

**PUBLIC ACCOUNTS COMMITTEE**  
**(1969-70)**

**TWELFTH REPORT**

**(FOURTH ASSEMBLY)**

**Report of the Public Accounts Committee on the Audit Report, 1967, Appropriation Accounts, 1965-66 and Finance Accounts, 1965-66 relating to Finance, P.W.(F. C. & I. Wing), Industries and Power (Electricity) Departments.**



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**ASSEMBLY SECRETARIAT, ASSAM**  
**SHILLONG**

**MARCH, 1970**

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## COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE, 1969-70

### Chairman

1. Shri Gaurisankar Bhattacharyya.

### Members

2. Shri Surendra Nath Das.
3. Shri Golak Chandra Patgiri.
4. Shri Durgeswar Saikia.
5. Shri Pushpadhar Chaliha.
6. M. A. Musawwir Choudhury.
7. Shri Shahadat Ali Jotdar.
8. Shri Kehoram Hazarika.
9. Shri Tilok Gogoi.

### Secretariat

1. Shri U. Tahbildar, B.Sc., B.L., Secretary.
2. Shri G. N. Deka, B.A., (Hons.), Under Secretary.
3. Shri N. Deuri Bora, B.A., Committee Officer.

**REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON THE  
AUDIT REPORT, 1967, APPROPRIATION ACCOUNTS, 1965-66  
AND FINANCE ACCOUNTS, 1965-66, RELATING TO  
FINANCE, P.W. (F.C. & I. WING), INDUSTRIES  
AND POWER (ELECTRICITY)  
DEPARTMENTS**

**Introduction**

I, the Chairman of the Public Accounts Committee having been authorised by the Committee to submit this Report on their behalf present the Twelfth Report on the Audit Report, 1967, Appropriation Accounts, 1965-66 and Finance accounts, 1965-66 of the Government of Assam relating to Finance, P.W. (F.C. & I. Wing), Industries and Power (Electricity) Departments.

2. These Accounts and the Report were laid on the table of the House on 23rd October, 1967.

3. The present Committee which was constituted by the House under Rule 242 of the Rules of Procedure and Conduct of Business in Assam Legislative Assembly began to function from the 1st April, 1969 after the expiry of the term of the previous Committee. The Accounts and Report mentioned in paragraph 2 above were examined by the Committee at its meetings held on 26th, 27th, 29th April, 16th, 17th, 18th May, 14th, 15th June, 11th, 12th July, 12th, 13th August, 24th, 25th October, 18th, 19th November, 7th December, 1968 and 13th February, 14th March, 1st, 3rd May, 2nd and 3rd June, 1969.

4. The recommendations and observations of the Committee on the Departments of the Government, other than the Departments dealt with in this Report relating to the Accounts and Report under review, were made in its Sixth, Eighth, Ninth and Tenth Reports.

5. The examination of the Accounts and Report was conducted in accordance with the relevant rules of the Assembly. The official witnesses were examined and they were asked to explain matters where obtaining of further explanation was found necessary.

6. As on previous occasion, the Committee examined the Secretary to the Government in the Administrative Departments concerned although certain relaxation was made in cases of officers who were unable to attend due to unavoidable reasons. The Officers who were examined have been shown in Appendix A and time devoted for each days meeting has been shown in Appendix B.

7. The recommendation of the Committee in regard to general irregularities and other serious breach of financial rules are mentioned in subsequent paragraphs. The summary of recommendations of the Committee are incorporated in Part II of the Report.

8. The Committee places on record its appreciation of the valuable assistance rendered throughout its examination of these Accounts and Report by Shri R.K.A. Subramaniya, I.A. and A.S. and Shri K. Tyagarajan, I.A. and A.S. Accountant Generals of Assam and Nagaland. The Committee also thanks Shri U. Tahbildar, B.Sc., B.L., Secretary, Assam Legislative Assembly for the assistance rendered to the Committee as Ex-officio Secretary to the Public Accounts Committee as well as to the Officers and staff of the Assembly Secretariat.

**GAURISANKAR BHATTACHARYYA,**

**SHILLONG:**  
The 30th March, 1970.

**Chairman,**  
**Public Accounts Committee.**

**Financial result of the Government of Assam  
1965-66**

1.1 The following table compares the expenditure during 1965-66 with the total of voted grants and charged appropriation for that year:—

				Total grants ap- propriation	Actual ex- pendi- ture	Excess+ Saving—	Percen- tage	
(In crores of rupees)								
Voted—								
Original	..	...	..	111.52	135.01	119.96	—15.05	11.1
Supplementary	..	...	..	21.99				
Amount authorised by the Govern- or under Ordinance to increase temporary the corpus of the con- tingency Fund.				1.50				
Charged—								
Original	..	...	...	34.89	84.57	95.75	+11.13	13.2
Supplementary	..	...	...	49.68				
Total				..	219.58	215.71	—3.87	1.7

1.2 The overall saving of Rs.3.87 crores was the net result of saving in 74 grants/appropriations amounting to Rs.17.86 crores and excess in 23 Grants/Appropriations amounting to Rs.13.99 crores.

1.3 The saving of Rs.3.87 crores was equal to 1.7 per cent of the total amount of voted grants and the charged appropriations. In the preceding year there was excess of Rs.4.28 crores (2.5 per cent of the provision) over the total amount of voted grants and charged appropriations

## GENERAL RECOMMENDATIONS FOR ALL DEPARTMENTS

### Paragraph 10 at Page 20 read with Appendix I

#### Non-submission of utilisation certificate

2.1 In spite of repeated comments and recommendation of the Committee in its earlier Reports to take energetic steps on the part of the Departments the position continues to be unsatisfactory. The utilisation certificates in 3,686 cases involving a sum of Rs.20.94 crores were outstanding on 1st November, 1966 in respect of grants paid by various Departments upto 1965-66 of this Education Department alone accounted for Rs.16.48 crores.

The Committee should therefore be apprised of the following within three months of the submission of this report before the House :—

1. Steps taken or proposed to be taken by the Departments to ensure the furnishing of utilisation certificates to the Accountant General.
2. The action taken on the previous recommendation of the Committee at Paragraph 1.10 of the Report, dated February, 1967.
3. Whether performance of the defaulting institutions were taken into account while sanctioning grants in subsequent years by the Department concerned.
4. What is the arrangement existing in the Government to watch and ensure that certificates are furnished in time and what checks are exercised to verify that certificates when furnished are correct.

## FINANCE DEPARTMENT

### Paragraph 2(b) at Page 3 of the Audit Report, 1967 (Arrear of Revenue)

3.1 This Paragraph brings out the extent of arrears in the collection of revenue under the following heads: —

	Arrears	Period upto which the arrears relate
	(In crores of rupee ₹).	
Land Revenue ..	3.06	30th June, 1966.
Forest Revenue...	0.39	31st March, 1964.
Sales Tax ...	0.37	31st March, 1966

Besides there are other principal heads like "Taxes on Agricultural Income", "Taxes on Motor Vehicles", "Taxes on goods carried by road or inland water ways (carriage tax)" in respect of which information was not furnished by Government.

## Recommendation

3.2 The Committee is not happy at the manner in which the work of collection of arrears of revenue proceeded with from year to year. The Committee reiterates their recommendations made in Serial 83 at Page 74 of their Report in March, 1966 and urges upon the Department to apprise the Committee whether in view of the action taken by the Government pursuant to the recommendations at Serial 100 at Page 144 of the 5th Report of the Committee there has been any improvement in the collection of Revenues.

The action taken by Government should be reported to the Committee within three months from the date of presentation of this Report to the House.

### Paragraph 5(c)(i) at Page 8 of the Audit Report, 1967

3.3 In item (c)(i) regarding Loans and Advances by the State Government Arrears in the recovery of loans of this Paragraph, brings out that the recovery of principal to the extent of Rs.62.41 lakhs and interest amounting to Rs.37.84 lakhs was in arrears as on the 31st March, 1966 in respect of loans given to Municipalities, Local Bodies, etc., the detailed accounts of which are kept in the Audit Office; out of these, overdues amounting to Rs.50.85 lakhs (Principal Rs.26.70 lakhs and interest Rs.24.15 lakhs) were more than 2 years old.

3.4 The total amount of loan outstanding against the Assam State Electricity Board on the 31st March, 1966 was Rs.48.61 crores and that interest on loans accrued upto June, 1965 (Rs.4.98 crores) had not been realised. A request of the Board for extending the period of moratorium beyond 31st May 1965 was stated to be under the consideration of Government.

3.5 In item (c)(ii) at page 9 of this paragraph further brings out that the total loans and advances given by the State Government and outstanding on the 31st March, 1966 amounted to Rs.68.54 crores, as indicated below:—

Category of loans and advances	Amount outstanding on the 31st March, 1966
	(In crores of rupees)
1. Advances to cultivators ... ..	3.02
2. Loans under Community Development Programmes ... ..	0.28
3. Loans to displaced persons ... ..	6.96
4. Miscellaneous Loans and Advances —	
(i) Rehabilitation loans ... ..	2.51
(ii) Loans to co-operative institutions ... ..	1.77
(iii) Loans under Low-Income Group Housing Scheme	1.14
(iv) Other miscellaneous loans and advances ... ..	4.25
Total ... ..	19.93



3.6 Asked as to what were the arrears in recovery of these loans reasons for such heavy accumulation of arrears and whether there was any departmental lapse in this regard; the Departmental witness stated that the arrears have accumulated for years together and these could not be realised at all. Something out of the loans to Municipal Boards and Town Committees were realised; but most of them could not pay within scheduled time.

3.7 The Committee further asked whether there was any lapse on the part of the Finance Department, the Departmental witness stated that the Finance Department actually did not come into the picture directly; it was the Municipal Administration Department. But the Finance Department insisted on that realisation by deduction from grants of certain percentage was made and almost 99 per cent repayment by the Municipal Boards and Town Committees was through deductions from the grants; otherwise payment was hardly one per cent except Tezpur Municipal Board which made a direct payment after selling some property acquired by the Army. On being asked as to what steps the Department proposed to take to realise this heavy accumulated amount, the Departmental witness stated that the Department had laid down that the Departments would not be allowed to lend out in a year more than what was realised by it in the last year. The Department insisted on this. But in the case of cultivators it was not sustainable. In the case of others the Department was strictly sticking to it. So, in the case of Co-operatives, rehabilitation loans and industrial loans, etc., the Department was sticking to the principle that if the Departments had realised some of the loan last year, an equivalent amount of loan could be given.

3.8 The Committee enquired whether it was possible for the Government to adjust the dues against the grants sanctioned in subsequent years. The Departmental witness replied that there was no grant against these concerns. Of course 'Loans to displaced persons' amounting to Rs.6.96 crores, more or less was going to be written off.

