

**Notes on  
Appropriation Accounts  
1958-59**

**Chapter III—Financial Irregularities  
Losses, etc.**

**and**

**Chapter IV—Other topics of interest**

*(Audit Comments and Departmental Replies—  
paragraphs 16-57 pages 15-50)*

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# APPROPRIATION ACCOUNTS, 1958-59

## CHAPTER III

### Financial Irregularities, Losses, etc.

#### Audit Comments—

#### Departmental replies—

#### LAND AND LAND REVENUE DEPARTMENT

##### Paragraph 16, page 15—

*Outstanding dues of over Rs. 2.50 lakhs on account of house-rent.*—It was mentioned in paragraph 41(c) 1 (ii) of the Audit Report, 1958 (page 34), that rents due from occupiers of requisitioned premises were not being regularly recovered and that in Calcutta alone the arrears of rent due on 31st March 1956 from the Government servants and private persons stood at Rs. 43,814 and Rs. 78,725, respectively. Subsequent inspection of the accounts of transactions relating to Calcutta and 24-Parganas conducted in April, 1958, April, 1959 and May-June, 1959 revealed that the position had not improved. Even the registers for watching the demand and the recovery of rent from the occupiers of the requisitioned premises had not been maintained properly. From the statements prepared by the local offices it was noticed that a sum of Rs. 2,52,889 remained unrealised up to the end of March, 1959 of which Rs. 1,56,799 were due from Government officials.

This state of affairs had been brought to the notice of Government in June 1958 and again in April and May, 1959, but the action taken by Government, if any, in this regard had not so far (August, 1959) been reported to audit.

In this para, the A. G., West Bengal made the following observations:—

(1) a sum of Rs. 2,52,889.00 remained unrealised upto the end of March, 1959, from the allottees of requisitioned premises in Calcutta and 24-Parganas.

(2) the registers for watching demand and recovery of rent from the occupiers of the requisitioned premises had not been maintained properly.

As regards (1) above, it appears from the local officers' reports that out of the total outstanding amount of Rs. 2,52,889, a sum of Rs. 1,10,954.46 represents the arrears in terms of the enhanced rent allowed by the Arbitrator for the period prior to the date of award.

A suit was filed by an allottee of a requisitioned building in the Sealdah Munsif Court, wherein the allottee raised the same issue that he was not legally liable to pay the arrear in terms of the Arbitrator's award and the case was dismissed. The allottee filed an appeal which was, however, decided in his favour. The Sub Judge held the view that neither the agreement nor the provisions of the West Bengal Act V of 1947 authorised the L. A Collector to demand the enhanced rent with retrospective effect from the date of the appellant's occupation of the premises. The Court even directed that the amount already realised from the appellant as arrears for the period prior to the date of the Arbitrator's award should be refunded by Government. The L. R. advised that there was no good ground for filing a second appeal and as such no appeal was filed.

Besides, both the L. R. and the Advocate General expressed the opinion that the allottees could not, in terms of the agreement executed between the Government and the allottees, be held liable for such enhanced rent for the period prior to the date of award.

In view of the legal position the question of waiving recovery of the arrear dues for the pre-award period is under consideration of Government.

Leaving out the sum of Rs. 1,10,954.46 from the total sum of Rs. 2,52,889, the balance is Rs. 1,41,934.54. Out of this amount a sum of Rs. 54,966.25 has already been realised and certificates are pending for the realisation of Rs. 58,532.74. This leaves a balance of Rs. 28,435.55, which is in the process of realisation. As the bulk of this amount is due from Government Officers much difficulty is not expected in its realisation.

So far as the A. G.'s observation coming under item (2) is concerned, necessary instructions have already been issued to the local officers to maintain the required registers in a proforma drawn up in consultation with the A.G.

A reply to the A.G., West Bengal, explaining the whole position was sent in Land and Land Revenue Department letter No. 18796-Reqn., dated the 26th September 1959.

**Audit comments—**

*Paragraph 17, pages 15-16—*

*Uneconomical acquisition of land for construction of staff quarters of a Project—*The proposal for acquisition of land for the construction of staff quarters of a project under execution by the Irrigation and Waterways Department was submitted to the Land and Land Revenue Department in December, 1947. Despite lack of urgency the Land Acquisition Collector of the district concerned, without obtaining the approval of the Administrative Department, acquired for the purpose, under notification issued on the 27th January 1948, and declaration made on the 13th February 1948, a plot of land measuring 4.49 acres in area at an estimated cost of Rs. 73,698.08 nP., and delivered possession to the Administrative Department in April, 1948. Subsequently the approximate value of the total area was assessed by the Land Acquisition Officer of the Project at only Rs. 6,800 and the Administrative Department, therefore, objected in May, 1948, to the excessive valuation which the Collector justified on the ground that the plot was located in a place where land was very greatly in demand. Subsequently, the estimate was revised and an amount of Rs. 54,960.59 nP. was sanctioned by Government in December, 1950, as compensation to the owners. But, even then, the construction of the staff quarters was made at some other new site as it was found to be uneconomical to construct the same on this acquired land. All attempts to give the land back to the owners or to sell it later on failed. After about 8 years in June, 1956, the land was relinquished to the Land and Land Revenue Department, which in turn, issued instructions in May, 1957, for the transfer of the land to the Works and Buildings Department (2.50 acres) and the Education Department (1.99 acres) at the cost of Rs. 30,156.24 nP. and Rs. 24,004.36 nP. respectively. The purpose for which the land was required by these departments and whether the land has actually been transferred as such, is not known to audit. The expenditure incurred, if any, on maintenance of the land by the Irrigation and Waterways Department could not also be ascertained from the department, nor was there any record to indicate if any attempt was made to lease or to otherwise profitably utilise it during this period of 8 years.

The matter was reported to the Government (Finance Department) in September, 1957, for investigation, but the result thereof, is still awaited (June, 1959).

**Departmental replies—**

High degree of priority was attached to the execution of Mayurakshi Reservoir Project. As such the special procedure approved by Government for acquisition of lands for urgent post-war development projects was adopted for acquisition of lands in connection with the aforesaid project also. According to this procedure, acquisition proceedings used to be started at the request of the Superintending Engineer, Mayurakshi Canal Circle and no formal approval of the administrative Department was necessary at the initial stage. The land in this case was very urgently required by the Superintending Engineer, Mayurakshi Canal Circle for the construction of staff quarters because, unless the quarters could be constructed for providing accommodation to the staff, execution of the main project would be delayed and hampered. The land and Land Revenue Department was therefore requested by the Superintending Engineer to authorise the Collector of Birbhum to deliver possession of the land to him under section 17(1) of the Land Acquisition Act.

The Superintending Engineer, Mayurakshi Canal Circle, approached the Land and Land Revenue Department for immediate acquisition of land for construction of staff quarters connected with the M. R. Project which was urgent. Proceedings were accordingly started under the L. A. Act I of 1894 and possession was made over under section 17(1) of the said Act before award, on 17th April 1948. It is not, therefore, a fact that acquisition proceedings were started despite lack of urgency and without the approval of the appropriate authority.

When the estimate was prepared it was considered that having regard to the classes of Government servants for whom the quarters were intended, construction of the same on this land would not be economical. It was, therefore, decided to drop the acquisition proceedings and to construct the staff quarters at some other site.

The withdrawal from acquisition was not, however, possible under the law as the possession of the land had already been taken. It was then decided to utilise the land for other suitable purposes of Government. Leasing of the land was not considered advisable as in that case it would not have been possible to get the vacant possession at the time of actual requirement by Government, the land being situated in a developed area.

The land was finally transferred in favour of the Education Department and the P. W. Department for a girls' school and an inspection bungalow, respectively.

The estimate of cost of acquisition was originally assessed at Rs. 73,698 and subsequently reduced to Rs. 54,960 on further scrutiny. It is not a fact that the sum of Rs. 6,800 was ever assessed in respect of this land.

As the land in question remained vacant and no Government asset was created thereon, no appreciable amount was incurred towards its maintenance.

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## Audit comments—

Paragraph 18, pages 16-17—

**Avoidable expenditure in the payment of interest charges on land awards :** Executive instructions issued by the State Government under the Land Acquisition Act of 1894, require the Collector to satisfy himself that there is no avoidable delay in the payment of compensation. That these instructions were not being followed would be evident from the typical instances given below, wherein Government had to incur an extra expenditure of Rs. 9,06,930 on account of interest charges due to delay in the payment of compensation.

