October 1974 was not unanticipated; in fact, the State Government Officials at Delhi had been specifically directed (July 1974) to complete the deal in time so that the rice could be available to meet the demand in July and August 1974. Nevertheless, there were delays in making payments by the Federation to the Punjab Government and the supply was completed during September, 1974 and October 1974 only when the kharif crop also started arriving in the market.

(iii) Due to sale of rice at lower rates, the Federation incurred a loss and submitted to the Government a claim for subsidy which was accepted by the Government and a sum of Rs. 24.32 lakhs was paid in April 1977. In support of the claim for subsidy, the Federation submitted a statement of expenditure and receipts without supporting detailed accounts and documents in respect of each item of expenditure and receipts. These are still to be submitted (October 1980), although called for by the Government (April 1977) and promised to be submitted by the Federation within three days.

The subsidy paid included interest (accrued/paid) of Rs. 24.40 lakhs on loan obtained by the Federation from the Co-operative Apex Bank Limited. The interest accrued/payable on the loan amount for the period upto July 1975 (original date of claim for subsidy) was approximately Rs. 7.61 lakhs only. There was thus avoidable payment of interest/subsidy to the extent of Rs. 16.79 lakhs (approximately).

(iv) Though the entire quantity of rice was disposed of before May, 1975, interest had to be paid beyond that date due to avoidable delays in repayment of loans. While the claim for subsidy was submitted in July 1975, the delay in resulted in Government having to bear additional interest charges (Rs. 16.79 lakhs) upto July 1976. The Federation subsequently submitted a further claim for interest of Rs. 2.75 lakhs charged by the bank for the period up to April 1977 and Government decision on the claim is still awaited (October 1980).

13.2 The Department in their written replies have stated that owing to the un-precedented waves of flood and other

natural calamities in the middle of 1974, the Government found it very difficult to meet the minimum requirement of rice in the State with the stock of paddy held by State Government's approved procuring Agencies. As such the State Government requested the Government of India and Government of Punjab to allot rice to this State Government to be purchased by M/S. Assam Co-operative Apex Marketing Society (Now Assam State Co-Operative Apex Marketing Society Ltd) being the State Government authorised procuring Agency.

As the Government of Punjab agreed to spare Basmati Rice only the State Government of Assam had to accept their offer, and purchase Basmati Rice to tide over the difficult food situation then prevailing in the State Government had to issue Basmati Rice in a phased manner to counter the very high prices of rice in the open market prevailing in the State. With the arrival of kharif crop of 1974-75 kharif Season. It was found that the demand for Basmati Rice was going down. Therefore the pool price of Rs. 350.00 per quintal was gradually brought down to Rs.340.00 then to Rs. 335/-, then to Rs. 325/- and ultimately this had to be brought down to Rs. 300.00 per quintal. The accounts of the Statfed together with other documents was scrutinised by a Committee constituted by Government for settling all matter of claims and counter claims and it was found that a sum of Rs. 8,09,080.47 P was paid in excess. Since there were claims and counter-claims from Statfed and Government, the matter is now at a final stage of settlement wherein this aspect has also been taken into account. The excess amount of Rs. 8,09,080.47 paid to Statfed has already been recovered during 1986-87.

OBSERVATION/RECOMMENDATIONS

13.3.1 The audit para presents certain unusual features viz :-

1. While it was decided to procure common variety rice, the agent (STATFED) procured Basmati variety.

2. The Department could not show the agreement with the agent for doing the procurement and on what terms they acted as such.

3. The money needed for the procurement was obtained on loan from Apex Bank at high rate of interest.

4. 400 tons of rice was sold at Rs. 150.5 per quintal, much below the procurement cost but the authority for such under valued sale could not be shown. According to Department, this alone involved loss of Rs. 6.02 Lakh.

5. The Department paid Rs. 24.40 lakh to the agent as subsidy without varifying the detailed accounts and supporting documents. Further claim by the agent (Rs. 2.75 lakh) remained unsettled.

6. The Department could have avoided payment of Rs. 16.79 lakh, if payment of subsidy were made in July, 1975 instead of in July 1976.

13.3.2. In view of the unusual features of the audit para, the Public Accounts Committee was interested to know :

(a) What were the terms of agreement with STATFED in relation to their functioning as agent for importing rice ?

(b) Who decided to purchase Basmati in place of common variety ?