3.9 The Committee then wanted to know whether the period of moratorium has been extended. If not what stood in the way of taking a final decision in the matter or to realise the principal and interest due on these loans. The Departmental witness stated that no further moratorium has been granted formally. In the matter of finances of the Board during the last three or four months the Department has brought about very considerable economies. It had reduced the expenditure and stopped expenditure on Kopili and there was another big step which was going to be implemented immediately. So, very considerable economy had been effected in the expenditure.

### Recommendation

3.10 The Committee regrets to note that the arrears of recoveries could not be effected properly leading to heavy accumulation of arrears. Fixation of responsibility for not effecting the recoveries by the Departmental Officers may be considered slackness in departmental machinery, if any, may be removed. The action taken by the Government should be reported to the Committee within three months from the date of presentation of this Report to the House.

**Paragraph 5 (d) at Pages 9-10 of the Audit Report, 1967  
Acceptance of balance.**

3-11 This para indicates that the Departmental officers administering the loans and advances had not communicated acceptance of the balances outstanding for recovery in their jurisdiction as intimated to them by Audit. This is in contravention of the provisions of sub-para 2 of rule 368 of Assam Financial Rules. Some of the illustrative cases had been mentioned in the Audit Report.

3-12 Asked as to what were the reasons for not communicating acceptance of balances by the departmental officers and whether any action had been taken to fix responsibility for this. The Departmental witness said that there were many Districts where registers were not maintained and figures not reconciled. The Department had issued very strong instructions to them and insisted that whenever any Department wanted to sanction a loan, it must first get the clearance from the Disbursing Officer that the balance of previous loan was reconciled with Accountant Generals books and acceptance thereof communicated.

3-13 Asked as to whether personal responsibility can be fixed ; the Secretary, Finance replied that ultimately the Department shall have to fix responsibility on the person concerned. The Secretary further stated that the worst defaulter was the Industries Department where the receipt books were not up-to-date. In some District Offices of this Department no proper registers were maintained.

3-14 The Committee enquired as to whether under the guidance and instructions issued by the Finance Department, it was possible to know the amount to be realised in future and what was the machinery actually supervising to see that the aforesaid direction was being carried out ; the Departmental witness replied that there was no machinery from the side of the Finance Department. It was entirely left to the respective Department and the Finance Department gathered the result from the Audit.

3-15 In reply to a question, the Secretary, Finance assured the Committee that he would provide for quarterly collection of information for maintenance of loan registers by the different Departments and also to follow up action against the Departmental Officers administering the loans and advances who had not accepted the balance outstanding for recovery in their jurisdiction as communicated to them by Audit in contravention of the provisions of sub-para 2 of rule 368 of the Financial Rules.

**Recommendation**

3-16 The Committee reiterates its earlier recommendation made in Paragraph 1-46 at Page 13 of its Report of February, 1967

and recommends that responsibility should be fixed on those Departmental Officers administering the loans and advances who had not accepted the balance outstanding for recovery in their jurisdiction in contravention of rule 368 of Assam Financial Rules.

The action taken should be intimated to the Committee within three months from the date of submission of this Report to the House.

**Paragraph 6(d)(ii) at Page 13 of the Audit Report, 1967**

3-17 (a) The paragraphs indicates that there was an outstanding balance of Ways and Means Advances amounting to Rs.2.90 crores on the 31st March, 1965 ; of this, only a sum of Rs.10 lakhs was repaid during 1965-66.

3-18 The paragraph further brings out that there were shortfalls in minimum cash balance with the Reserve Bank on 201 occasions during the year. The deficiencies were covered by the grant of temporary overdrafts amounting to Rs.63.62 crores. There was also an outstanding balance of shortfalls amounting to Rs.11.42 crores as on the 31st March, 1965. Of these amounts, a sum of Rs.63.45 crores was repaid during 1965-66 leaving a balance of Rs.11.59 crores at the end of the year. The total amount of interest paid on the overdrafts obtained during the year was Rs.60.35 lakhs of which Rs.33.24 lakhs were paid during the year.

3-19 (b) The acute 'Ways and Means' position of the State Government will be apparent from the position stated in (a) above. It has been noticed that large amounts (not required for immediate disbursement or not required at all) are drawn sometimes just to avoid lapse of budget provision and for keeping such money in hand for long period either in cash or in bank draft outside the Government cash balance in the Bank. On the other hand for shortfalls in the minimum balance with the Reserve Bank of India ways and means advances temporary overdraft from the Reserve Bank of India are obtained and large amounts of interests paid by the Government had such amounts not required for immediate disbursement been drawn only when required the interest charges payable on the ways and means advance/temporary overdrafts taken to cover the shortfalls in the balances could have been avoided to some extent.

3-20 The Audit Report illustrate a few such cases of unnecessary drawal of funds amounting to Rs.45.16 lakhs (*i. e.* paras 20-21 at pages 35-36 of the Audit Report) resulting in payment of certain avoidable interest charges paid to the Reserve Bank of India.

3-21 The Committee wanted to know whether it could be instructed to the Officers that unless there was an immediate necessity no money could be withdrawn and whether it was a fact that in some cases overdrafts were taken liberally and literally, to which the Departmental witness replied that overdrafts occur as a result of operation, and are not preplanned. But in many cases, the Department have the drawing power without coming to Finance Department.

### Recommendation

3-22 The Committee notes with concern the tendency in some Departments to withdraw money, with a view to avoid a lapse of budget grant; although such money is not required for immediate disbursement and recommend that the practice of making such withdrawal should be discontinued forthwith. Finance Department should require all drawing officers to report to them every three months cash balance lying with them, with showing months when the amounts was drawn, with a view to see the reasonableness of keeping such money in hand.

#### Paragraph 9 at page 19—Grants-in-aid

3-23 The Audit para brings out that at the end of March, 1966, 7,123 accounts, which were due for audit, by the Examiner, Local Accounts had not been audited. This arrear was attributed by the Examiner mainly to inadequacy of sanctioned strength of the staff.

3-24 On being questioned as to whether the Finance Department has taken any action to ensure that the arrear accounts are audited immediately the Departmental witness stated that there were some very old audit arrears, some of them related to 1956-57 also. The Secretary, Finance stated that he is seriously wondering as to whether to decide that very old arrears should be completely forgotten because if the Department is saddled with very old arrears, the current work will suffer.

3-25 After hearing the Secretary, Finance, the Committee remarked that if the Finance Department decide to write off the arrear it would be an encouragement to others to keep things pending with the expectation that after sometime, these would be granted a moratorium.

3-26 Drawing the attention of the Departmental witness to the earlier recommendation of the Committee in para 1-48 of its Report of February, 1967, the Committee wanted to know as to whether the Finance Department had taken any action to ensure that the arrear accounts were audited.

3-27 The Departmental witness replied that old arrears, prior to 1964 were taken up and these had been brought down to about 1,500. Audit arrears had been noted with concern and they were going to have Audit Office in every Subdivision and placing some Auditors in every Subdivision so that the number of days involved in the journey was minimised. The Department had also seen that the number of supervisory Officer was not sufficient to cope with the audit reports coming in and so four Assistant Examiners of Local Accounts were sanctioned.

### Recommendation

3-28 The Committee is not happy with the present state of affairs with regard to arrear Accounts and reiterates its earlier recommendations in Para 1-48 of the Report of the Committee dated February, 1967. Action taken by the Department in clearance of the arrear in Audit should be submitted to the Committee within six months from the date of presentation of this report before the House.

**Paragraph 12 and 13 at Pages 22-23 of the Audit Report, 1967**

3.29 The Audit Paragraphs bring out instances of unnecessary/excessive provision obtained in supplementary grants from the Legislature. Such excessive grants are likely to reduce the effective control for transfer/provision of funds in other grants/other purposes.

3.30 Drawing the pointed attention of the Departmental witness, the Committee observed that there was scope for a closer estimation of requirements in such case before the supplementary demands were sought for and experienced what steps the Department had taken to tighten up the system of budgetary control.

3.31 The Secretary, Finance in reply stated that when the Controlling Officers themselves certify, the Finance Department has no machinery to verify their statement. But even then every year the Supplementary Demands were reduced by 30 per cent. When the Department concerned give complete statements, the Finance Department finds no scope to reduce the demand. Strong circulars pointing out the views of the Committee were issued. Sometimes even the Controlling Officers themselves found it difficult to assess the requirements.

**Recommendation**

3.32 The Committee feels concerned at the lack of adequate budgetary control as brought out in this and previous Audit Reports. There has not been any marked improvement in the matter of financial control during 1965-66 although that was the impression given by the Finance Secretary *vide* para 1.3 at page 2 of the Report of the Public Accounts Committee dated February, 1967. The Committee, therefore, recommends that there should be adequate strengthening of the budgeting and accounting machinery in the department of Government and also another machinery to ensure proper functioning of the budget and accounts wing. A report in this regard may be submitted to the Committee within a period of three months from the date of presentation of this Report to the Assembly.

**Paragraph 14 (a) and (b) at pages 23-25 of the Audit Report, 1967.**

3.33 In spite of recommendations in the past excess occurred in 1965-66 in a large number of cases.

3:34 The excesses over voted grants which occurred in 1965-66 in the following 18 cases require to be regularised under Article 205 of the Constitution:—

(In this table 'O' stands for original grant and 'S' for supplementary grant.)