Name of the Project/ L. A. case.	Date of taking possession.	Date of award.	Amount of compen- sation.	Amount of interest.	Remarks.
1	2	3	4	5	6
			Rs.	Rs.	
1. Development of Industries at Durgapur.	12th July, 1957.	3rd Febru- ary, 1959.	12,72,825	1,24,408	Original estimate pro- vided interest for 12 months but due to delay in the issue of sanction and pla- cing of funds inte- rest for 20 months had to be paid.

1. In this case the possession of the land was taken on 12-7-57 under section 17(1) of the Land Acquisition Act as the land was urgently required by the Requiring Authorities i. e. Durgapur Industries Board for Development of Industries.

The said section of the Land Acquisition Act authorises Government to take possession of the land before award. Provision has been made in section 34 of the Land Acquisition Act for payment of interest at 6 per cent. per annum from the time of taking possession till the date of payment.

If, to avoid payment of interest, taking of possession was deferred, there would have been delay in starting of the project. The labour would therefore remain idle and the charge on account of establishment would have been quite considerable to counter-balance the interest charges. The execution of the project would have been delayed also.

The Land Acquisition estimates are submitted by the Collectors to the Divisional Commissioner who scrutinizes the Collector's estimates. In case where the estimates are not in order or rates are found to be high they are returned to the Collectors with proper directions for revising the estimates or reference made for clarification. Thus some amount of time is taken by the Commissioner's Office for satisfying itself as to the fairness of the estimates before recommending the same to the Administrative Department. The Administrative Department thereafter get these estimates examined by the Land and Land Revenue Department before sanctioning the payment. All these take time and cannot be dispensed with in order to get the estimate prepared as accurately as possible.

In the present case some discrepancies were noticed in this estimate which had to be reconciled by further reference to the local officers before according sanction thereto. Thus the expenditure incurred by Government was unavoidable. In the case of acquisition of land where provisions of section 17(1) of the Land Acquisition Act are applied, payment of interest on the land value is unavoidable according to the provisions of the law itself.

## Departmental replies—

## Audit comments—

## Departmental replies—

Name of the Project/ I. A. case.	Date of taking possession.	Date of award.	Amount of compen- sation.	Amount of interest.	Remarks.
1	2	3	4	5	6
			Rs.	Rs.	
2. Twenty-two cases mostly for rehabilitating displaced persons.	Between the period from 19th December, 1955 to 20th March, 1958.	..	8,20,168	95,000	Till the date of local audit (March, 1959) sanction to the payment of compensation had not been accorded in any of these cases. Interest liability up to the date of audit was shown.

2. Out of the 22 cases shown in the Audit Report, compensation has already been paid on 18-3-59, in three cases, viz., (1) Nabnagore Squatters Colony (2) Laha Squatters Colony and (3) Bidhan Palli Squatters Colony. In the case of Hindustan Squatters Colony, although allotment of fund was made, payment could not be made due to a pending Civil Suit relating to that case. In the case of Durgabati Squatters Colony "on account" payment of Rs. 36,783 was made on 28-3-57 and 3-4-57.

With a view to expediting settlement of refugees possession of lands which are mostly vacant are taken soon after publication of declaration under section 6 before making award, as award cannot be made without sanction of the estimate and allotment of fund which takes a considerable time because of the procedural formalities involved therein as explained above (vide item 1).

Besides, there are other reasons for the delay in payments as follows:—

- (1) The Administrative Department, i.e., the Refugee Relief and Rehabilitation Department is required to obtain the approval of the Government of India before sanctioning any estimate. This takes time.
- (2) Land Acquisition proceedings are sometimes held up by Civil Rules or Civil Suits on application filed by the interested parties

Name of the project/ I. A. case.	Date of taking possession.	Date of award.	Amount of compen- sation.	Amount of interest.	Remarks.
1	2	3	4	5	6
			Rs.	Rs.	
3. Kanchrapara Area Development Scheme.	3rd March, 1949.	12th July, 1954.	58,77,040	6,70,861	After five years from the date of possession, Government accorded sanction to the payment of compensation but even then payment could not be made in five cases till February, 1957. In February, 1959, Government stated that the delay in the finalisation of these cases were unavoidable as they involved much complication necessitating entertainment of a special establishment headed by a senior retired official in the latter part of 1952 (i.e., 3 years after acquisition) for checking up the estimate and dealing with the complicated problems which arose in the finalisation of cases.

**Audit comments—****Departmental replies—**

3. The circumstances under which the delay was caused in finalising the estimate and in according sanction thereto are as follows:—

The estimate of cost in respect of the lands acquired for Kalyani Project was first prepared by the Collector and submitted to Government in the Local Self-Government Department on 12-10-50 after collecting data from different sources. The estimate was, however, returned to the Collector by the Local Self-Government Department with some observations on 29-9-51 for submission of a revised estimate. A revised estimate was then submitted on 17-12-51 by the Collector to the Commissioner, Presidency Division. The estimate was also returned to the Collector by the Commissioner with some observations. Revised estimate prepared in the light of the observations made by the Commissioner was then resubmitted by the Collector on 23-8-52.

The work of preparation of the estimate of cost of acquisition of the lands in the Kalyani Project was not only of very great importance but involved much complication too and as many as 35 mauzas were involved in the project. Having regard to the special nature of the case as mentioned above and in consideration of the fact that the amount involved in this project was large, the work of preparation of the estimate had to be undertaken by Government in terms of a decision taken in this behalf at higher level. Accordingly, a special establishment under the charge of a retired I. A. S. Officer was created in September 1953, for preparing the estimate after considering all the complicated problems involved in this case. The estimate was sanctioned in July, 1954. As a result, the Collector's original estimate came down from 73 lakhs to Rs. 58 lakhs. Thus, it would appear that the delay in finalising the case after preparation of the estimate in respect of the entire project at Government level was unavoidable.

Besides, the saving of the sum of Rs. 15 lakhs caused in consequence of the preparation of the estimate at Government level more than counter-balances the amount paid on account of interest.

In this Department letter No. 2721-Réqn., dated 3rd February 1959, the position was duly intimated to the A. G., West Bengal.

Out of 35 mauzas, payment in respect of 34 mauzas has been completed. In one mauza where there is a proposal for release of lands to the ex-owners, payment has been held up till a decision is taken by the administrative Department concerned, viz., the Development Department.

## Audit comments—

## Departmental replies —

Name of the Project/ L. A. case.	Date of taking possession,	Date of award.	Amount of compensation.	Amount of interest.	Remarks.
1	2	3	4	5	6
			Rs.	Rs.	
4. Amghata Town- ship Scheme.	24th October, 1951 and 22nd Feb- ruary, 1952.	9th March, 1958 to 2nd March, 1959.	46,162	16,661	In reply to audit quary it was stated by the Collector in June, 1959, that as the allotment was placed at the end of the financial year 1957-58, no payment could be made in that year after obser- ving all the for- malities and that the area to be acquired finally could not be as- certained before 4th October, 1958.

4. An area of 358.55 acres of land in villages Amghata, Subarna Behar and Ushidpur, P. S. Krishnanagore, district Nadia, was taken up for acquisition under the W. B. L. D. & P. Act, 1948, for rehabilitation of displaced persons from the East Pakistan.

Symbolical possession of 162.62 and 157.81 acres (i. e. 320.45 acres) out of the total area of 358.55 acres, was taken on 24-10-51 and 22-2-52, respectively.

Steps for payment of compensation could not however, be taken then for the following reasons:—

- (1) The High Court, Calcutta in its judgment dated 22nd March 1951 declared the proviso (b) to sec. 8 of the W. B. L. D. & P. Act, 1948 (limiting the compensation at rates prevailing in December, 1946) to be void and *ultra vires* the Constitution.
- (2) An appeal was preferred by the State Government to the Supreme Court of India against the said decision of the Calcutta High Court but the decision was upheld by the Supreme Court by its judgment and order dated 11th December 1953.
- (3) In order to reduce the cost of rehabilitation it was considered necessary to amend Art. 31 of the Constitution. After this was done, the W. B. L. D. & P. Act, 1948 was amended by the W. B. L. D. & P. (Amendment) Act, 1955, providing for payment of compensation at the market rate not exceeding that prevailing on 31-12-46 in cases of acquisition under the said Act exclusively for settlement of refugees. The Amendment and Act came into force with effect from 21-9-55. This explains why payment could not be made in this case up to 21-9-55.

With a view to minimising accrual of interest and hardship of the owners of the lands, "on account" payment amounting to Rs. 11,130-12-0 of the total compensation payable according to 1946 rate, was made on 31-3-55.