(c) How the sale price of Basmati was fixed from time to time ?

(d) Since Rs. 159.5 per quintal, was far below the cost price, on what consideration the price was so fixed and by whom this was fixed ? Did the Finance agreed to this ? Why the price was fixed at less than for fine variety ?

(e) Who decided to finance the procurement by taking loan from Apex Bank at high rate of interest ?

(f) Did STATFED submit full and detailed account of the transaction with supporting documents ?

Has the Government got the account duly checked to verify the correctness of their claim ?

(g) Why the Department took more than a year to settle the claim of STATFED and thereby incurred additional interest liability of Rs. 16.79 lakh ?

(h) When the claim of the agent was finally settled and on what additional payment ?

13.3.3 During oral deposition the Government witness maintained that due to flood and other natural calamities during 1974 there was acute scarcity of rice and Government entrusted to Statfed to procure rice from Punjab, Government of Punjab inform that they could spare only Basmati rice and Statfed has got no other alternative but to procure Basmati rice. However excess amount of Rs. 8,09,080.47 P paid earlier to Statfed has since been realised. The approval of the Government was expostfacto.

13.3.4 The department could not satisfy the Committee by plausible explanation about the compulsion of buying Basmati rice instead of common variety. It is inconceivable to accept that Punjab is the only State which could supply rice at that time. Nothing is put forward to show that any attempt was made to contact other sellers. Lots of public grievances have been made in past in respect of this type of purchases by the Government casting doubts as to the bonafide of the purchasing authority.

13.3.5 It is a fit case to be enquired by the high authority to the status of the Commissioner and the Secretary of the Department so that pros and cons of this transaction is thoroughly investigated and the report submitted to the Committee.

SHORTFALL IN DEMAND AND COLLECTION OF GOVERNMENT DUES

(Audit Para 3.12/CAG-79-80 Civil)

14.1 The Audit has brought out here two cases viz:-

(i) The Food Corporation of India (FCI) and the Assam State Co-operative Marketing and Consumers' Federation limited (STATFED) procured, as agents of Government 103.64 lakhs quintals of paddy between 1973-74 and 1978-79. This was to be released to the allottees, and Rs. 1.17 per quintal upto 1975-76 and Re. 1.00 per quintal thereafter, Rs. 1,08.78 lakhs should have been received by the Government as administration charges thereon from the agents but only Rs.27.72 lakhs had been credited into Government account between 1973-74 and 1975-76. Of the balance, Rs. 5.58 lakhs were according to STATFED paid by it but were not traceable in accounts. Rs. 19.79 lakhs being the collections of administrative charges by some of its branches upto June 1977 were also not credited into Government account by STATFED. Rs. 6.62 lakhs being the collections and administrative charges by two of its branches (upto March 1977 by one branch and upto June 1979 by another), had reportedly been held up by the Food Corporation of India and not paid to Government on the ground that initial advances paid to Co-operative Societies by the FCI on the strength of Government guarantee at the time of procurement during 1976-77 had not been recovered.

In February 1979, the Food and Civil Supply Directorate proposal for adjustment of administrative charges recoverable from STATFED against the subsidies payable to it on account of mustard oil and masur dal distribution was turned down by Government with instructions that both the agents (FCI and STATFED) should pay the outstanding amount immediately. No payment has, however, been made by either of the agents, so far (October 1979).

The department did not maintain any account showing the quantity of paddy released by the agents to the selected allottees and as such the total amount of administrative charges creditable to Government account by the two agents could not be given by the department nor could it be worked out from any of the

(ii) A departmental godown at Tihu had been hired out to the Food Corporation of India (FCI) since August 1967 on a monthly rent of Rs. 1,127. The Corporation, however, did not pay any rent to the department although bills for payment of rent were sent by the department to the Corporation from time to time. In October 1976, the Corporation requested the department to send duplicate bills as the bills sent earlier were not readily traceable and these were sent by the department to the Corporation in October, 1976. The godown was vacated by the Corporation in December, 1978. The unrealised rent for the total period (11 years) of use of godown by FCI remains to be recovered, amounting to Rs. 1.49 lakhs (December 1980). Efforts of recovery by the Director of Supply were being made it was stated.