Serial No.	Number and name of grant	Total grant	Expenditure	Excess	
				Amount	Percentage
		Rs.	Rs.	Rs.	
1.	3.—State Excise Duties ...				
	O. 25,68,400				
	S. 1,63,317	27,31,717	31,66,345	4,34,628	16
2.	4.—Taxes on Vehicles ...				
	O. 11,32,700				
	S. 1,65,565	12,98,265	13,17,994	19,729	1.5
3.	6.—Stamps ...				
	O. 1,94,600				
	S. 20,000	2,14,600	2,85,353	70,753	33
4.	9.—General Administration ...				
	O. 1,41,21,500				
	S. 21,04,943	1,62,26,443	1,69,18,173	6,91,730	4
5.	10.—Administration of Justice ...				
	O. 23,02,200				
	S. 21,459	23,23,659	29,83,192	6,59,533	28
6.	14.—Miscellaneous Departments— Trade Adviser and Directorate of Movements				
	O. 1,94,400				
	S. 43,600	2,38,000	2,40,390	2,390	1
7.	19.—Public Health ...				
	O. 2,21,37,000				
	S. 50,14,600	2,71,51,600	2,82,03,065	10,51,465	3.9
8.	20.—Agriculture ...				
	O. 3,43,58,400				
	S. 44,23,346	3,87,81,746	4,02,89,653	15,07,907	3.8
9.	25.—Industries-I-Sericulture and Weaving.				
	O. 60,32,200	60,32,200	61,29,006	96,806	1.6
10.	28.—I—Community Development Projects, National Extension Services.				
	O. 2,49,35,100	2,49,35,100	2,75,90,097	26,54,997	10.6
11.	31.—Miscellaneous Social and Developmental Organi- sation—I—Directo- rate of Statistics.				
	O. 14,43,600				
	S. 51,750	14,95,350	16,25,808	1,30,458	9
12.	34.—Miscellaneous Social and Developmental Organi- sations—IV—Directora- te of Information and Public Relations.				
	O. 12,82,500				
	S. 4,38,375	17,20,875	18,61,816	1,40,941	8
13.	39.—Miscellaneous Social and Developmental Organi- sations IX—Pooled Transport and Tourism.				
	O. 3,58,200				
	S. 4,83,808	8,42,008	9,05,200	63,192	7.5

Serial No.	Number and name of appropriation	Total grant	Expenditure	Exces	
				Amount	Percentage
		Rs.	Rs.	Rs.	
14.	41.—Irrigation, Navigation, Embankment and Drainage Works, etc. O. 5,94,12,900 S. 2,15,60,000	8,09,72,900	9,18,56,873	1,08,83,973	13.4
15.	43.—Public Works Establishment and Tools and Plant. O. 1,60,41,000 S. 21,29,711	1,81,70,711	2,23,29,185	41,58,474	23
16.	55.—Miscellaneous—VI—Advanced Technical Training and Scholarships. O. 3,85,000	3,85,000	4,05,363	20,366	5
17.	65.—Capital Outlay on Industrial and Economic Development—III—Other Miscellaneous Undertakings O. 27,53,200	27,53,200	30,86,223	3,03,023	11
18.	70.—Capital outlay on Forests O. 4,76,000 S. 32,320	5,08,320	5,08,813	493	..

In the following 5 cases there was an excess over the charged appropriation which required regularisation.

(In this table 'O' stands for original appropriation and 'S' for supplementary appropriation).

Serial No.	Number and name of appropriation	Total appropriation	Expenditure	Exces	
				Amount	Percentage
		Rs.	Rs.	Rs.	
1.	8.—Parliament, State and Union Territory Legislatures. O. 43,000 S. 8,000	51,000	52,358	1,358	2.6
2.	10.—Administration of Justice O. 6,75,900	6,75,900	6,79,514	3,614	0.5
3.	41.—Irrigation, Navigation, Embankment and Drainage Works, etc. S. 6,235	6,235	43,618	37,383	Six time the provision.
4.	57.—Other Miscellaneous Compensation and Assignments. O. 43,200 S. 1,08,305	1,51,505	1,56,131	4,626	3
5.	Appropriation Repayment of Debt. O. 27,78,19,600 S. 47,68,40,890	75,46,60,490	87,17,12,686	11,70,52,196	15.5

In a reply to a question, the Departmental witness stated that the Controlling Officers were repeatedly requested not to exceed their grants. With regard to Public Works Department a scheme of instructions to Treasuries were processed not to honour their bills in excess of their allotted amount. Certain objections were raised to the draft scheme and the Department had to go in for more detailed study.

### **Recommendation**

3.35. Subject to the following observations the Committee recommend that the excesses should be regularised

Suitable instructions should be issued to the Controlling Officers, who failed to observe the budgetary principles (as a result of which there were excesses under these grants), to ensure that such irregularities do not recur.

The action taken should be intimated to the Committee within three months of submission of this Report to the House.

### **PUBLIC WORKS (FLOOD CONTROL & IRRIGATION WING) DEPARTMENT**

**Paragraph 35 at page 44.-Expenditure incurred without or in excess of detailed estimates.**

4.1. As per rule no new work may be commenced or any liability incurred thereon till its detailed estimate has been sanctioned. It is also laid down that a revised estimate should be prepared when the sanctioned estimate is likely to be exceeded by more than 5 per cent. The para brings out that in respect of 20 works, expenditure of Rs. 47.85 lakhs was incurred without sanctioned estimates while in respect of 13 other works expenditure was incurred in excess of 5 per cent of sanctioned estimates, the amount of excess upto March, 1966 being Rs. 10.75 lakh.

The Committee enquired what were the reasons for execution of work by the Department without drawing detailed estimates and getting the same sanctioned by the competent authority to which the Departmental witness stated that actually there had been a lapse on the part of the Department. But there were occasions when work had got to be started because of emergent nature of the work and attempts were made to accord sanction at the earliest opportunity.

On a query as to whether Government is satisfied that these works were of emergent nature or it was just a lapse on the part of the Department; the Departmental witness admitted that it was an unfortunate lapse which would not be repeated in future.



## Recommendation

4.2. The Committee recommends that the Department should take specific steps to stop recurrence of such irregularities in future.

### **Paragraph 42 at Page 47:—Extra expenditure due to non acceptance of lowest tender**

4.3. The para brings out that in Nowgong E. and D. Division, lowest tenders for execution of 21 groups of works relating to raising and strengthening of existing embankments, construction of river dykes etc., were not accepted in 1964-65 resulting in payment of extra amount to the tune of Rs. 19,444. Further, in five of these cases, works were allotted (at rates higher than the lowest tendered rates) to contractors who had not even submitted any tender for the particular group/groups of works. In January, 1967, Government stated that the lowest tenders were not accepted as these were too low and considered to be unworkable in view of the site condition. Allotment of works of certain groups to contractors who did not submit tenders for those groups was also stated to have been made in consideration of capability decided on labour strength, financial position, etc.

4.4. The Committee asked as to what was the basis for determining the tendered rate as too low and unworkable and how did the tendered rates compare with the estimated rate to which the Departmental witness replied that the estimated rate was Rs. 10 per 1000 Sq.ft.

4.5. On being questioned as to what was the lowest tendered rate the Departmental witness stated that it came down to Rs. 4-.

4.6. On being asked as to whether the lowest tenderers were experienced people or they were new to the job and when the estimated rate was Rs. 10 and when the lowest tenderer offered to do the work at Rs.4 why instead of giving the works to the lowest tenderer it was giving to an outsider at Rs. 5; the Departmental witness regretted that he could not give the names of the tenderers and said that it was not given to an outsider but to a person who did not tender for that particular group. Actually when tenders were called all the people who tendered were called tenderers and they were accommodated in some group or the other.

4.7. On being questioned as to why in one case the tenderer offered to do the work at Rs. 4 but he was not given and it was given to one who did not tender at Rs. 5, then in another case the lowest tender was Rs. 5 but he was not given and somebody else was invited from outside and given the work at Rs. 7; in another case one offered to do the work at Rs. 4.75 but it was given to another at Rs. 6.75, the Departmental witness stated that regarding turfing work the rate would not be the same all throughout the length. Site condition varies from place to place; The Executive Engineer took into account the capability of the contractors.

4.8. The Committee then asked when the Department did not accept the lowest tender than under the Rules, the reasons thereof were to be recorded and the Department not only rejected the lowest tenders, but atleast in five cases out of 21 groups, contracts were given to contractors at higher rates and to such contractors who even did not submit tenders; the Departmental witness replied that the Executive Engineer failed to record the reasons and so the Department had issued a severe warning to him. The Officer did not record the working of his mind and therefore, it had become difficult for the Department to say what had happened.

### **Recommendation**

4.9. The Committee regrets to say that the conduct of the affair appeared to be negligent or ignorance of rules but it appeared to be culpable. Further stricture to be issued for creating a bad precedence of violating the Rules.

#### **Paragraph 43 at Page 47 of the Audit Report 1967**

4.10 This para brings out that in Cachar E and D Division, construction of an embankment along the banks of the river Sonacharra and Balicharra was taken up in 1962-63 at an estimated cost of Rs. 8.48 lakhs. The earth work was completed in June, 1963 leaving some gaps for construction of sluice culverts which were to be completed by May, 1963. But the same were not completed even by July, 1963 when the flood damaged the side slopes of the embankment which had to be repaired involving extra expenditure of Rs. 20,491. The Government in April, 1966 intimated that the work could not be completed by the Scheduled date for want of cement.

4.11. The Committee wanted to know when was the cement indented for and when received and what were the reasons for delay in getting cement. The Departmental witness in reply stated that the Executive Engineer did not indent cement exclusively for this work, but he made a general demand for all other works combined, that was the way all Executive Engineers do, they total out their requirement and then place their demands with the Chief Engineer. This Executive Engineer by his telegram No. 4760 dated 14th September 1962 asked for 800 tons of cement. He intimated his requirement to the Chief Engineer. This was repeated by other telegrams on 9th November 1962. At the Chief Engineer's end a letter was written to the Trade Adviser in Culcatta on 19th September 1962 for despatching the cement to Cachar District. The Department got the whole list of notes, letters and telegrams that were sent by the Executive Engineer. The Executive Engineer again sent a telegram dated 8th December 1962 asking for 1,500 tons of cement and another telegram on 22nd December 1962. Then he addressed one letter to the Deputy Director of Supply, Silchar, asking for 2,000 bags of cement in his letter dated 9th November 1962. Then he made a request to the Deputy Commissioner also for 1,500 bags of cement on 8th January 1963. Then he made another attempt to his counterpart Executive Engineer, R and B by his letter dated 3rd December 1962 asking for loan of cement. So all this will show that the Executive Engineer was making utmost attempts.

4-12. On a query as to whether excepting the month of April, there was a continuous flow of cement more or less. Receipt as well as issue by June/July there was a huge quantity. As cement is not indented for any particular work, probably there is no rule also that cement indented for in a particular period, that was received later, could not be used. When cement was there in stock, that had to be expended. Did you think that the Executive Engineer used his discretion the way it should have been since these were sluice culverts so that he could have proceeded with the work. At least in May he could have gone ahead with the work. The Departmental witness replied that in May the water level rises. It was difficult to take up substructure work, ground water was there, bailing out was difficult. In case of earth work, it was above the ground for sluice work foundation work below 4 to 9 feet of ground level was required. The Department preferred to do it in the dry season.

4-13. On being questioned as to whether there was wastage to the extent of Rs.20,491 and it could have been avoided by making some alternative arrangement for protecting the gaps, the Departmental witness replied that precautionary measures had been taken as the gaps were left in embankment for siting the sluices. The ends were protected by bamboo palisading so that it did not widen and gaps did not increase.