Although symbolical possession was taken in respect of 320.45 acres it was not possible to take physical possession of all the area till very late, on account of vehement opposition from the owners. Local enquiries



**Audit comments---**

**Infructuous expenditure.**—With a view to completing a silt clearance work estimated to cost Rs. 54,600 before monsoon, the Executive Engineer-in-Charge submitted an estimate to the higher authorities on 9th November, 1953, for sanction. It was proposed therein that the work should be completed within a period of 4 months from 15th January, 1954 to 14th May, 1954. The authorities took more than 4 months in giving the sanction which was received by the Executive Engineer on 11th March, 1954. Work orders were, accordingly, issued to the contractor on 26th March, 1954, but the work could not be continued beyond 6th June, 1954, owing to heavy rainfall. Two items of contract work, viz., "bailing out water" and "earthwork in putting and removing cross bunds" which were completed by the contractor before the monsoon, became useless, as these two items had to be performed again in the following year, when the work was taken afresh. The expenditure incurred on these two items in 1954 which amounted to Rs. 10,285 thus became infructuous.

On the matter being pointed out by audit in May, 1958, Government observed in April, 1959 that no fixation of responsibility for the infructuous expenditure of Rs. 10,285 is possible at this stage, as the Executive Engineer concerned had expired on 27th September, 1956. But this explanation does not clarify the delay in sanctioning the estimate by the higher authority. With a view to avoiding such infructuous expenditure in future, Government have issued in August, 1959, administrative instructions to all concerned to the effect that silt clearance work should be taken up in such time that it can be completed before the monsoon and if in any case, it is apprehended that the work cannot be completed before the monsoon it should be deferred to the next working season.

**Departmental replies—**

had to be made a number of times on the representation of the owners. It was however, finally decided after a joint inspection by the staff of the R. R. & R. Department and Land Acquisition staff that 43 acres of land out of the area of 320.45 acres should be restored to the owners. The Collector could not ascertain the actual area before the said joint inspection which took place early in 1959 and as such it was not possible for him to make final award of compensation before 2-3-59.

It may be noted in this connection that the main reason for opposition from the owners to the acquisition of their lands is payment of compensation at 1946 rate which is much lower than the current market rate. The saving accrued to Government as a result of payment of compensation at 1946 rate far exceeds the amount of interest paid.

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**IRRIGATION AND WATERWAYS DEPARTMENT**
*Paragraph 19, page 17—*

An estimate for silt clearance of the Orissa Coast Canal Range III, was submitted to the Superintending Engineer, Western Circle, by the Executive Engineer, East Midnapore Division on the 9th November, 1953. It was proposed by the Executive Engineer that the work should be completed within a period of 4 months from 15th January, 1954 to 14th May, 1954, which was considered as the ideal season in the year for silt clearance work in this part of the State. The Superintending Engineer after scrutiny of the estimate forwarded it to the Chief Engineer, Irrigation and Waterways Directorate after about a month and a half. The Chief Engineer also took more than a month and a half to accord technical sanction to the estimate. The sanction to the estimate and the order to take up the work were finally communicated to the Executive Engineer by the Superintending Engineer on the 11th March, 1954, and work orders were issued to the contractors on the 26th March, 1954. Thus, the work started late resulting in a loss of Rs. 10,285 as indicated in the audit comments.

The Executive Engineer should have submitted the estimate much earlier. When the major portion of the working season was already over in completing all the preliminaries, the Executive Engineer should have better postponed the work till the next working season or referred the matter to the Superintending Engineer for orders. But the Executive Engineer concerned having already died when the matter was brought to the notice of Government, it was not possible to ascertain what led the Executive Engineer to go ahead with the work although the major portion of the working season was already over and to fix responsibility for the loss accordingly. Government, however, gave careful consideration to all aspects of the case and with a view to avoiding loss in future issued instruction to all concerned which read as follows:—

"If a work of silt clearance, maintenance or repairs is undertaken late in the working season, it may not be completed before the outbreak of monsoon and a considerable portion of the work done may be washed away by rains involving loss to Government. With a view to guarding against such infructuous expenditure, the following steps should henceforth be taken

**Audit comments—****Departmental replies—**

- (a) Sanctions to estimates should not be delayed and should be obtained before starting work;
- (b) All preliminaries should be completed in time;
- (c) Work should be started well in advance so that it may be completed before rains set in and
- (d) If after completion of all preliminaries, it is not found possible to execute any work before the monsoon, it should be deferred to the next working season."

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**HOME (POLICE) DEPARTMENT**

Paragraph 20, pages 17-18—

**Irregularities in the payment of an advance to a contractor.**—Government land in a certain area in Calcutta, had been in the possession of a Cricket Club since 1950. As the Club had no legal right to the land, it was called upon by the State Government to get itself registered as a society under the Societies Registration Act so that a lease-hold agreement could be entered into with the Club. Accordingly, in January, 1951 the Club got itself so registered, but immediately after the registration, the Club began to construct a Stadium on the land without entering into any written agreement or authority from Government. It was stated in August 1959, that the Club was allowed to do this 'on its assurance that it would enter into the lease embodying all the terms that might be desired by the Government'. Ultimately, no lease-hold agreement was entered into, as the Club did not accept the terms and conditions imposed by the State Government principally that the Club should build a composite stadium on the land and would pay a rent of Rs. 10,000 per annum to Government. In December, 1954, when the Stadium was almost complete, Government issued a notice to the Club to vacate the land and make-over vacant possession to them, whereupon the Club filed an application on the 31st January, 1955 before the High Court praying for a writ of mandamus. The case was dismissed by the Court on 2nd February, 1956 but the Club preferred an appeal on 16th March, 1956. When Government were contemplating to take possession of the land after the Court's order, they came to know that the entire stadium property was under the control of a Receiver appointed by the High Court in May, 1955, in connection with a case filed by the Stadium building Contractor for the realisation of his dues amounting to Rs. 3,80,411 together with Rs. 86,529 as interest thereon, from the Club. With a view to taking possession of the land, it was then decided by Government to get the property out of the control of the Receiver. They accordingly, entered into an arrangement with the Contractor under which the State Government agreed to advance a sum of Rs. 3,80,000 to the Contractor who would in turn, discharge the Receiver and grant, transfer and assign to the State Government the decrees of the suits as and when obtained from the Court and also execute an indemnity bond with a surety's undertaking to indemnify Government, in the event of the Contractor failing to obtain those decrees in his favour. The Contractor accordingly obtained an order from the Court discharging the Receiver with effect from 13th September, 1956, but on that very date the Appellate Bench of the High Court passed an interim injunction restraining the Government from taking possession of the land and the structures. Thus Govern-

In or about November 1950 the National Cricket Club, then an unregistered association, who had purchased the assets of the Calcutta Cricket Club (the then licensee in possession of a portion of the Eden Gardens), approached the Government for a lease of a portion of the Eden Gardens, Calcutta.

The Government of West Bengal made it clear that if the association registered themselves as a Society under the Societies Registration Act, it would be possible for them to entertain the proposal for a lease. The National Cricket Club had also approached the Central Government who desired such a lease being granted. Thereafter the N. C. C. was registered on 31st January 1951 under the Societies Registration Act.

Pending the execution of a formal lease, the N. C. C. prayed for permission to construct an Indoor Stadium. As the Central Government also desired it, permission was granted to the Club on their definite assurance that it would enter into the lease embodying the terms that may be desired by the Government. The Government could not but conclude that such a lease would be executed in due course. Similarly, permission was further granted to the Club to construct a stadium on such assurance and understanding about the lease.

The Government communicated the terms of the proposed lease to the Club. The Club started taking objections to the terms proposed, inspite of its assurance as mentioned above. There were protracted correspondence and discussions regarding the terms of the lease.

Finding that the Club was not prepared to enter into the lease except on its own terms, the Government asked the Club to quit and vacate the portion of the Eden Gardens then in their occupation and to make over quiet and vacant possession to the Government by the end of June, 1953, when a member of the Club made an application under Article 226 of the Constitution of India for, *inter alia*, an order restraining the Government from dispossessing the Club. Government opposed the said application and the petitioner did not press the same and it was dismissed.

There were again assurances from the Club's side that the Club would either agree to the terms and conditions proposed by Government or failing that the possession of the land would be made over to the Government. Such assurances were, however, not followed up, and the Government finally issued a formal notice to the Club by the end of December, 1954 to vacate. It will thus be clear from the aforesaid facts that Government did actually ask the Club authorities to vacate by th

**Audit comments—**

ment could not take possession of the land as contemplated, but they paid the sum of Rs. 3,80,000 to the Contractor on the 16th October, 1956.

The suits filed by the Contractor for the realisation of his dues from the Club are still (June, 1959) pending in the Court.

The case reveals the following irregularities :—

- (i) Giving permission to the Club to construct the Stadium without entering into any agreement with it or taking financial guarantees.
- (ii) Granting the advance to the Contractor before the decision of the Appellate Court.
- (iii) Loss in the shape of interest on the amount advanced to the Contractor, as there was no clause in the contract to the effect that he would reimburse the interest charges to Government.