14.2 The Department in their written statement against the paras stated :

(i) the matter was scrutinised by a Committee constituted by the Government. The Administrative charges realisable from the STATFED is in a final stage of settlement, wherein other claims and counter-claims have been taken into account. The administrative charges to the tune of Rs. 47,85,195/- relating to the period from 1974-75 to 1981-82) have already been recovered from the STATFED at the time of payment of their dues. So far as non-realisation of Administrative charges from F.C.I. concerned the matter along with various other claims are being settled. For this purpose a joint meeting of F.C.I. and Supply Officials is being held shortly. The matter is still under correspondance with F.C.I. and will be finalised as soon as final decision arrived.

(ii) the godown rent payable by F.C.I. to the State Government will also be considered during the joint meeting of F.C.I./Supply officials for settlement of claims and counter claims due to State Government and due by State Government.

OBSERVATIONS/RECOMMENDATIONS

14.3.1 The para mentions that only a small amount out of Rs. 1,08,78 lakhs due to Government as Administrative charges realisable from the allottees of paddy and rice, was recovered from the agents (F.C.I. & STATFED). This was for the period from 1973-74 to 1978-79. The Department did not have any record to work out the quantum of charges realisable that realised and the balance due to be recovered. Now the Department clarified that all claims with STATFED have been settled leaving aside the case with F.C.I. for which too the matter is under process.

14.3.2 Now, the Public Accounts Committee would like to know if the outstanding dues from F.C.I have been realised and the accounts made upto date.

SUMMARY OF OBSERVATIONS/RECOMMENDATIONS

<u>Sl.No.</u>	<u>Para No.</u>	<u>Recommendations/Observations</u>
1	1.3.	The Department have now stated that during the period from November, 1983 to February, 1986, the services of the Driver was utilised by the Subdivisional Officer (Civil), Morigaon. Similarly, the cleaner was also deployed for some others work in the office. In view of this, the Public Accounts Committee has no comments to offer except that the facts now stated to the Committee could have been stated before the Audit at the time of their test check.
2	2.4.1	The Audit has brought out that out of Rs. 112 lakhs drawn by the D.C., Kamrup for providing relief for victims of the disturbances in 1979-80, Rs. 110 lakhs were paid to the Steel Authority of India as advance for supply of 1600 tonnes of C.I. Sheets. SAIL supplied 12,036 tonnes (79,436 pieces) of C.I. Sheets valued at Rs. 87.71 lakhs. The balance amount of Rs. 25.36 lakhs, no supply was received nor was the amount refunded. From the Department's reply it is seen that out of the total quantity of 79,436 pieces received, 15,029 pieces were actually issued to the affected people. Another quantity of 16,300 pieces were sold out to various departments and institutions. Out of the remaining balance a total quantity of 17,551 pieces were issued on loan to different police establishments in Home Department.
3.	2.4.2	Another quantity of 31,101 pieces were issued for rehabilitation of the

affected people of 1983 election disturbances. It is also seen in this connection that a total sum of Rs. 25,02,812.24 have been realised from SAIL for non-supply of 363.802 M.T. of C.I. Sheets. The balance amount of Rs. 33,187.76 remained unrealised for which Department was to initiate a Bakijai case.

4. 2.4.3 From above it is seen that the quantity proposed to be purchased was inflated for the purpose for which it was required. Only 15,029 pieces were actually given to the affected people out of 79,436 pieces procured. The Committee is of the view that, no realistic projection was made about the actual requirements. It is also seen that the materials procured for the riot victims of 1979-80 were utilised to rehabilitate riot victims of 1983. As to the refund of Rs. 25.36 lakhs, the department could not state clearly when such refund took place. It is also seen from the statement of the Special Commissioner, Political that the entire records of the relevant year was not available with them.

5. 2.4.4. It is further seen from the Department reply that 15,300 pieces were sold to different departments and institutions and 17,751 pieces loaned out to police Department. So far the quantity loaned out to the Assam Police Housing Corporation Ltd., the Department could not tell definitely whether the above quantity had been returned and if returned, what happened to the returned quantity.

6. 2.4.5. Going through the relevant portion of the proceedings recorded in connection

with the Para 3.24, the Committee cannot but hold that gross irregularities were committed in this transaction. Admittedly when Rs.112 lakhs were sanctioned for the purpose of the victims of the disturbances in 1979-80, how many sanctioned for a particular purpose could be utilised for other purposes ? This type of malafide transactions cannot be justified on the grounds of emergent situation. It is observed, it is becoming a practice with the various Government Departments to get inflated sanctions and spent the sum for purposes other than the purpose for which it was sanctioned.