4-14. The Committee wanted to know the time taken by the Director of Consumer Goods to respond to the requisition of the Chief Engineer for cement. The official witness stated that the Chief Engineer intimated the requirement to the Director of Consumer Goods on 7th July 1961 and the Under Secretary, Supply Department intimated the Director of Consumer Goods the demand and the allotment of different Departments among which the demand of Flood Control Department was 4,806.61 metric tonnes and the allotment was made for 4,000 metric tonnes. So the Under Secretary, Supply Department cut down over 800 tonnes. Did he give the basis why he did so and did Department object to it? If he made a cut he should submit an explanation why he did it? In which month was this cut made? The official witness stated that the Under Secretary, Supply intimated this to the Director of Consumer Goods on 5th of January, 1962.

4-15. Asked whether the Chief Engineer informed his requirement in July 1961 and the Under Secretary, Supply Department took six months' time to convey it to the Director of Consumer Goods and while taking six months, he used his axe to curtail the allotment, when did the Director make the indent?

4-16. The official witness stated that the formal indent was placed in a printed form giving the name and the address of the person in whose favour the cement should go and the name of the cement factory and the quantity was 4,000 metric tonnes. But this point would need to be examined further against each indent, the official witness added. The allotment was issued on 24th January, 1962 but the quantity was drastically cut down, the official witness further stated.

### Observation and Recommendation

4-17 On an examination of the factors for extra expenditure on culverts. etc., it was found that paucity of cement was the main factor. It was also seen that the bottlenecks are created mostly in the State Secretariat level, for example the Chief Engineer-in-charge of Flood Control had, after assessment of his actual requirement of cement, requisitioned for 4,806.61 metric tonnes of cement in July, 1961. At that time, cement was a strictly controlled commodity and therefore the indent had to pass through the Director of Consumer Goods. The Chief Engineer's requisition of July, 1961 was disposed of by the Under Secretary to the Government in the Supply Department only in January 1962, that is, after six months of the date of requisition and even in a technical matter like this, the Under Secretary, without recording any reason, cutdown the quantity by over 800 metric tonnes. It was the Under Secretary, Supply Department himself who endorsed the indent to the Regional Cement Factory Officer, Calcutta. He addressed it to the Director of Consumer Goods with a copy endorsed to the Regional Cement Factory Officer, Calcutta in January 1962 and within the month of January, 1962 the Regional Cement Factory Officer placed the indent with the Cement Marketing Corporation of India.

4-18 As to the actual date of arrival of the cement in Assam, the Department is not in a position now to give the actual dates of receipt. At any rate, it can be presumed from the above that in addition to the bottlenecks created by transport difficulties and other factors the avoidable delay occurred in the State Secretariat itself.

4-19 The Committee would like to stress that the Government should see that its own Departments and Secretariat function with clearer understanding and more promptitude. Suitable instructions may be issued to all concerned under intimation to the Committee.

#### Paragraph 46 at pages 49-50 of the Audit Report, 1967

4-20 The para brings out persistent delay in the adjustment of inter-divisional transactions and transactions between Public Works Department and other department and Governments. The Public Accounts Committee recommended in their Report of March, 1965 that "the Department should take prompt action for settling such old and long-standing accounts without further delay".

4-21 The Committee wanted to know whether there was persistent delay in the adjustment of inter-divisional transactions and transactions between Public Works Department and other Departments; the Departmental witness replied that the Department also hotly pursued this matter and the Divisional Officers were given very stringent circulars.

### **Recommendation**

4-22 The Committee recommends that the Department should take effective steps to ensure early adjustment of the outstanding items. Schedule for clearance of old and long-standing items should be drawn up.

The action taken may be intimated to the Committee within three months from the date of submission of this Report before the House.

#### **Paragraph 49 at page 53 of the Audit Report, 1967**

4-23 This paragraph brings out that 10 Divisions held stock in excess of ceiling limit and the amount involved is nearly Rs.22 lakhs which means that on an average each Division had excess stock of Rs.2 lakhs over the sanctioned limit. The Committee enquired as to why the stock exceeded the sanctioned limit? The Departmental witness replied that from the Accountant General's letter dated 25th July 1968 it appears that only three Divisions had subsequently exceeded the sanctioned limit. Of these three Divisions the sanctioned limit of two Divisions has since been raised.

4-24 Asked whether at the relevant time there was a sanctioned limit for each of the Division and 10 Divisions exceeded that limit. If subsequently the sanctioned limit was raised then for the subsequent period it would be alright. Whether the Divisions took any previous permission from the higher authorities for exceeding the limit; the Departmental witness replied that actually the Divisional Officers did not make large scale purchases themselves. When the materials were ordered from the Chief Engineer's Office and got the materials, they found that the stock had exceeded the limit and accordingly their limit was raised.

### **Recommendation**

4-25 The Committee is not happy with the state of affairs as there is clear irregularity from the financial point of view and it also shows lack of control and supervision on the part of the Department. Suitable instructions should be issued to ensure that such irregularities do not occur.

#### **Paragraph 50 at Page 53 of the Audit Report, 1967**

4-26 The para brings out that in spite of the fact that each Division which has tools and plant is required to maintain a register for keeping an account of receipts, issues and balances of tools and plant and close it in September each year, 3 Divisions did not close the Register for September, 1966 and earlier years.

4:27 Asked as to whether the Department thought it urgent and proper and should insist on proper maintenance of register the Departmental witness assured to take steps so that the Divisions did not default in future.

4:28 On being questioned as to what was the explanation given by the Divisions for non-closure of the register the Departmental witness stated that the Department have not specifically asked for any explanation or information but steps were taken so that registers might be closed.

### Recommendation

4:29 The Committee recommends that reason for non-closure of registers in the month of September of every year should be asked from the defaulting Divisions and responsibility be fixed on the Officer or Officers concerned for failure of taking timely action.

4:30 The Department should also exercise a constant watch so that any bottleneck in the timely preparation of the registers is removed as and when it is faced.

### APPROPRIATION ACCOUNTS, 1965-66

#### Grant No. 41 Note 7(b) at Page 97

4:31 The suspense Head "purchases" is used as Temporary passage of transaction on materials purchased but pending actual payment or adjustment. The head "purchases" is credited with the value of materials as soon as received; when payment for the materials is made or their value is adjusted, this suspense head is debited with the amount thus setting off the initial credits. A negative (credit) balance thus represents value of materials received but not paid for or adjusted.

4:32 The suspense head "Miscellaneous Public Works Advances" records debits for the value of stores sold on credit, expenditure incurred on deposit works in excess of deposits received losses of cash or stores not written off and sums recoverable from the Government servants, etc. A debit balance therefore, represents amounts recoverable from various parties. Unless, therefore, the balances under "Miscellaneous Public Works Advances" are scrutinised from time to time and action taken regularly towards recovery of the amounts involved, it is likely that some of the amounts would prove irrecoverable with passage of time.

4:33 Out of a balance of Rs.60.76 lakhs as on 31st March 1966 standing under "Purchases", analysis of a balance of Rs.41.28 lakhs could not be worked out for non-receipt of necessary schedules from 5 P. W. Divisions. Similarly analysis of Rs.19.28 lakhs under Miscellaneous P. W. Advances could not be worked out due to non-receipt of Schedules from four Divisions.

4.34 The Committee wanted to know as to whether the Department had been able to analyse and found out the yearwise break-up of the outstanding amount ; to which the Departmental witness replied that the Divisions were asked to be up-to-date. Yearwise break-up was not available.

### Recommendation

4.35 The Committee recommends that the Department should ensure that the Divisions analyse their balances regularly and submit the information to Audit. Intimation may be issued to ensure that the balances are reduced to the minimum.

### INDUSTRIES DEPARTMENT

#### Paragraph 73 at Page 66 of the Audit Report, 1967

##### Assam Government Marketing Corporation

5.1 This paragraph brings out that the working of the Company during the year ended 31st March, 1966 resulted in a net loss of Rs.1,24,608 as against a net loss of Rs 38,597 during the preceding year. The accumulated loss upto the year ending March, 1966 amounted to Rs 3,16,296 which together with the deferred revenue expenditure upto March, 1966, yet to be written off, amounted to Rs.3,30,485. The loss of Rs.1,24,608 during the year 1965-66 did not take into account the following elements:—

- (i) establishment charges etc. for Rs.8,029 not provided for ;
- (ii) closing stock overvalued by Rs.11,060 due to arithmetical errors ;
- (iii) Sub-standard goods (cost Rs 37,771) not valued at realisable cost and
- (iv) provisions for bad and doubtful debts not made in full. Out of 25 emporia, 14 emporia incurred losses of Rs.1,72,605 which was partly offset by profit (Rs.47,997) in the remaining 11 emporia. Calcutta emporium alone sustained a net loss of Rs.25,819 during the year.

5.2 In September, 1965, Government constituted an Expert Committee with a view to improve the working results of the Company. The Committee submitted its report to Government in September, 1966 ; decision taken by the Government has not been intimated (March, 1967).

5.3 (b) At the end of 1965-66, a sum of Rs.8.53 lakhs was lying outstanding against sundry debtors ; of which Rs.2.67 lakhs were outstanding for more than 3 years.

5.4 In course of examination the Committee came to know that the Assam Government Marketing Corporation is entirely a Government financed organisation. The Government has up till now, invested about Rs.30 lakhs. Upto March, 1968 the accumulated loss of this Corporation has come up to Rs.8.31 lakhs. This is a colossal figure but certain aspects of the matter

cannot be lost sight of. The idea for starting this corporation was primarily promotional. The Government of Assam felt that the cottage industries of the State needed State's protection, help and encouragement. It was felt that the producers did not get ready market and also fair price for their products. They were left to the mercy of private individual traders. So, as early as in 1925 Government took up this scheme. But this corporation came into being in the year 1959. The scheme envisaged production, promotional and service aspects as well. It was not purely a commercial venture. However, being a Government sponsored Corporation it has its peculiar problems and limitations. It cannot function like a private individual trader. In fact it has to run on scruples and serve as deterrent against some exploiting practices of certain section of private traders. No doubt it has got some amount of top-heaviness and avoidable establishment cost. But those alone cannot be ascribed to be the causes of such a colossal loss.

### **Recommendation**

5.5 The Committee feels concerned that although Expert Committee, constituted in 1965 with a view to improve the results of the Company, submitted report to Government in September, 1966, no decision had been made known by Government. The Committee, therefore, recommends that a copy of the expert committee report together with a copy of decision taken by Government may be furnished to the Committee. Government should also go into the specific reasons for loss incurred by the Corporation and examine its pricing policy. If the cost arrived at on strict commercial principle turns out to be high, proper course to give protection and encouragement for Cottage Industry and products would appear to be by way of subsidy.