**Departmental replies—**

end of June, 1953 and the formal notice to vacate could not be served until December, 1954, but for the assurances given as stated above.

Possession was not made over but on the contrary application in the High Court were made under Article 226 of the Constitution of India to restrain the Government from taking over possession.

The High Court's order dismissing the second application under article 226 was passed on 2nd February 1956. As the N. C. C. desired to file an appeal, the Court directed stay of the operation of the order for four weeks. An appeal against that order was filed on 16th March 1956 *but there was no injunction from the Appeal Court* at the time. Under the advice of the Law Officers when the Government was preparing to take over possession after the expiry of the period of the stay order, it was found that there was a Receiver in possession of the place appointed by the High Court in another suit, viz. the suit of M/s. Britannia Building & Iron Co. Ltd. vs. the N. C. C. It was, therefore, not possible for the Government to enter upon the land until the Receiver was discharged under the order of the Court and such order could only be obtained by amicable arrangement with M/s. Britannia Building & Iron Co. Ltd. on payment of the amount due from the N. C. C. on account of the Stadium constructed. It was thereafter recommended by the Law Officers that Government should advance a sum of Rs. 3·80 Lakhs to M/s Britannia Building & Iron Co. Ltd. in order that the firm could get the Receiver discharged. The Cabinet having fully considered the position, approved of the recommendation of the Law Officers. Accordingly the agreement with Britannia Building and Iron Co. Ltd. was entered into, as a result of which an order was obtained for the discharge of the Receiver. The operation of this order discharging the Receiver was, however stayed for the time being and was subsequently vacated on 13th September 1956 but on this very day the Appeal Court ordered an interim injunction restraining the Government for taking possession and hence the possession could not be taken as contemplated. The appeal was disposed of on 25th June 1957 and the Government thereafter took over possession of the ground and the pavilion.

It was necessary for the Government to take back possession of the ground as there was a continuing stalemate which *had* to be resolved before any useful scheme for the proper organisation of the Stadium for purposes of sports could be drawn up. There was no injunction from the Appeal Court when the appeal was filed and there was, therefore, no apparent difficulty in the way of the Government taking back possession. The only difficulty, as it was later discovered, was the presence of the Receiver in an altogether different proceeding, viz. Britannia Building's suit, and it accordingly became necessary to take further steps to get the Receiver discharged. It so happened, however, that on the very day on which the Receiver was discharged in Messrs Britannia Building's suit, the N. C. C. were successful in obtaining an injunction from the Appeal Court restraining the State Government from taking possession pending disposal of the appeal. Possession was eventually taken as soon as the appeal was disposed of and hence the object was achieved, although there was some delay. It was, however, essential to take back possession, for which it was also essential to get the Receiver discharged. Comment has been made on the granting of the advance to Britannia Building *before* the decision of the Appeal Court.

**Audit comments—****Departmental replies—**

Since there was no injunction from the Appeal Court preventing the Government from taking back possession, the Government was justified in entering into an *early* arrangement with Britannia Building for the purpose of taking over possession as quickly as possible. In any case, it is immaterial whether the arrangement with Britannia Buildings & Iron Co. Ltd., was entered into at an earlier stage or at a later stage, considering that the arrangement *did* actually result in the State Government taking back possession. Since the arrangement was actually entered into at an earlier stage, only the question of loss of interest on the amount advanced becomes relevant, but the decree to be obtained in the suit of Britannia Building (which has been assigned to the State Government) is expected to provide for interests on the claim.

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**HOME (TRANSPORT) DEPARTMENT**
**Paragraph 21, page 18—**

**Infructuous expenditure on the repairs of a vessel.**  
Another launch M.T.L. "Nimla" purchased by the Food Department in July, 1946, at a cost of Rs. 15,000 was taken over by the Mercantile Marine Department in 1948, in a damaged condition for use after necessary repairs by officials. There was no record to show that the vessel had been inspected at the time of taking over in order to assess the extent of damage and also whether it could be repaired and put into commission again. From 1948 to March, 1958, the department spent a total sum of Rs. 34,209 on its repairs but it could not be made river-worthy. During this long period of about 10 years, it remained for most of the time with the several repairing firms and was ultimately sold in March, 1958, for a sum of Rs. 8,700 to one of them without inviting any tender. Apart from the infructuous expenditure on the repair works, the department incurred an expenditure of Rs. 19,000 approximately on account of pay and allowances of the crew. In reply to an audit query the department observed in November, 1958, as follows:—

"Every endeavour at every step was made to make the vessel river-worthy, but all our attempts failed."

M. T. L. "NIMLA" was placed with Messrs. Sen Mukherjee & Co. when she was under the Civil Supplies Department. After she was taken over on 9th December 1948 in the Pool, she was inspected and the engine appeared to be in good working order. At that time (December 1948) the hull condition of the afterpart appeared to be more defective than the forward part. It was then decided that the hull of the after-portion should be repaired. On completion of repairs she was put in commission and sent to Basirhat for duty. She met with an accident there and the hull started leaking. The launch was brought back to Calcutta in December, 1950, for repairs and sent to M/s. Peoples Engineering Works. On examination it was found that there were a lot of more defective planks in the forward portion of the hull in addition to those in the after-part which (the forward poor planks) could not be visualised at the first inspection at Messrs. Sen Mukherjee's Yard. The hull repair was entrusted (in May, 1951) to Messrs. Hindusthan Water Craft, their quotation being the lowest. The engine had to be lifted out for repairs to the hull and as there was some time in hand before the hull repair would be completed, it was decided to open up the engine for general overhaul. On opening up the engine it was found that it needed heavy repairs. The cylinder block was found cracked. It was not possible to say whether the defects had already existed or these developed due to long lay-up on the beach previous to the repairs at Messrs. Sen Mukherjee's Yard. This cracking might have developed due to the circulating water not having any effect on account of heavy scale or mud adhering to the cylinder jackets, even though the discharge from the circulating pump appeared satisfactory. By this time the repairing of the wood work of the launch was well in hand and with a view to get this vessel running, every effort was made to secure a spare cylinder block. This was obtained (April, 1953) with considerable difficulty from the open market. After the engine was refitted, the launch was put-in water and tried. As performance was not satisfactory, the launch was kept under observation at Calcutta. After a month or so, it was reported that the hull was leaking. She was again sent to Messrs. Peoples Engineering Works for examination. The vessel was docked again and on further examination it was found that considerable damage had been done by white ants, especially at the keel which forms the main structure of the vessel. This damage could not be correctly visualised earlier and it was only after several attempts and observation that repair to the

**Audit comments—***Paragraph 22, page 19—*

**Loss in the disposal of spare parts.**—Buses of the following makes, viz., "Studebaker", "Chevrolet" and "Dodge" began to be withdrawn from routes in batches with effect from 1953-54, as and when the vehicles became fully depreciated. The withdrawals were completed by 1958-59. A majority of these buses had since been disposed of. With the withdrawals of these buses, spare parts, worth Rs. 4,13,494 approximately, stocked for these buses, became surplus. Out of these, spares worth Rs. 81,194 had so far (August, 1959) been disposed of at a loss of Rs. 17,047, of which write-off orders for Rs. 8,806 had only been received in audit. The building up of such huge stocks especially when these were available in local market (in fact most of the spares were purchased from the local market) not only resulted in substantial loss on disposal to Government but also in unnecessary locking up of Government funds over a long period.

**Departmental replies—**

vessel was abandoned and the vessel was ultimately condemned.

The Senior Engineer and Ship Surveyor of the Mercantile Marine Department, Calcutta, inspected the vessel on 30th December 1957 and observed that the bottom planks of the vessel were disintegrating and there was every possibility of the vessel falling from the blocks and the engine and auxiliaries being seriously damaged. Hence it was necessary to dispose of the vessel as quickly as possible. Messrs. Peoples Engineering Works offered to purchase the vessel in 'as is' condition at Rs. 8,700. Regard being had to the condition of the vessel which was disintegrating, the Principal Officer, Mercantile Marine Department recommended this offer as fair and reasonable. As any delay involved in inviting tenders and observing other formalities would have meant further deterioration of the vessel's condition thereby affecting adversely the expected sale price, orders were issued for sale of the vessel to Messrs. Peoples Engineering Works at Rs. 8,700 in 'as is' condition.

The Services of the Serang and the Driver of the vessel were utilised in filling up leave vacancies in other launches as and when required, and generally, only one member of the crew was kept on the vessel during the repair period for looking after the Government property.