7. 2.4.6 The Committee feels that there should be a through enquiry by a high level authority to find out the irregularities and illegalities committed and suggest remedial measures. Report of the enquiry to be submitted to the Committee within 3 months of the presentation of the Report.

8. 3.4.3 The explanation of the Department to cover up the points raised by Audit for excess issue and short receipt is not at all convincing. During oral deposition, many discrepancies have been found out between the facts stated in the audit para and facts revealed by the witness at the time of the deposition. When this para was taken up for hearing for the first time it was found that relevant records could not be produced. Attempts were made subsequently to give a face-saving explanation. The departmental witnesses also could not satisfy the Committee about the accountability of various persons involved in this transaction.

9. 3.4.5 As was seen in the case of Para 3.24, in this case also the Revenue Department could not come up with a cogent case. Unfortunately, this is observed in nearly all cases where distribution of relief materials are concerned. In course of heaving, a suggestion was made that a special audit by Accountant General be made in the instant case and the Accountant General was agreeable to do so. The Committee have great doubts as to the existence of relevant records of this transaction. It is accordingly recommended that a special audit by the Accountant General be made looking into all aspects of the matter and report submitted thereto.
10. 4.3 The Public Accounts Committee would like to know if the entire misappropriated amount has by now been recovered.
11. 4.4 The Committee would also like to know what measures have since been taken by the Department to stop recurrence of these type of embezzlement for non observation of financial norms and if any circular/direction have been given thereto.
12. 4.5 The Committee further observes that the misappropriation was facilitated due to lack of supervision/irresponsibility of the Drawing & Disbursing officer of that time. The Committee would also like to know what action was taken against the officer concerned for dereliction of his duties. The above information will be furnished by the concerned Department within a period of three months from the date of

presentation of this Report before the House.

13. 5.3.3 The Committee is of the opinion that there is a prima-facie case of malafide deeds in violation of the rules. At the time of the audit the records as produced before the audit party, there is prima-facie case of embezzlement and defaultation. It is also not found in records whether there was a departmental proceedings to find out the delinquent officials. The recommendation of the D.C. concerned for dropping the matter raised many questions. Committee therefore feels that there should be an enquiry into the whole matter and if necessary departmental proceedings have to be instituted to fix responsibility for shortage of cash and stores.
14. 6.3.1 The Public Accounts Committee observes that in the light of the figure quoted by the audit showing heavy expenditure made, question naturally arises whether such repairing expenditure is justified in relation to the price of the vehicles. In some cases it is seen that repairing expenditure was double the price of the vehicles.
15. 6.3.2 The financial rules stipulates that every public officer should exercise the same vigilance in respect of expenditure incurred from public revenues, as a person of ordinary prudence would exercise in spending his own money. In the light of this provision the Committee has doubts whether a private person of prudence would have gone for such uneconomic repairs of his car spending double the cost price within a span of

two years or so from the date of purchase.

16. 6.3.3 The Public Accounts Committee therefore recommends that a special audit of the accounts of the vehicle cell since 1974-75 would be conducted under the supervision of an officer of Finance Department not below the rank of Deputy Secretary. The report of special audit should also incorporate a comparative study of the expenses made by Department of Personnel (Vehicle Cell) vis-a-vis State Poll Transport. The report would be submitted within a period of three months from the date of presentation of this Report before the House.
17. 7.3.1 The Committee observes that in the first case on amount of Rs. 29,700 only was overdraw in April 1980 and refunded in March 1981 and in the second case, Rs. 1323.70 was overdrawn and refunded in July 1981. In both the cases, refund was made only when it was pointed out in audit. The Committee find it difficult to uphold the plea of oversight and arithmetical mistakes in totalling in respect of the overdrawals by responsible officials. The reasons for unusual delay in refund of the undisbursed amount and non-observance of financial procedures are also not clarified.
18. 7.3.2 The Committee, therefore, recommends that the D.D.O should be made accountable and responsible for such lapses in future. The Committee be intimated about the steps taken in this regard.