5.6 The department should also take effective measure to improve collection of dues from the debtors. A report in this connection should be submitted to the Committee within a period of three months from the date of presentation of this Report to the Assembly.

#### **Paragraph 76 at Page 67 of the Audit Report, 1967**

##### **Assam Small Industries Development Corporation Limited**

5.7 This paragraph brings out that the Company incurred a net loss of Rs.57,627 during the year ended 31st March, 1966, as against a net profit of Rs.30,944 in the previous year. No provision for bad and doubtful debts was made on the ground that there was no profit during the year although a debt of Rs.3,170 was considered as doubtful by the Management.

5.8 During 1965-66, a sum of Rs.32,240 was paid as demurrage charges (which constituted about 50 per cent of the freight charges paid by the Corporation) due to non-receipt of railway documents and paucity of funds,



The closing stock of Rs.25.85 lakhs included stock worth Rs.23.12 lakhs purchased about three years back.

5.9 Asked as to why goods could not be cleared in time due to which payment of demurrage charges to the extent of Rs.32,240 had to be given, the Departmental witness stated that towards the end of 1965 and early part of January, 1966 the Railway sent all on a sudden as many as 12 or 13 wagons to be cleared at a stipulated time. Due to want of cranes and other machineries it was not possible on the part of the Department to clear up the goods within the limited time. In spite of repeated requests, the Railway authority paid no heed and the Department had to pay demurrage charges.

5.10 Asked as to why his information was not intimated to the Accountant General in time, the Director said that as they did not get the information from the Companies in time and as they were acting as a post office, Accountant General could not be intimated timely.

5.11 The Committee wanted to know the latest position with regard to utilisation or disposal of closing stock. The Director stated that nearly all the old stocks had been cleared.

5.12 On a query as to whether raw-materials were perishable the Director said that out of the old stocks most of them being bottles for honey they were not perishable.

### **Recommendation**

5.12 In course of our recent audit it has come to light that the small Industries Development Corporation is saddled with running of a few of sick mills. The present recommendation may, therefore, be modified somewhat on the following lines.

In view of substantial loss incurred by Corporation the Public Accounts Committee recommends that Government may form a Committee to go into details of working of the corporation keeping in view the objects with which the Corporation was set up and rid it of matters not contemplated. A report in this connection may be submitted to the Committee within a period of three months from the date of presentation of this Report to the Assembly.

### **POWER (ELECTRICITY) DEPARTMENT**

#### **Paragraph 67 at Page 63 of the Audit Report, 1967. Assam state Electricity Board**

6.1 Government have invested Rs.48.69 crores in the Board up to the 31st March, 1966. The Board also raised Rs.1.62 crores as capital by floating 4 $\frac{3}{4}$  per cent bonds in November, 1962 at 99.75 per cent redeemable

at par in November, 1972. The repayment of principal and interest on the bonds had been guaranteed by the Government. No Redemption Fund for the amortisation of the loan as required vide clause 20 of the Prospectus relating to the bonds has been created so far (February 1967) due to paucity of funds.

6.2 During the year 1965-66, there was a net deficit of Rs.24.45 lakhs as against net operating surplus of Rs.23.17 lakhs during 1964-65. As such the depreciation amounting to Rs.22.29 lakhs remained unabsorbed. The unabsorbed depreciation at the end of 1965-66 amounted to Rs.49.35 lakhs.

6.3 For want of requisite surplus in revenue, no provision was made in the accounts for payment of interest on Government loans. The interest which became due for payment up to the 31st March, 1966 amounted to Rs.7,23.93 lakhs on Government loans. The Government granted a moratorium in respect of the payment of interest of Rs.4.98 lakhs (up to June, 1965) on loans given to the Board for a period of 7 years from the date of creation of the Board (June, 1958). No provision has been made in the accounts to liquidate the above liabilities. The Board has requested (in September, 1966) the Government to extend the period of repayment of the interest on loans; Government's decision is awaited (February, 1967).

6.4 The Assam State Electricity Board was constituted on 1st June, 1958 under the Electricity (Supply) Act, 1948. There is no limit of authorised capital. The borrowing power of the Board is Rs.10 crores. The total liability of the Board, as it stands on 31st March, 1968, is Rs.65,88,83,317.57 and of this capital liabilities constitute Rs 1,62,10,000.

	Rs.
Initial loan by transfer of assets ... ..	3,29,64,278.86
Cash loan from Government of Assam ... ..	56,33,25,756.18
Loans from the L. I. C. ... ..	3,00,00,000.00
Other public loans raised by the Board ... ..	1,62,10,000.00
Consumers contribution from service line ... ..	1,51,38,006.82
Miscellaneous capital receipt ... ..	4,07,175.71
Grant in aid for lift irrigation scheme ... ..	3,12,600.00
Grant in aid for Mizo Hills ... ..	5,25,500.00

6.5 Within the year 1967-68, the liabilities amounted to Rs.9,69,24,760.30 and an amount of Rs.17,91,404.43 of the liabilities was redeemed during the year 1967-68. In other words, within the year 1967-68, the liabilities of the Board increased by Rs.9,52,15,385.87. Apart from the above capital liability, the Board has also other liabilities. For example,—

	Rs.
General Provident Fund ... ..	5,58,574.69
Contributory Provident Fund ... ..	81,244.61
Creditors open account ... ..	1,58,50,949.94
Consumers Security Deposit including High Tension Deposit.	14,83,026.94
Accounts payable to contractors and other Depositors.	19,62,047.91
Other current and accrued liabilities ... ..	41,20,420.10
Staff security deposit ... ..	11,274.58
Deposit works ... ..	82,142.88
Remittance, transfers ... ..	90,000.00
Total liabilities ... ..	68,31,22,999.22

6.6 In the previous year, the total liability was Rs.60,00,35,759.92, that is to say, increase in the total liability within the year 1967-68 has been by Rs.8,30,37,239.50. The comparison of the total and capital liabilities shows that within the year 1967-68 there was a little improvement in the sphere of current liability. As against the above liabilities the Board has the following assets, viz:—

				Rs.
Fixed assets (Net block)	...	...	...	40,30,33,710.71
Current assets—				
1. Capital works in progress	...	...	...	9,88,62,366.94
2. Capital stores for specific projects	...	...	...	4,55,90,208.67
3. Other operating stores	...	..	...	86,40,484.53
4. Loans and advances etc.	...	...	...	4,540.00
5. Advance to staff	...	...	...	29,98,307.82
6. Sundry Debtor for electricity supply	...	...	...	40,15,862.08
7. Other debtors	...	...	...	1,34,85,449.67
8. Accounts receivable	...	..	...	12,148.20
9. Bank balance	...	...	...	24,250.68
10. Debtor of credit	...	...	...	52,831.19
11. Short term deposit	...	...	...	10,00,000 (ten lakhs)
12. Current deposit and at call	...	...	...	16,64,782.48
13. Cash in hand	...	...	...	30,26,565.95
14. (a) Vehicles suspense	...	...	...	11,24,900.89
(b) Tools suspense	...	...	...	4,72,313.99
(c) Workshop suspense	...	...	...	5,66,989.70
15. Collection Account	..	...	...	2,96,174.92
16. Remittance Account	...	...	...	5,03,847.70
17. Transfer Divisional	...	...	...	8,77,18,64.03
18. Net loss (excluding interest on Government loans)				1,99,22,599.10

6.7 The details of interest due on Government loans are as follows:—

				Rs-
1958-59	...	...	...	13,66,328.00
1959-60	...	...	...	17,78,855.00
1960-61	...	...	...	24,57,688.00
1961-62	...	...	...	46,01,469.00
1962-63	...	...	...	79,11,032.00
1963-64	..	...	...	1,32,48,119.00
1964-65	...	...	...	1,84,13,681.00
1965-66	...	...	...	2,26,16,035.00
1966-67	...	..	...	2,56,47,466.00
1967-68	..	...	...	2,78,42,927.00

6.8 The total interest due to Government loan is thus Rs.12,58,83,600-00 upto the end of 1967-68. No interest due to the Government has been paid by the Board uptill now.

Moratorium:—For the interests due to the Government, moratorium for 7 years i. e. upto June, 1965 was granted. No formal decision has yet been taken for further moratorium uptill now. But interests are not being paid to the Government and correspondence in the matter is continuing.

6.9 Under Section 65 of the Electricity (Supply) Act, 1948, the Board has the power to borrow money from outside also. Maximum borrowing power under this Section has been fixed at Rs.10 crores. The Board has taken advantage of this provision of law, and has already taken loan to the extent of Rs 5.44 crores upto March, 1969. Out of this amount Rs.2.44 crores have been raised on bonds. Repayment of principal and interest on bonds has been guaranteed by the Government as per Section 66 of the Electricity (Supply) Act, 1948 (L. I. C. loan of Rs.3 crores is included within this amount of Rs.5.44 crores).

6.10 With regard to Redemption Fund, as pointed out in the Paragraph under examination, the Chief Accounts Officer stated that the Board had already created the Redemption Fund and they had already transferred some amount. The Fund was created in March, 1969.

6.11 No redemption fund for the amortisation of the loan as required by sub-section (4) of Section 65 of the Electricity (Supply) Act, 1948 and Clause 20 of the Prospectus of the board was provided for till March, 1969. From March, 1969, the Redemption Fund has been provided for.

6.12 The Public Accounts Committee in its report contained at page 117 of its Report dated February, 1967, had recommended to the Government to set up an Enquiry Committee to go into the affairs of the Assam State Electricity Board. Now, the Government of Assam has set up an Enquiry Commission with the following terms of reference:

1. To review the performance of the Board, particularly in relation to the past and present programmes, the time taken, the expenditure anticipated and actually incurred in the various projects, the proper utilisation of funds and the possibility or otherwise of avoiding any expenditure considered excessive or unnecessary.
2. The organisational set-up of the Board in the Civil and Electrical Wings and any change considered necessary in the set-up.
3. Capital set-up of the Board, its distribution and sales arrangements and the nature of its profitability.
4. Financial position of the Board and steps that may be taken to improve it.

6.13 The Committee pointed out that the notification was not done in accordance with the recommendation of the Public Accounts Committee. Because at the instance of the Public Accounts Committee, a notification relating to the Constitution of the Enquiry Committee ought to have been issued the Secretary, assured that he would do it while giving a reply to the action taken by the Department.

### Recommendation

6-14 The Committee recommends that the notification relating to the constitution of the Enquiry Commission should be issued and the findings of the Enquiry Commission be intimated to the Committee as soon as possible.