It is indeed unfortunate that the efforts made by the officers of the Mercantile Marine Department for 10 years (1948-58) to have this vessel in commission involving an expenditure of Rs. 34,000 (which works out at Rs. 3½ thousand per year) did not bear fruit. The main reason for the failure is that the vessel was in a dilapidated condition when the Civil Supplies Department transferred it to the Pool in 1948 and it was a case of repairing an old and worn-out vessel.

Now-a-days a similar vessel with teak hull would cost about Rs. 6 lakhs and one with steel hull would cost about Rs. 5 lakhs. Since Government were short of launches at the time, every effort to reclaim this vessel was made by the Mercantile Marine Department of the Government of India which renders technical advice and assistance to the State Government on the use and upkeep of launches.

In the initial stage the Directorate was required to make bulk purchases through the D. G. S. & D. to get the benefit of rate contracts. Due to subsequent dieselisation of the buses from petrol, some stock thus purchased became surplus. Moreover, it could not be anticipated that Studebaker, Dodge, and Chevrolet models would be discontinued and the Directorate would go over to Diesel vehicles from petrol and the vehicles themselves would have less than normal life.

On account of the traffic conditions in Calcutta the value of the surplus would show that the stock created was about Rs. 2,000 per bus for a year, and this was not excessive.

In order to dispose of surplus stock at the best possible value, the stock lists were furnished to all the State Transport Undertakings and the Army but as other Undertakings had also similar troubles, there was no adequate response for purchase from any of them. Small lots were taken by Assam, Manipur and U. P. Invitation of tenders also did not meet with satisfactory response, and recourse had to be taken to public auction. But as prices offered in auction were considered to be too low, the bulk of the materials were sold by negotiation on offer of higher price.

**Audit comments—**

**Nugatory expenditure.**—Five cases were noticed in two departments in which persons discharged or dismissed from service as a measure of disciplinary action had to be reinstated at the intervention of a judicial authority or an appellate departmental authority, because there had been substantial defects in the procedure adopted in the disciplinary cases. In four cases, the time-lag between the date of discharge or dismissal and the date of subsequent reinstatement ranged from 3 to 6 years, during which period the persons concerned had to be allowed full pay and allowances without rendering any service to Government. The total nugatory expenditure on these 5 cases was found to be about Rs. 21,395.

Government stated in October, 1959, that as one of the incumbents served in the State Electricity Board during some part of the total period of his suspension, the amount of Rs. 7,938 drawn for disbursement to him, had been refunded to the Treasury in September, 1959, pending assessment of the actual claim to be paid to him.

**Departmental replies—**

The present stock position of these materials, the value of stores sold and loss etc. are shown below :

	Rs.
Book value of surplus stores (as reported by Audit).	4,13,484
Book value of stores in hand .. .. .	1,07,000 (approx.)
Book value of stores sold .. .. .	3,06,000
Sale proceeds of above .. .. .	93,857
Loss .. .. .	2,12,143

The stock in hand is mainly Chevrolet for which there is demand from the State Transport of Cooh Behar.

For the items mentioned by Audit write-off orders have since been issued.

**HOME (TRANSPORT) DEPARTMENT AND AGRICULTURE DEPARTMENT**

*Paragraph 23, page 19—*

**[Home (Transport) Department]**

This Department are concerned with four of those cases. It is difficult to anticipate what view the High Court will take in a particular case. A large number of disciplinary cases are disposed of every year and only a negligible number succeeds in the High Court against the decision of Government. Moreover, the period for which back pay had to be paid depended not on the Directorate but on the party in filing his case and on the Court in disposing of the same.

Out of the total amount of Rs. 21,395 as shown by Audit, Rs. 18,650 related to Home (Transport) Department. This amount of Rs. 18,650 included a some of Rs 7,938 which was drawn in January 1959 but not disbursed. The amount was, however, refunded to the Alipore Treasury on 1st October 1959 by short drawal through Establishment bill No. 836, dated 28th September 1959.

**[Agriculture Department]**

The Department of Agriculture and Food Production is concerned with one case only involving an amount of Rs. 1,416.29 paid to Shri Bhutnath Mahapatra, record-supplier of the Directorate of Agriculture, as subsistence allowance at one-fourth of basic pay plus allowances for the period from 5th May, 1957 to 23rd August, 1957 and the full pay and allowances for the period from 24th August, 1957 to 13th November, 1958.

This record-supplier had absented himself from duty without notice and without taking any leave and he was dismissed from service by the Director of Agriculture on that ground on the recommendation of the enquiring officer. On appeal being preferred by the dismissed record-supplier it was found by the appellate authority that there had been a substantial defect in the procedure followed by the Enquiring Officer. The order of dismissal was therefore set aside and the record-supplier was ordered to be reinstated in his post and it was further ordered by the

**Audit comments—****Departmental replies—**

appellate authority to draw up fresh proceedings against the record-supplier with the charges immediately with the reinstatement and to enquire into the case in accordance with the procedure as laid down in the rules. The appellatant record-supplier was paid full pay and allowances from the date of dismissal to the date of reinstatement.

It appears from above that the appointing authority acted on the basis of the recommendation of the Enquiring Officer in the matter of dismissal and the reinstatement as well as payment of pay and allowances was also made as per orders of the appellate authority. This case took only one and half years and neither the appointing authority nor the Department is responsible for such payment of pay and allowances but this was done according to the rules laid down for the purpose.

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**PUBLIC HEALTH DEPARTMENT**
*Paragraph 24, page 19—*

**Avoidable expenditure.**—In a Public Health Engineering Division, competitive tenders for the carriage of materials during the year 1954-55 were called for in May, 1954, and the work was distributed equally among three contractors including the lowest tenderer at the rates quoted by the latter. Even after the expiry of the period of contract the contractors were allowed to carry on with the work at the accepted rates. In July, 1955, fresh tenders were invited for the carriage during 1955-56 and it took another three months for the department to finalise the contract.

As the rates accepted for carriage of materials during 1955-56 were lower than those of the previous year in respect of many items, there had been an extra expenditure of about Rs. 16,800, in these transactions based on the 1955-56 rates.

On the matter being pointed out by audit, the Chief Engineer observed in October, 1957 as follows :—

“The tender for carriage of materials for 1955-56 was invited at a late date through inadvertance.”

The above state of affairs had been brought to the notice of Government in April, 1958, but no reply had so far (August, 1959) been received from them.

*Paragraph 25, page 20—*

**Excess payment to Insurance Medical Practitioners.**—Under the Employees' State Insurance Act, 1948, arrangement for providing general medical services to insured persons has been made at the clinics of the Insurance Medical Practitioners. The total expenditure incurred on the scheme is shared between the State Government and the Employees' State Insurance

Chief Engineer, Public Health Engineering, West Bengal, has explained that the tender for carriage of materials during 1955-56 could not be invited in due time through inadvertence and at present tenders are invited in time. The Government after careful consideration decided that although the rate of 1954-55 was higher than what was obtained during 1955-56 and it cannot be definitely said that favourable rates could be obtained if tenders were invited earlier, the Chief Engineer, Public Health Engineering, West Bengal, could guard against increase of cost by timely communicating the rates obtained in July 1955 to the Executive Engineer, concerned.

It was ordered that the Chief Engineer, Public Health Engineering, West Bengal, should caution the officers responsible and ensure that such delay did not recur in future.

It appears from the Audit Report (paragraph 25, Chapter III) that on 31st October, 1957 the number of exit cards was 54,667. The period from which these persons had been disentitled could not be assessed; so the amount of excess payments to Insurance Medical Practitioners could not be calculated. The audit therefore assumes that they were so disentitled at least

**Audit comments—**

Corporation in the ratio of 3 : 1. Payment (known as capitation fee) at the flat rate of Rs. 1-10 per quarter per insured person is made to each Insurance Medical Practitioner according to the number of insured persons placed in his charge at the beginning of the quarter to which the payment relates. For this purpose, the Director of Health Services, West Bengal, is required to maintain an up to date list of insured persons for whose treatment each Medical Practitioner is for the time being responsible. On receipt of information regarding the names of persons to be included in or removed from the list of insured persons from Employees' State Insurance Corporation, he is required to correct his records and also to furnish the information to the Insurance Medical Practitioners concerned. It was, however, noticed that from the very beginning of the scheme (May, 1955) timely action had not been taken by the officer concerned in regard to the intimation of the removal of the names of persons from the list (known as exit card). There was delay extending to some months in correcting the records and also in giving intimation to the Medical Practitioners concerned. But, during all these periods, capitation fees were being paid as per old list. At the end of June, 1956 there were 44,519 exit cards in respect of which no action had been taken by the medical authorities. In November, 1957, this figure had risen to 1,67,057, but on further verification by the Insurance Corporation it was established that the number of real exit cards was only 54,667 as on 31st October, 1957. Out of these 54,667 cards, the authorities took action on 15,020 cards in the quarter ending December 1957, and the rest in the following quarter. The period from which 54,667 persons had been disentitled to the benefit of the scheme could not be assessed by the medical authorities and consequently, the amounts paid in excess to the Insurance Medical Practitioners could not be calculated. Even assuming that all of them became disentitled to the benefit of the scheme from the quarter ending December, 1957, the minimum amount of overpayment to the Medical Practitioners came to Rs. 64,426. Again, in the quarters ending March, 1958 and June, 1958, the authorities took no action on 13,183 and 30,255 exit cards and the overpayment to the Doctors on this score amounted to Rs. 21,422 and Rs. 49,164, respectively.