19. 8.3 The Public Accounts Committee observes that the delay in arriving at a decision to be followed in all the offices located at Guwahati, resulted substantial loss to the State exchequer. Now the Public Accounts Committee would like to know what were the constraints which prevented the highest bureaucrat of the Government to take a decision.
20. 8.4 It is seen that there were 5 valid tenders for supply of the stationery articles. A Committee was constituted in August, 1975 for selection of suppliers instead of selected suppliers. The Committee recommended in August, 1975 that the Assam Government Marketing Corporation should be asked to submit its tenders by 18th August, 1975 subsequently extended to 10th December, 1975. Though this corporation offered to arrange supply of articles in certain conditions, the Purchase Committee did not take any decision in the 1975-76. Though some explanation is given by the Department for its inability to come to a decision, the Committee is not at all convinced about it.
21. 9.5 The Public Accounts Committee observes that for the delay in payment of rent for hired godowns for Rs. 0.66 lakhs in the first case and in payment of carriage charges of Rs.0.34 lakhs in the 2nd case, the Government had to incur extra expenditure of Rs. 0.23 lakh and Rs. 0.36 lakhs respectively as the parties went to court and obtained decree in their favour for payment of dues together with interest and lost of Suits. During oral deposition, the departmental witness could not reply satisfactorily as to the reasons for delay in fixation of rent for hired godowns and payment of

Government dues at proper time. The Committee, recommends that the Department, would take necessary steps to stop recurrence of such cases of inordinate delay in future and also to fix responsibility for whose fault or negligence the loss occurred.

22. 10.3 The Public Accounts Committee expresses unhappiness for the inordinate delay (about 18 years from 1968 to 1986) in setting the matter. The Committee, however, feel that the Department would take stringent action against the persons found at fault for such delay in future.
23. 11.3 The Public Accounts Committee observes that as per proceedings quoted the Committee raised some questions but these are not made clear in the subsequent meeting.
24. 11.6 The Committee further observes that the audit objection was mainly because of the failure of the system. The Sub-Divisional Officer had received several consignments and he did not know how to go about. First of all he did not take the instruction from the Head Office, the price of the material should be fixed by the Government and he should wait for that but he went ahead with the sale of the materials. So, prima-facie it is a case where the department should initiate some action. Departmental investigation has not been done.
25. 11.7 It is a common practice in Supply Department to buy materials in bulk centrally and despatch them to the Districts and Sub-Divisions for distributions as was the case referred to in this para. Admittedly, there has to be

some set of rules or directions for the disposal of such Government regulated materials through Government agencies. It is presumed that there must be directions as to the fixation of the price by the relevant authority at the time of the despatch. In the instant case, nothing has been put forward by the department to show why this transactions supposed to be a regular feature was conducted.

26. 11.8 The Committee would like to know whether there were any departmental rules or circulars regulating the marketing of these articles at the time of this transactions and what is the present position.
27. 11.9 The Public Accounts Committee regrets to note that the report of the enquiry assured to be furnished within a month has not been received even at the time of writing this report. The Committee therefore recommends that the report shall be submitted within a period of one month from the date of presentation of this Report before the House.
28. 12.3 The Public Accounts Committee would like to have a copy of the report of investigation within a period of 3 months from the date of presentation of this Report before the House.
29. 13.3.4 The department could not satisfy the Committee by plausible explanation about the compulsion of buying Basmati rice instead of common variety. It is inconceivable to accept that Punjab is the only State which could supply rice at that time. Nothing is put forward to show that any attempt was made to

contact other sellers. Lots of public grivences have been made in past in respect of this type of purchases by the Government casting doubts as to the bonafide of the purchasing authority.

30. 13.3.5

It is a fit case to be enquired by the high authority to the status of the Commissioner and the Secretary of the Department so that pros and cons of this transaction is thoroughly investigated and the report submitted to the Committee.

31. 13.3.6

The para mentions that only a small amount of Rs. 1,08,78 lakhs due to Government as Administrative charges realisable from the allottees of paddy and rice was recovered from the agents (F.C.I. and STAFED). This was for the period from 1973-74 to 1978-79. The Department did not have any record to work out the quantum of charges realisable that realised and the balance due to be recovered. Now the Department clarified that all claims with STAFED have been settled leaving aside the case with F.C.I. for which too the matter is under process.

32. 13.3.7

Now, the Public Accounts Committee would like to know if the outstanding dues from F.C.I. have been realised and the accounts made upto date.