#### Paragraph 68 at Page 64 of the Audit Report, 1967

6-15 This Paragraph showed that although the lowest tender (Rs.84,199) was not accepted on the ground that the party was not known in respect of the work of carriage of penstock pipes with butts, straps, springs, etc., from Gauhati to Barapani and the work was allotted to the second lowest tenderer for Rs.1,05,420 during actual execution, however, a portion of the work was allotted on two occasions to the same lowest tenderer who was paid Rs. 25,681 at the higher rate of the second lowest tenderer. Therefore, non-acceptance of the lowest tender resulted in an avoidable extra expenditure of Rs.21,221.

6-16 The C.A.O. explained that there were certain special features in this case. He said that for the carriage of those penstock pipes from Gauhati to Barapani Project tenders were called and there were several tenderers. The Board thought that the work was very complicated. Special vehicles and tools were required to handle those equipments and it was felt that the lowest tenderer did not have the machineries to carry the pipes. Therefore, the second lowest tenderer was selected and the contract was settled in 1963 and a programme had been prepared to complete the whole transaction by April, 1964. It was considered a very tight schedule of programme. The second tenderer who was given the contract was able to carry the pipes quickly and according to schedule of work that two pipes should be carried per day. But by 10th of November the tenderer carried only one pipe and the second pipe was carried by him on 21st November. Therefore, the progress was very poor and it was felt that additional resources should be put in this job so that the work could be completed within schedule. So, the second lowest tenderer was given a portion of the work. The lowest tenderer who was also given part of the work demanded that he should be allowed the rate of the second lowest tenderer for the job. He dropped a number of pipes and several thousands of rupees had to be recovered from him.

6-17 The Committee wanted to know whether there were two tenderers, the lowest tenderer was incapable of handling the work ; the second lowest tenderer was known and experienced and was capable of doing it. Therefore, though it meant paying extra, instead of accepting the lowest tender at Rs.84,000, you had accepted the second lowest tender at Rs.1,05,000 which was about Rs.21,000 higher than the lowest tender. In actual practice, the man who was paid higher could not fulfil the contract. The Departmental witness replied that he could not do it in accordance with the phased programme. Normally 75 pipes were carried by the first lowest tenderer and those pipes which were given to him weighed between 5 to 6 tons. As he might not have the machineries to carry the bigger pipes, the bigger pipes were not given to him. But he dropped 16 pipes out of 75 pipes and we have recovered some amount from him.

6-18 On a query as to whether any action was taken against him the Departmental witness replied that no penalty was imposed.

## Observation and Recommendation

6:19 Though the second lowest tenderer whose tender was accepted in consideration of his capability failed to execute the work all by himself as a result of which the rejected tenderer lowest had to be engaged, no action was taken against the second lowest tenderer for his failure to complete the entire work within the stipulated date. It is, of course, said that the Board watched the progress of work of the second lowest tenderer and when the Board saw that the rate of his progress was slow, and at that rate he would not be able to fulfil the contract within the stipulated time, then the Board without waiting till the expiry of the last date of the contract engaged the lowest tenderer. This had to be done to avoid complications with the erecting contractors who were already there in the sites and were pressing for their work to be started by means of improved deliveries.

6:20 The Committee is not convinced with the explanation and recommends that responsibility should be fixed on the person or persons for whose negligence the avoidable extra-expenditures had to be incurred by the Board and action taken thereon should be intimated to the Committee.

### Paragraph 69 at Page 64 of the Audit Report, 1967

6:21 (a) During February, 1964 and February, 1965, advance payments totalling Rs.52,000 were made by the Executive Engineer, Electrical Division, Jorhat to a contractor against his pending bills for Rs.70,000 for carriage of materials. Final payment was made to him without adjusting the advance payments resulting in an excess payment of Rs.52,000. An amount of Rs.31,100 was recovered in cash upto December, 1966.

6:22 In February, 1967, Government stated that outstanding bills amounting to Rs.16,757 had been held up against the balance of Rs.20,900.

6:23 (b) In August, 1964 the Executive Engineer (Electrical), Transmission (South) Division, Gauhati received 500 ft. of Piano wire valued at Rs.100. Instead of submitting a bill for Rs.94 only for 90 per cent value of the materials inclusive of sales tax, the supplier submitted a bill for Rs.9,360 in the same month. Payment was made on the inflated bill resulting in an excess payment of Rs.9,266. The overpayment was detected by the Executive Engineer in December, 1964 and the firm was asked to refund the amount paid in excess. The firm has so far (February, 1967) refunded Rs.1,000 only.

6:24 In June, 1965, the case was reported to the Police. Results of Police investigation and of departmental investigation, if any, to fix responsibility for the excess payment are awaited (March, 1967).

6-25 The Committee wanted to know as to what were the specific reasons for non-compliance of rule 328 (a) of Assam P. W. D. Code in this particular case? The Departmental witness replied that there were a number of cases in which advance payments were made and the contractor put forth some claims on the basis of alleged assurances given by the Superintending Engineer for carrying goods at rates other than what was contracted for. He preferred a claim much higher than what was admissible in terms of what the Board said.

6-26 Asked as to whether the Board gave any such extraordinary power to the Superintending Engineer for verbal arrangements? The Departmental witness in reply said that the Superintending Engineer denied having made such assurances, and in defending the case also he said so. The contractor made a claim for carrying two machines for Rs. 60,000 whereas according to our calculations it came to Rs. 20,000. While these things were disputed some consideration was shown him at that time as he was continuing to perform the contract in the Division but subsequently the whole thing came to a hitch and we stopped all payments to him.

6-27 On being questioned as to whether the excess payment was already made to the tune of Rs 52,000 which was in violation to the provision of rule 328 (a), and whether the Chief Engineer examined at any stage? Whether it was brought to the notice of the Chief Engineer that the Executive Engineer made such advances on his verbal authority? The Departmental witness replied that subsequently there was no question of paying any advance but in the interest of work the Chief Engineer allowed that advance payment might be made. The Executive Engineer on the spot made the advance without written authority from the higher officers. He made this advance on his own but later on said that he did it on some verbal instructions of the Chief Engineer and the Chief Engineer had not denied it. It was not specifically taken out with the Chief Engineer.

6-28 On a query as to when the final bill was prepared, why the "advance payment" column was not filled in the Departmental witness stated that there was an omission, but at that time there was also a number of other claims of the contractor pending with the Division the amount too being a very large one. The case was now sub-judice at Jorhat.

6-29 Asked as to whether the Sub-Judge issued any injunction or any directive that the officers responsible for this bungling cannot be or should not be punished and whether the matter could be departmentally pursued; the Departmental witness stated that the officer who was actually in-charge at that time was retired and he was an ex-licensee staff. He retired some time in 1962.

6-30 The Committee further enquired as to how could the transaction take place in 1964 when the person retired in 1962. The Departmental witness stated that the dispute developed much earlier and it was going on since 1961. There were four advances paid at different times totalling Rs. 52,000. Asked as to what steps had been taken against that or those officers who were responsible for payment of this Rs. 52,000 and for what specific works these advances were made. There was no mention of this here, although the amount was quite large. The Departmental witness in reply stated that no specific steps had been taken and the Department did not have the exact details of individual items.

### Recommendation

6.31 In this case there was an admitted and palpable violation of rules. The officers at fault were let out with impunity. Those at the top did not exercise proper supervision and control. If the officers on the spot had been dutiful and more vigilant such excess payment could have been avoided. The Committee recommends that suitable action may be taken against the officers at fault and urges the Government to see that this kind of things do not happen in future.

A report on this may be submitted to the Committee within three months from the date of presentation of this Report to the House.

#### Paragraph 69 (b) at Page 64 of the Audit Report, 1967

6.32 This paragraph brings out an excess payment of Rs.9,266 due to submission of an inflated bill by a contractor which was not properly checked before payment.

6.33 The Government stated in October, 1966 that over payment could have been avoided had proper check been exercised. The responsibility in this regard could not be fixed as the relevant records were seized by police.

6.34 The Committee wanted to know as to whether the Police action on the matter been completed by now and what action had been taken to expedite Police action as it was a very old case. The Departmental witness stated in negative and said that the Department was not aware at what stage the Police investigation was resting.

### Recommendation

6.35 The Committee recommends that Government do take appropriate steps for quick disposal of the case so that the responsibility may be fixed and persons found responsible for this may be appropriately dealt with.

6.36 It is learnt that the Assam State Electricity Board has its elaborate internal audit arrangement. It is not understood why in spite of this internal audit system, this type of excess payments take place and guilty persons go scot-free. The Committee recommends to the Government to take a serious view of the matter and to take firm steps. Action taken in the matter may be intimated to the Committee.

#### Paragraph 70 (a) at Page 65 of the Audit Report, 1967

6.37 This paragraph brings out loss on account of payment of Demurrage charges of Rs.18,876 to Railway for want of Railway receipt reported to have been lost.



6:38 It has been stated by the department that the person responsible for loss of R. R. was no longer in service and no action could be taken against him.

6:39 The Committee wanted to know whether in this case where demurrage charges of Rs. 18,876 had to be paid to the Railways, due to loss of Railway receipts whether those persons were in service to which the Departmental witness replied that in fact proper documents had not been kept in the office. There was not even a proper duty list for the period maintained in the office. There was no register even for such important documents like the R/Rs. From the Peon Book only it was detected that this document was received but this person was also no longer in service of the Board. Therefore the office was at fault for not having maintained these documents, registers and other connected papers from which responsibility could have been fixed. This was a clear lapse on the part of the office. Asked as to whether person who had taken these documents from the bank retired from service after it was detected or before it was detected and after how long it was detected. The Departmental witness stated that the exact details could not be given. This case was found out as a result of internal audit of the Board. It was found out from the details submitted by Trade Adviser's accounts. It was sometime in 1961-62. Detailed investigation was not done at that stage. It was not known when the man retired.

6:40 Asked as to who was responsible for bringing the consignment and whether any Indemnity Bond was issued. The Departmental witness replied that there was no Indemnity Bond. That procedure could not be followed. This query was also made by Audit. The reasons were: the fact that the materials had come, that there was a consignment was noticed only when the suppliers started chasing the Board for making 10 per cent payment. Release of the documents take place when 90 per cent payment was made. Only at that stage it came out. It was already too late for the Indemnity Bond procedure to apply. The R/R was not traceable. When the R/R was received, the consignment would have been released, that was the procedure.