Besides capitation fees to approved Medical Practitioners, the cost of special medicine is also payable under the scheme. It could not be ascertained from the authorities whether any special medicine had actually been issued against the above exit cards.

The above irregularities were brought to the notice of Government in October, 1956, through the 1st Inspection Report conducted in May-June, 1956, when the Director of Health Services stated as follows :—

“Large number of exit cards were received by the office all of a sudden without prior sufficient notice. On receipt of exit cards from Regional Director, Employees' State Insurance Corporation, we immediately moved Government for sanction of additional staff for this work and some staff from other sections were allotted for this work. Necessary action was taken with the help of the said staff in respect of some of the exit cards.”

Since the state of affairs shows progressive deterioration resulting in loss to Government, the matter calls for an immediate investigation. The total amount of overpayment should be apparently assessed and some responsibility for the same fixed.

**Departmental replies—**

from the quarter ending December, 1957 and minimum amount of over payment for third-quarter came to Rs. 64,426.

So far as the State Government is concerned none of their Officers can be held liable for the said excess payment of Rs. 64,426 for the quarter from October 1957 to December, 1957 and for any excess payment in respect of these exit cards in the previous quarter, if any. All these 54,667 exit cards were received during December, 1957 and January, 1958 as below :—

- (i) 15,020 by third week of December, 1957.
- (ii) 5,576 by the last week of December, 1957 (of which 100 Cards were received on the last working day of the quarter).
- (iii) 33,971 in January, 1958.

Regarding (i) and (iii)—The disentitlement notices were issued during the quarters in which the exit cards were received. So there was no infructuous expenditure on account of the cards from subsequent quarters.

Regarding (ii)—The cards were received towards the very close of the quarter and so it was possible to issue disentitlement notices during the next quarter. As a result there was an infructuous expenditure of Rs. 8,868.75 nP. during the quarter beginning from January, 1958. But since the exit cards were received when there was practically no time left and these cards had to be attended by an office which was at that time suffering from serious shortage of staff there is no question of fixing any responsibility.

Regarding the quarters ending March, 1958 and June, 1958 the position is stated below :—

Quarter ending	Number of exit cards received by State Government	Number of dis-entitle-ment notices issued during the quarter	Balance
1	2	3	4
March, 1958	.. 17,320	4,137	13,183
June, 1958	.. 25,450	8,378	17,072
			30,255

It is reported that the disentitlement notices in respect of the exit cards indicated in column 4 above could not be issued as the medical acceptance cards in respect of the insured persons were not received from the Insurance Medical Practitioners concerned as the insured persons concerned did not register their name with them. From the above statement it will be seen that the number of persons for whom disentitlement notices were not issued, were 13,183 at the end of the quarter ending March, 1958 and this number was raised to 30,255 at the end of the next quarter i.e., the quarter ending June, 1958. Accountant General takes that there was an infructuous expenditure of Rs. 21,422 and Rs. 49,164 on this account. It may be mentioned here that payment is only made in respect of insured persons whose medical acceptance cards are received in Administrative Medical Officer's Office. As Medical Acceptance Cards in respect of



**Audit comments—**

*Paragraph 26, page 21—*

**Unfruitful expenditure.**—Certain premises in Calcutta were requisitioned from a private party and placed at the disposal of the Department of Health with effect from 17th June, 1948 for the establishment of a hospital for bubonic plague patients. As the proposed hospital was not started, the premises remained vacant till 31st October, 1949, when about 100 refugees forcibly occupied the premises. In reply to an audit query, Government stated in October, 1954, that there were 322 cases of plague in Calcutta during 1949 and that all these cases were treated in the existing Government Hospitals, and that the idea of establishing a separate hospital for plague cases was abandoned in October, 1949, as the number of patient came down to only five in September, 1949.

As the premises could not be restored to the owner in a vacant possession, the liability for rent and taxes in respect of the buildings (rent at the rate of Rs. 600 per month, ground rent at the rate of Rs. 5.71 nP. per annum. Municipal taxes at variable rates) rested with Government, for which Government had spent so far (up to May, 1959) Rs. 1,01,942 (rent Rs. 80,248, ground rent Rs. 60 and Municipal taxes Rs. 21,634), with further liabilities still to be met. No portion of the rent and taxes paid by Government had been recovered from the occupants, of whom eighteen happened to be State Government servants, but the amount recoverable from them could not be ascertained. In addition to the amount of Rs. 1,01,942 stated above, an expenditure of Rs. 3,184 was incurred by Government on account of pay and allowances for four Durwans entertained for the protection of the buildings during the period from 1st October, 1948 to 24th January, 1950.

It is understood that the unauthorised persons were proceeded against on a charge of forcible occupation but were acquitted on 17th July, 1951 by the Court, and that the suit for eviction instituted by Government on 20th December, 1951, had also been decided by the Court, who had asked the Refugee Rehabilitation Department to provide alternative accommodation for the occupants.

**Departmental replies—**

the disentitled persons were not received in Administrative Medical officer's office ther is little scope for payment of capitation fee on their account during the quarters concerned.

The premises referred to are Nos. 80 and 80-1 Dum Dum-Cossipore Road within South Dum Dum Municipality. The possession of the premises was taken over by the Department of Health on the 17th June, 1948 for establishment of a temporary hospital for plague cases, which broke out in the city in 1948. Four Durwans were employed to guard the premises.

The plague epidemic being over, it was decided to explore the possibility of utilising the premises for some other type of hospital as the State was then short of hospital beds and expansion of hospital services was imperative. The house was not however found suitable for other type of hospital and it was eventually decided to derequisition it and order to that effect was forthwith issued on 27th October 1949.

Before the premises could be restored to the owner in a vacant possession a large number of displaced persons from East Bengal entered it by force and occupied the buildings and compound thereof. The Durwans could not resist them inspite of attempts.

The unauthorised persons were proceeded against under section 447-448 I. P. C. on a charge of forcible occupation in the court of the Magistrate, 1st Class of Barrackpore but were acquitted by the Court on 17th July 1951.

A case for eviction of the unauthorised persons was thereafter instituted by the Collector, 24-Parganas in the Court of the Competent Authority for Calcutta and 24-Parganas under the Rehabilitation of Displaced Persons and Eviction of Other Persons Act on 20th December 1951. On 15th October 1957 the Competent Authority passed orders to the effect that 121 of the, occupants who were displaced persons within the meaning of the aforesaid Act and as such were entitled to protection from eviction, should be provided with alternative accommodation by the Refugee Rehabilitation Commissioner and that 25 other persons who were not entitled to such protection, should vacate the property within 60 days from the date of the order.

The persons who were entitled to protection have not been provided as yet with alternative accommodation. An Execution Case has been filed before the Competent Authority for eviction of other 25 persons. A case is also proceeding before the same Authority in respect of assessment of compensation against the occupants.

It was only in November, 1958 that it was reported to Government that 18 Government servants were among the unauthorised persons, that the office or offices to which they were attached could not be ascertained as the residents of the premises were not inclined to divulge anything. The particulars of the persons have since been ascertained through the Inspector-General of Police, West Bengal, and it has been found that fifteen of them are employees of different organizations under the Government of India, two are employees of Local Bodies and only one holds appointment under the Education Department of the State Government. A reference has been made to the Competent Authority for ascertaining if these eighteen persons are entitled to alternative accommodation under the provisions of Act XVI of 1951 or they are liable to be ~~evicted~~. Reply is awaited.

*evicted*

**Audit comments—**

*Paragraph 27, pages 21-23—*

**Recurring loss in the Tractor Organisation.**—During 1954 the Agriculture Department operated a fleet of 63 tractors (55 of which were acquired in 1951 at a cost of Rs. 11,61,940) to implement the State Government scheme for reclamation of waste land and to introduce mechanised cultivation. Since from 1950-51 onwards when the scheme commenced, the operational losses (i.e., the difference between the total cost of operation of the fleet and the hire charges received and receivable from the beneficiaries) had been on the increase every year and as half the fleet remained without work, a Committee was appointed by the State Government to investigate the working of the Tractor Organisation. The Committee submitted its report in December, 1955, according to which the large recurring losses of the Tractor Organisation were mainly due to—

- (a) maintenance of a large fleet than was necessary ;
- (b) non-availability of sufficient cultivable waste land.