6:41 On a query as to whether in course of investigation the internal audit found that one of his staff had taken delivery of the R/R from the State Bank and so naturally the internal audit must have also recommended proper action to be taken. The Departmental witness stated that the internal audit found this unusual payment of demurrage charge. At that time they did not know anything about it, they said that the R/R was not found. Then immediately we asked the Chief Engineer, Electrical to fix responsibility but he said that no responsibility could be fixed because the office was not properly organised then and the assistants were all inexperienced. Then we brought it to the notice of the Chairman and he passed orders that action should be taken. The Chief Engineer again sent a detailed report showing the difficulties at that time in the office. The matter then went upto the Board and the Board passed a resolution that the Chief Accounts Officer should conduct an enquiry and accordingly I conducted an enquiry and found that documents were not properly maintained in the office and nothing could be found in the office. Then on enquiry into the State Bank we found that person had taken delivery of the R/R but it could not be traced. By that time he had left the Board.

6.42 Asked as to who made the payment for taking delivery of the R/R and who signed the cheque. The Departmental witness stated that the Chief Electrical Engineer signed the cheque and the same person gave the cheque to the State Bank.

### Recommendation

6.43 This particular case appears to be showing in a nut shell the hopeless morass in which the State Electricity Board functioned at that relevant time. It appears to the Committee that the Chief Engineer could not escape the responsibility for this loss because it was he who had issued the cheque and it was one of his staff who had paid the cheque to the bank and taken delivery of the R/R. It is reported that this Chief Engineer was later on rewarded by a position of Membership of the Board. This, to the Committee, appears astounding.

6.44 The Committee should be apprised of the personal views of the Chairman of the Board and of the Board in the matter within three months from the date of presentation of this Report to the House.

### Paragraph 70(b) at Page 65 of the Audit Report, 1967.

6.45 It has been explained by the Government that delay in taking delivery of cement and consequent payment of demurrage charges was caused primarily by the troubled condition in Shillong obtaining in February, 1964.

6.46 The Committee wanted to know whether the losses have since been written off. The Departmental witness stated that the cement came from Dalmianagar and the consignment arrived at Gauhati before the document were received at the bank. Subsequently also there was some delay because from 17th onward there was trouble at Shillong and then the moment it came to the notice of the officer holidays intervened and so there was accumulated delay which resulted in demurrage. The Board took up the matter with the highest authority of the railway but they declined to remit the amount. The Chief Engineer gave a proposal but it had not yet been written off.

### Recommendation

6.47 The Committee recommends that matter should be expeditiously disposed of and a report submitted.

### Paragraph 71 at Page 65 of the Audit Report, 1967.

6.48 This paragraph brings out that a sum of Rs 9.41 lakhs was outstanding against various municipalities/town committees for supply of electric energy by the Board.

6.49 The Committee wanted to know the latest position of the case filed by the Gauhati Municipality Board, and whether the position improved after it had been taken over by Government. The Departmental witness stated that there was an arrear of about Rs.7 lakhs and the position had been improved after it had been taken over by Government.

### **Recommendation**

6.50 The Committee recommends that effective steps should be adopted in consultation with the Municipal Administration Department to ensure prompt settlement of the dues to the Board by municipalities/town committees. Action taken may be reported to the Committee within three months from the date of presentation of this Report to the House.

The Committee has had the honor to receive from the Secretary of the Board of Health, a copy of the report of the Board of Health, dated the 10th day of August, 1901, in relation to the sanitary conditions of the city of New York, and to the various measures which have been taken to improve the same.

## PART II SUMMARY OF RECOMMENDATIONS AND OBSERVATIONS

The Committee has had the honor to receive from the Secretary of the Board of Health, a copy of the report of the Board of Health, dated the 10th day of August, 1901, in relation to the sanitary conditions of the city of New York, and to the various measures which have been taken to improve the same.

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**PART III****Recommendations and Observations, etc.,**

## GENERAL RECOMMENDATIONS

For all Departments

Serial No.	Reference	Recommendations
(1)	(2)	(3)
1	Paragraph 10 at Page 20 read with Appendix I of the Audit Report, 1967	<p>In spite of repeated comments and recommendation of the Committee in its earlier Reports to take energetic steps on the part of the Departments, the position continues to be unsatisfactory. The utilisation certificates in 3,686 cases involving a sum of Rs.20.94 crores were outstanding on 1st November, 1966 in respect of grants paid by various Departments upto 1965-66 ; of this Education Department alone accounted for Rs.16.48 crores.</p> <p>The Committee should therefore be apprised of the following within three months of the submission of this report before the House.</p> <ol style="list-style-type: none"> <li>1. Steps taken or proposed to be taken by the Departments to ensure the furnishing of utilisation certificates to the Accountant General.</li> <li>2. The action taken on the previous recommendation of the Committee at Para 1.10 of the Report dated February, 1967.</li> <li>3. Whether performance of the defaulting institutions were taken into account while sanctioning grants in subsequent years by the Department concerned.</li> </ol>

Serial No	Reference	Recommendations
(1)	(2)	(3)
		4. What is the arrangement existing in the Government to watch and ensure that certificates are furnished in time and what checks are exercised to verify that certificates when furnished are correct.

### FINANCE DEPARTMENT

2. Paragraph 2 (b) at Page 3 of the Audit Report, 1967. The Committee is not happy at the manner in which the work of collection of arrears of revenue proceeded with from year to year. The Committee reiterates their recommendations made in Serial 83 at Page 74 of their Report in March, 1966 and urges upon the Department to apprise the Committee whether in view of the action taken by the Government pursuant to the recommendations at Serial 100 at Page 144 of the 5th Report of the Committee there has been any improvement in the collection of Revenues.

The action taken by Government should be reported to the Committee within three months from the date of presentation of this Report to the House.

3. Paragraph 5 (c) (i) at Page 8 of the Audit Report, 1967. The Committee regrets to note that the arrears of recoveries could not be effected properly leading to heavy accumulation of arrears. Fixation of responsibility for not effecting the recoveries by the Departmental Officers may be considered slackness in departmental machinery, if any, may be removed. The action taken by the Government should be reported to the Committee within three months from the date of presentation of this Report to the House.

Serial No.	Reference	Recommendations
(1)	(2)	(3)
4. Paragraph 5 (d) at Pages 9-10 of the Audit Report, 1967.	The Committee reiterates its earlier recommendation made in Para 1.46 at Page 13 of its Report of February, 1967 and recommends that responsibility should be fixed on those Departmental Officers administering the loans and advances who had not accepted the balance outstanding for recovery in their jurisdiction in contravention of rule 368 of Assam Financial Rules.	The action taken should be intimated to the Committee within three months from the date of submission of this Report to the House.
5. Paragraph 6 (d) (II) at Page 13 of the Audit Report 1967.	The Committee notes with concern the tendency in some Departments to withdraw money, with a view to avoid a lapse of budget grant ; although such money is not required for immediate disbursement and recommend that the practice of making such withdrawal should be discontinued forthwith. Finance Department should required all drawing officers to report to them every three months cash balance lying with them, with showing months when the amounts was drawn, with a view to see the reasonableness of keeping such money in hand.	
6. Paragraph 9 at Page 19 of the Audit Report, 1967.	The Committee is not happy with the present state of affairs with regard to arrear Accounts and reiterates its earlier recommendations in Para 1.48 of the Report of the Committee dated February, 1967. Action taken by the Department in clearance of the arrear in Audit should be submitted to the Committee within six months from the date of presentation of this Report before the House.	

Serial No.	Reference	Recommendations
(1)	(2)	(3)
7. Paragraph 12 and 13 at Pages 22-23 of the Audit Report, 1967.	The Committee feels concerned at the lack of adequate budgetary control as brought out in this and previous Audit Reports. There has not been any marked improvement in the matter of financial control during 1965-66 although that was the impression given by the Finance Secretary <i>vide</i> Para 1.3 at Page 2 of the Report of the Public Accounts Committee dated February, 1967. The Committee, therefore, recommends that there should be adequate strengthening of the budgeting and accounting machinery in the departments of Government and also another machinery to ensure proper functioning of the Budget and accounts wing. A report in this regard may be submitted to the Committee within a period of three months from the date of presentation of this Report to the Assembly.	
8. Paragraph 14 (a) and (b) at Pages 23-25 of the Audit Report, 1967.	Subject to the following observations the Committee recommend the excesses should be regularised.	

Suitable instructions should be issued to the Controlling Officers, who failed to observe the budgetary principles (as a result of which there were excesses under those grants), to ensure that such irregularities do not recur.

The action taken should be intimated to the Committee within three months of submission of this Report to the House.



Serial No.	Reference	Recommendations
(1)	(2)	(3)
<b>PUBLIC WORKS (FLOOD CONTROL AND IRRIGATION WING) DEPARTMENT</b>		
9.	Paragraph 35 at Page 44 of the Audit Report, 1967.	The Committee recommends that the Department should take specific steps to stop recurrence of such irregularities in future.
10.	Paragraph 42 at Page 47 of the Audit Report, 1967.	The Committee regrets to say that the conduct of the affair appeared to be negligent or ignorance of rules but it appeared to be culpable. Further stricture to be issued for creating a bad precedence of violating the Rules.
11.	Paragraph 43 at Page 47 of the Audit Report, 1967.	On an examination of the factors for extra expenditure on culverts, etc., it was found that paucity of cement was the main factor. It was also seen that the bottlenecks are created mostly in the State Secretariat level, for example, the Chief Engineer-in-charge of Flood Control had, after assessment of his actual requirement of cement, requisitioned for 4,806.61 metric tonnes of cement in July, 1961. At that time, cement was a strictly controlled commodity, and, therefore, the indent had to pass through the Director of Consumer Goods. The Chief Engineer's requisition of July, 1961 was disposed of by the Under Secretary to the Government in the Supply Department only in January, 1962, that is, after six months of the date of requisition and even in a technical matter like this, the Under Secretary, without recording any reason, cut down the quantity by over 800 metric tonnes. It was the Under Secretary, Supply Department himself who endorsed the indent to the Regional Cement Factory Officer, Calcutta. He addressed it to the Director

Serial No.	Reference	Recommendations
(1)	(2)	(3)

of Consumer Goods with a copy endorsed to the Regional Cement Factory Officer, Calcutta in January, 1962 and within the month of January, 1962 the Regional Cement Factory Officer placed the indent with the Cement Marketing Corporation of India.

As to the actual date of arrival of the cement in Assam, the Department is not in a position now to give the actual dates of receipt. At any rate, it can be presumed from the above that in addition to the bottlenecks created by transport difficulties and other factors the avoidable delay occurred in the State Secretariat itself.

The Committee would like to stress that the Government should see that its own Departments and Secretariat function with clearer understanding and more promptitude. Suitable instructions may be issued to all concerned under intimation to the Committee.

12. Paragraph 46 at Pages 49-50 of the Audit Report, 1967. The Committee recommends that the Department should take effective steps to ensure early adjustment of the outstanding items. Schedule for clearance of old and long-standing items should be drawn up.

The action taken may be intimated to the Committee within three months from the date of submission of this Report before the House.

13. Paragraph 49 at Page 53 of the Audit Report, 1967. The Committee is not happy with the state of affairs as there is clear irregularity from the financial point of view and it also shows lack of control and supervision on the part of the Department. Suitable instructions should be issued to ensure that such irregularities do not recur.

Serial No.	Reference	Recommendations
(1)	(2)	(3)
14. Paragraph 50 at Page 53 of the Audit Report, 1967.		<p>The Committee recommends that reason for non-closure of registers in the month of September of every year should be asked from the defaulting Divisions and responsibility be fixed on the officer or officers concerned for failure of taking timely action.</p> <p>The Department should also exercise a constant watch so that any bottleneck in the timely preparation of the register is recorded as and when it is faced.</p>
15. Grant No. 41 Note 7(b) at Page 97 of the Appropriation Accounts, 1965-66.		<p>The Committee recommends that the Department should ensure that the Divisions analyse their balances regularly and submit the information to Audit. Intimation may be issued to ensure that the balances are reduced to the minimum.</p>

### INDUSTRIES DEPARTMENT

16. Paragraph 73 at Page 66 of the Audit Report, 1967. The Committee feels concerned that although Expert Committee, constituted in 1965 with a view to improve the results of the Company, submitted report to Government in September, 1966, no decision had been made known by Government. The Committee, therefore, recommends that a copy of the expert committee report together with a copy of decision taken by Government may be furnished to the Committee. Government should also go into the specific result for loss incurred by the Corporation and examine its pricing policy. If the cost arrived at on strict commercial principles turns out to be high proper course to give protection and encouragement for Cottage Industry and products would appear to be by way of subsidy.

Serial No.	Reference	Recommendation
(1)	(2)	(3)
		<p>The department should also take effective measure to improve collection of dues from the debtors. A report in this connection should be submitted to the committee within a period of three months from the date of presentation of this Report to the Assembly.</p>

17. Paragraph 76 In course of our recent audit it has come at Page 67 of the Audit Report, 1967. to light that Small Industries Development Corporation is saddled with running of a few of sick mills. The present recommendation may, therefore, be modified somewhat on the following lines.

In view of substantial loss incurred by the Corporation the Public Accounts Committee recommends that Government may form a Committee to go into details of working of the Corporation keeping in view the objects with which the Corporation was set up and rid it of matter not contemplated. A report in this connection may be submitted to the Committee within a period of three months from the date of presentation of this Report to the Assembly.

#### POWER (ELECTRICITY) DEPARTMENT

18. Paragraph 67 at Page 63 of the Audit Report, 1967. The Committee recommends that the notification relating to the constitution of the Enquiry Commission should be issued and the finding of the Enquiry Commission may be intimated to the Committee as soon as possible.
19. Paragraph 68 at Page 64 of the Audit Report, 1967. Though the second lowest tenderer whose tender was accepted in consideration of his capability failed to execute the work all by himself as a result of which the rejected tenderer lowest had to be engaged, no action was taken against the second lowest

Serial No. (1)	Reference (2)	Recomondations (3)
20 Paragraph 69 at Page 64 of the Au- dit Report, 1967.		<p>tenderer for his failure to complete the entire work within the stipulated date. It is, of course, said that the Board watched the progress of work of the second lowest tenderer and when the Board saw that the rate of his progress was slow, and at that rate he would not be able to fulfil the contract within the stipulated time, then the Board without waiting till the expiry of the last date of the contract engaged the lowest tenderer. This had to be done to avoid complications with the erecting contractors who were already there in the sites and were pressing for their work to be started by means of improved deliveries.</p> <p>The Committee is not convinced with the explanation and recommends that responsibility should be fixed on the person or persons for whose negligence the avoidable extra-expenditures had to be incurred by the Board and action taken thereon should be intimated to the Committee.</p> <p>In this case there was an admitted and palpable violation of rules. The Officers at fault were let out with impunity. Those at the top did not exercise proper supervision and control. If the Officers on the spot had been dutiful and more vigilant such excess payment could have been avoided. The Committee recommends that suitable action may be taken against the officers at fault and urges the Government to see that this kind of things do not happen in future.</p> <p>A report on this may be submitted to the Committee within three months from the date of presentation of this Report to the House.</p>
21 Paragraph 69 (b) at Page 64 of the Audit Re- port, 1967.		<p>The Committee recommends that Govern-ment do take appropriate steps for quick disposal of the case so that the responsibility may be fixed and persons found responsible for this may be appropriately dealt with.</p>

Serial No. (1)	Reference (2)	Recommendations (3)
		<p>It is learnt that the Assam State Electricity Board has its elaborate internal audit arrangement. It is not understood why in spite of this internal audit system, this type of excess payments take place and guilty persons go scot-free. The Committee recommends to the Government to take a serious view of the matter and to take firm steps.</p> <p>Action taken in the matter may be intimated to the Committee.</p>
22	Paragraph 70 (a) at Page 65 of the Audit Report, 1967.	<p>This particular case appears to be showing in a nut-shell the hopeless morass in which the State Electricity Board functioned at that relevant time. It appears to the Committee that the Chief Engineer could not escape the responsibility for this loss because it was he who had issued the cheque and it was one of his staff who had paid the cheque to the bank and taken delivery of the R/R. It is reported that this Chief Engineer was later on rewarded by a position of Membership of the Board. This, to the Committee, appears astounding.</p> <p>The Committee should be apprised of the personal views of the Chairman of the board and of the Government in the matter within three months from the date of presentation of this Report to the House.</p>
23	Paragraph 70 (b) at Page 65 of the Audit Report, 1967.	<p>The Committee recommends that the matter should be expeditiously disposed of and a report submitted.</p>
24	Paragraph 71 at Page 65 of the Audit Report, 1967.	<p>The Committee recommends that effective steps should be adopted in consultation with the Municipal Administration Department to ensure prompt settlement of the dues to the Board by municipalities/town Committees. Action taken may be reported to the Committee within three months from the date of presentation of this Report to the House.</p>

## APPENDIX A

## List of Officers who were examined by the Public Accounts Committee

Serial No.	Designation of Officers	Date of Examinations
(1)	(2)	(3)
1	Secretary to the Government of Assam in the Public Works (R. & B. Wing) Department.	26th April, 1968. 27th April, 1968. 29th April, 1968. 16th May, 1968. 17th May, 1968. 18th May, 1968.
2	Joint Secretary to the Government of Assam in the Law Department.	14th June, 1968.
3	Secretary to the Government of Assam in the Relief & Rehabilitation Department.	15th June, 1968.
4	Secretary to the Government of Assam in the Education Department.	11th July, 1968.
5	Secretary to the Government of Assam in the Fishery Department.	11th July, 1968.
6	Secretary to the Government of Assam in the Revenue Department.	11th July, 1968.
7	Secretary to the Government of Assam in the Medical Department.	12th July, 1968. 12th August, 1968.
8	Secretary to the Government of Assam in the Co-operation Department.	13th August, 1968. 18th November, 1968. 19th November, 1968.
9	Secretary to the Government of Assam in the Supply Department.	13th August, 1968. 7th December, 1968.
10	Chairman, Assam Co-operative Sugar Mills	24th October, 1968.
11	Secretary to the Government of Assam in the Forests Department.	25th October, 1968.

**APPENDIX A—concl.**

Serial No.	Designation of Officers	Date of Examinations
(1)	(2)	(3)
12	Joint Secretary to the Government of Assam in the Veterinary Department.	13th February, 1969.
13	Secretary to the Government of Assam in the Sericulture & Weaving Department.	14th March, 1969.
14	Secretary to the Government of Assam in the Public Works (Flood Control & Irrigation) Department.	1st May, 1969. 2nd June, 1969.
15	Secretary to the Government of Assam in the Power (Electricity) Department.	1st May, 1969. 3rd May, 1969.
16	Secretary to the Government of Assam in the Industries Department.	2nd June, 1969.
17	Secretary to the Government of Assam, Finance Department.	3rd June, 1969.



## APPENDIX B

## Time devoted to each day's meeting

Date	Time of meeting	Total time
(1)	(2)	(3)
26th April, 1968	11-00 hours to 13-00 hours 14-30 hours to 16-30 hours	2 hours 2 hours
27th April, 1968	10-30 hours to 12-30 hours 14-30 hours to 16-50 hours	2 hours 2 hours 20 minutes
29th April, 1968	10-00 hours to 12-35 hours	2 hours 35 minutes
16th May, 1968	11-00 hours to 11-30 hours	30 minutes
17th May, 1968	11-00 hours to 12-30 hours 14-00 hours to 16-15 hours	1 hour 20 minutes 2 hours 15 minutes
18th May, 1968	11-00 hours to 12-30 hours	1 hour 30 minutes
14th June, 1968	11-00 hours to 15-45 hours	4 hours 45 minutes
15th June, 1968	10-45 hours to 12-30 hours	1 hour 45 minutes
11th July, 1968	11-10 hours to 13-00 hours 13-00 hours to 13-50 hours 15-00 hours to 16-00 hours	1 hour 50 minutes 50 minutes 1 hour
12th July, 1968	10-30 hours to 12-30 hours	2 hours
12th August, 1968	10-45 hours to 12-30 hours	1 hour 45 minutes
13th August, 1968	10-30 hours to 14-30 hours 14-30 hours to 16-45 hours	4 hours 2 hours 15 minutes
24th October, 1968	11-00 hours to 13-00 hours	2 hours
25th October, 1968	10-30 hours to 13-00 hours	2 hours 30 minutes
18th November, 1968	11-00 hours to 12-30 hours	1 hour 30 minutes

## APPENDIX B—concl'd.

Date	Time of meeting	Total time
(1)	(2)	(3)
19th November, 1968	10-30 hours to 11-30 hours	1 hour
7th December, 1968	10-30 hours to 12-30 hours	2 hours
13th February, 1969...	11-00 hours to 12-30 hours	1 hour 30 minutes
14th March, 1969 ..	14-00 hours to 16-30 hours	2 hours 30 minutes
1st May, 1969 ...	11-00 hours to 13-00 hours	2 hours
	14-00 hours to 16-30 hours	2 hours 30 minutes
3rd May, 1969 ...	10-30 hours to 12-30 hours	2 hours
2nd June, 1969 ...	11-00 hours to 12-30 hours	1 hour 30 minutes
	15-00 hours to 16-30 hours	1 hour 30 minutes
3rd June, 1969 ...	10-30 hours to 13-30 hours	3 hours
	<b>Total ...</b>	<u>62 hours 10 minutes</u>