The Committee recommended the disposal of 27 tractors with spare parts worth Rs. 4,86,962 and the conducting of a land survey to locate areas where land would be available in sufficient stretches, not less than 200 acres of land in one centre, to make tractorisation economic.

During a local inspection of the accounts of the Tractor Organisation in October, 1958, the following irregularities were noticed :—

(i) The tractors and spare parts recommended for disposal by the Committee, in 1955 had not been disposed of and no programme of work based on land survey had been drawn up. During 1957-58, the log books of 36 tractors which had been sent to different districts for work showed that a majority of them remained idle throughout the year, owing to non-availability of land ; out of 10,066 working days available the tractors were put to use on 2,158 days only.

**Departmental replies—**

In the circumstances stated above and the fact that it is the Competent Authority who is to fix the amount of compensation recoverable from each of the unauthorised occupants of the premises, it has not been possible for the Department of Health to realise anything so far from the occupants.

So long as the premises remain under requisition, payment of monthly rent compensation, municipal tax, etc., is an inescapable legal liability of Government. Payment of these charges have been sanctioned up to 31st March 1961 or the date of derequisition of the premises, whichever is earlier.

**AGRICULTURE DEPARTMENT**

In order to know the financial position of this scheme a departmental profit and loss account is being maintained and it has been found therefrom that the losses are on the decrease. One of the main factors of this loss was idle hours on account of about 27 tractors declared surplus having not been put to use. Attempts were made to dispose of these 27 tractors by auction, but the offer was too low. Therefore, the department of Agriculture and Food Production have decided to utilise 21 of these surplus tractors in different farms after necessary repairs and break-up another tractor for utilisation of its parts as spares. Steps are being taken to dispose of the remaining 5 entirely unserviceable surplus tractors. These steps will considerably reduce the loss due to idle hours.

The loss sustained under this scheme was not peculiar to West Bengal. Government of India have recognised the fact that the Tractor Organisation has been running at a loss in all the States of India. They, therefore, provided in the Second 5 Year Plan to give subsidy to the State Governments to the extent of 12½ per cent of the expenditure or 50 per cent of the loss, whichever is greater. Government of India are being moved for payment of their share of the loss.

Government had taken up two reclamation projects— one at Teesta Char area in Jalpaiguri and another at Garbeta and Keloghai areas in Midnapore. Of these two projects the former one could not take its proper shape due to the uncertain position of the river Teesta with the result that the tractors placed there could not be provided with full time work. The project at Midnapore is running very slowly due to the inordinate delay in taking over the vested lands. The lands so far taken over are being placed for tractorisation and the operation is being done by the tractors properly. Here also the tractors had to remain idle due to non-availability of sufficient lands.

The position of outstanding tractor hire charges due from R. & R. Department as it stood on 31st March 1960 is Rs. 2,75,980. These dues are mainly on account of reclaiming waste land for the rehabilitation of refugees at the requisition of Collectors. Necessary steps for adjustment are being taken.

**Audit comments—****Departmental replies—**

(ii) Due to maintaining a larger number of tractors than was necessary and the unplanned movements of tractors, and the non-availability of suitable land the department had been incurring considerable losses every year as detailed below :—

			Rs.
1950-51	..	..	2,39,882
1951-52	..	..	3,06,726
1952-53	..	..	4,00,954
1953-54	..	..	4,32,257
1954-55	..	..	5,61,801
1955-56	..	..	6,73,975
1956-57	..	..	3,54,483
1957-58	..	..	3,23,604
			32,93,682

Interest on the capital outlay had not been taken into account in arriving at the above figures.

(iii) A sum of Rs. 4,77,508 (approximately) on account of hire charges of tractors was lying unrealised on the 31st March, 1958.

When these facts were brought to the notice, Government stated in January, 1959, as follows :—

“A preliminary survey of waste land has already been completed and Government are now considering a proposal to a scheme for reclamation of waste land and to retain 14 of the surplus tractors in the State Tractor Organisation, to transfer 4 other tractors to the departmental farms and to dispose of the remaining 9 tractors by public auction”.

Subsequently in June, 1959, they stated as follows :—

“On the basis of the data collected from the survey, it appears that there are 6,074 blocks of waste land having an area of 243,000 acres. Assuming that 50 per cent. of these areas are culturable, the existing fleet of 36 tractors have enough work. Tractor operations have already been taken up in vast areas of waste lands in the districts of Jalpaiguri and Midnapore. Since the work has been concentrated in compact blocks, the tractors will have full-time work and the idle hours will be minimised. So far as the disposal of 27 surplus tractors is concerned, Government are now considering a proposal to utilise 21 of these tractors in other projects of this department, to break up another tractor for utilisation of the parts in other tractors of the pool as spares and to offer the remaining 5 tractors for sale”.

(iv) In course of checking the log sheets of these tractors for 1959-60 (up to June, 1959) it was noticed that the tractors particularly those in Midnapore and Jalpaiguri districts continued to remain idle as before.

In view of the large capital outlay and the substantial annual losses incurred by the Organisation, and the heavy arrears in the collection of hire charges the matter is specially brought to notice.

## Audit comments—

## Departmental replies—

## COMMERCE AND INDUSTRIES DEPARTMENT

## Paragraph 28, page 23

**Loss in sale of Quinine.**—In the course of local inspection of the accounts of the Government Quinine Sales Depot conducted during the period from October, 1958 to December, 1958, the following irregularities were noticed :—

(a) 30,186 lbs. of Quinine Sulphate B.P. 1953 and 1,150 lbs. of Cinchona Febrifuge Powder were sold during 1956-57 through the Government Sales Depot at Calcutta, at rates far below the "issue rates" of the factory. This resulted in an apparent loss of Rs. 31,968. The "actual loss" was much greater as the factory "issue rates" themselves were much below the cost of production as some direct charges had been left out in arriving at this cost. Further, in fixing up the selling price the proportionate charges on account of the interest on capital, sales depot expenses, maintenance and depreciation of buildings had not been taken into account. In reply to an audit query it was stated that the selling price could not be pitched up to the cost of production in view of the slump all round in the market for quinine and that the actual cost in such cases could not be calculated with any degree of accuracy or certainty in the absence of a proper commercial system of accounts, for which audit has been pressing since 1952-53 on the model adopted in a sister State large cinchona plantations.

(b) In April 1958, 42,000 lbs. of semi-purified quinine were sold by negotiation to a foreign firm at a rate much below the cost price. This resulted in a *prima facie* loss of Rs. 9,36,148. In reply to an audit query the Director of Cochona observes as follows :—

"The old accumulated stock of semi-purified Quinine Sulphate (not pure or B.P. Quinine) meant a huge locked up capital. This quantity of quinine was not disposable as such and there was no prospect of having this purified at our factory as the factory capacity would not permit this without stopping the extraction of fresh bark, of which again there is a huge accumulated stock. Besides, since the current local demand can be met from current manufacture it was considered desirable to dispose of the surplus semi-purified stuff by export as it would enable a better utilisation of our factory and plantation labore and at the same time help to earn valuable foreign exchange. Export of quinine is also likely to help us in capturing the foreign markets eventually.

Regarding price, it has to be remembered that the World prices of quinine are very low at the moment compared to our cost or selling price. Besides, semi-purified quinine costs less for production as the final purification expenses are omitted."

In view of the fact that the conditions both in the internal and the international market reflected unfavourably on Government quinine production Schemes audit brought the matter to the notice of the Government in January, 1959, for a decision on the point whether there was adequate justification for the continuance of production in the factory entailing a huge recurring loss from year to year.

The orders of Government are still (May, 1959) awaited.

A question has been raised by the Accountant General West Bengal, as to whether Government should continue to maintain the Cinchona Plantations and the Quinine Factory in the Darjeeling district, in view of the prevailing low World price of quinine, as a result of which the Department is suffering a large recurring annual loss.

The Cinchona Plantations in Mungpoo, Munsong Rongo and Lat Pancher were started on the basis of Health-cum-Social Welfare Scheme which was adopted nearly a century ago and which has, now, create something like a socio-economic problem, involving the fate of thousands of hill labourers, who have struck a firm root in the plantations for generations, and to whom the State Government owe a special responsibility. During the Second World War, when quinine was in very large demand and supplies were extremely short, the existing plantations were extended on a war emergency basis, a huge labour force being recruited in a hurry, which became largely surplus as soon as there was a slump in the demand for quinine after cessation of hostilities and restoration of normal trade channels. The present high and uneconomic cost of production is, primarily, due to the fact that a large surplus labour is being maintained by the Cinchona Directorate and owing to the success of anti-malarial measures undertaken in collaboration with the W.H.O., internal demand for this anti-malarial drug had fallen steeply. As the labourers, working in the Cinchona Plantations and the Factory, are local hillmen, who have taken firm root in the soil and specially because there is no other alternative avenue of employment in the neighbourhood, the surplus labour had to be maintained by Government, even when they were incurring a loss. This was due to the fact that apart from the commercial aspects of the scheme, Government could not divest themselves of the moral responsibility for rehabilitating the surplus hill labourers, who enjoyed certain special facilities; and immediate and strenuous measures were initiated by the Department with a view to providing them with profitable alternative occupation. In this attempt, Government have been largely successful—nearly 737 such labourers having been switched over to a scheme for cultivation of Ipecac and other high altitude Medicinal Plants and Alternative Crops like Tung, Coffee, Cardamom, etc. Moreover, a scheme for voluntary retirement on payment of a small gratuity as well as certain "ad hoc" superannuation benefits have been introduced, as a result of which nearly 700 surplus labourers have been disposed of.

Although, in accordance with the decision taken at the Quinine Conference sponsored by the Government of India in 1955, our total production of Quinine Salts has been brought down to 40,000 lbs. per annum, as against the installed capacity of 60,000 lbs. we are succeeding in our attempt to sell the entire quantity (i.e. 40,000 lbs.) every year and there is, at present, no accumulation of stocks. It was only because there had been a huge accumulation of surplus cinchona bark and semi-purified quinine in the past that Government had to sell 42,000 lbs. of the latter commodity to a British firm and although this deal had resulted in a loss, on the basis of the book value of the stuff, Government had no other choice, because there was no internal market for this semi-purified quinine at the scheduled rates and a huge amount of capital was being unnecessarily locked up, apart from the chances of the stuff deteriorating in prolonged storage. As

## Audit comments—

Paragraph 29, Page 24.

**Loss in the running of a Cafeteria.** In paragraph 3 of the Review below Grant No. 26.—Industries—Industries (*vide* pages 180-181 of Appropriation Accounts for 1954-55) it was mentioned that there was a net loss of over Rs. 15,000 during 1954-55 in the running of a Cafeteria attached to the Sales Emporium. In the departmental reply submitted to the Public Accounts Committee at its sittings in January, 1959, it was stated that the Cafeteria had been closed down with effect from 30th April, 1956. At the instance of the Committee, the department prepared an account for the entire period of the existence of the Cafeteria from which it was found that there had been a total loss of Rs. 73,262 (Trading loss—Rs. 53,170 and Capital loss—Rs. 20,092) on the Cafeteria. The loss would be greater if all the outstanding liabilities and charges, like interest on capital, audit fees, postage and telephone and proportionate charges on lighting, etc., which could not be ascertained for want of relevant records, were taken into account.

The capital loss of Rs. 20,092 sustained in the disposal of assets was due to the following reasons :—

- (a) Owing to delay in the disposal of assets, which was done in February, 1959, while the Cafeteria was closed down in April, 1956, most of the assets were auctioned in a damaged and broken condition thereby fetching very low prices.
- (b) While giving Press Publicity for auction sale on 6th February, 1959, the department fixed the date for auction on 7th February, 1959. Thus there was an inadequate interval before holding the auction.

## Departmental replies—

current local demand can be easily met from the current manufacture from fresh bark, which is harvested every year, it was considered expedient to complete the aforementioned deal which has earned us a large amount of valuable foreign exchange. Recently we have, as a result of the recent upheavals in Congo, succeeded in exporting 28,00,000 lbs of surplus bark at a price, which is considered to be advantageous in the context of the World market and which had brought in nearly Rs. 15 lakhs in foreign exchange. In order to minimise the recurring annual loss on the sale of Government quinine, the World price of which is even now below our production cost, we have undertaken a large scheme for production of Ipecac Roots, for which there is a heavy unsatisfied demand all over the World and during 1959-60 Roots worth Rs. 1.65 lakh were sold, which amount has gone upto Rs. 2.98 lakhs in 1960-61.

The general policy of production of Cinchona has all along been guided by the centre. At the quinine conference held in 1955, the cinchona producing States of West Bengal and Madras were advised against any drastic curtailment of quinine production and were asked to regulate production according to current demand. One of the resolutions taken at the last meeting of the Central Council of Health proposed that the Government of India should reduce its reserve stocks of quinine in view of the production capacities of West Bengal and Madras, implying thereby that the quinine production should be continued in these States. Moreover, there is always a risk of sudden world shortage of this important drug which has other commercial uses apart from its anti-malarial properties; as such there should be no question of winding up this century old State owned industry.

It is admitted that there has been some delay in auctioning the furniture and fittings of the Cafeteria and that the time given for publicity was short, but even then the Director of Industries reports that there were as many as 31 bidders.

It is admitted that the loss of a Motor of the Refrigerator and a Table Fan was not reported to the police in time by the Superintendent. Necessary action is being taken against the officer concerned.

**Audit comments —**

(c) A table fan and the motor of a Refrigerator (value not available) were stated to have been stolen from the Sales Emporium where they were kept after the abolition of the Cafeteria. The theft was not reported to the Police nor was the matter investigated departmentally and responsibility fixed.

*Paragraph 30, pages 24-25—*

**Irregularities in the payment of loans under The Bengal State Aid to Industries Act, 1931 :** Under the Bengal State Aid to Industries Act, 1931, loans at 5 per cent. interest and repayable in 10 years are paid to concerns with a view to helping them in running Small Scale Industries. During the period from 1st March, 1950 to 31st March, 1959, the department granted loans amounting to Rs. 19,69,071 to 224 units on 73 Industrial Schemes. In the course of test-audit of some of the loan transactions conducted in January-February, 1953 and January-February, 1954, various irregularities, a few of which are detailed below came to notice :—

(1) A company was granted a loan of Rs. 1,50,000 in four instalments, the last instalment having been paid on 21st December, 1951, against the mortgage of the machinery as well as the landed property, which (latter) was stated in the mortgage deed to be free from encumbrances. Subsequently on 23rd December 1952, it came to the notice of the department that the land had already been mortgaged to a Bank on an equitable mortgage. The Company did not pay even the first instalment of loan, which fell due on 21st December, 1952 nor any further instalments (September 1959).

(2) In another case a loan of Rs. 38,000 was granted on 30th March, 1950, to a Company against hypothecation of properties, which were declared as free from encumbrances. Subsequently it came to the notice of the department that a decree had already been passed by the High Court in September, 1948, against the said Company for a debt for a considerable amount.

**Departmental replies—**

(1) **Loan of Rs. 1,50,000 granted to a Company:** This refers to the loan granted to Messrs. National Distillery and Chemical Corporation Ltd., Asansol. The loan was advanced against the security of assets valued at Rs. 3,17,385 only, machinery valued at Rs. 166,423 and landed properties at Rs. 1,50,962. The valuation was made by an Expert Committee specially constituted for the purpose. That the land was already charged to the United Industrial Bank Ltd. of Wellesley Place on an equitable mortgage was not brought to the notice of the Committee and the Directorate by the party. Before the loan was advanced, press notice was issued inviting objections to the grant of the loan on the security of the assets of the Company including land, buildings and other assets. But no objection was received from any quarter. Subsequently, it was reported by the Bank that the land was held by them on equitable mortgage against an overdraft for which one of the Directors of the Company had personally stood as surety.

As this amounted to a concealment of material facts, the State Aid was terminated under Sec. 26 of the Bengal State Aid to Industries Act, 1931 and Certificate proceedings were instituted against the Company, in September, 1953, for the recovery of the loan. Up to the 31st July, 1959, the Company had paid a sum of Rs. 42,433 which was adjusted towards the liquidation of the interest accrued on the loan.

The Company has recently been reorganised and the Board of Directors was reconstituted. As a result of an amicable settlement made with the Company, they have already paid a sum of Rs. 29,000 up to date. They have agreed to pay the balance amount by monthly instalments of Rs. 2,000 till the satisfaction of the Government dues. If repaid in this manner, the loan is likely to be liquidated within a period of six years.

(2) **Loan of Rs. 38,000 granted in March, 1950:** This refers to the loan granted to Messrs. Mira Industrial Corporation Ltd. The party made a specific statement that the properties were free from encumbrances. Searches in Registration Offices were made but they could not reveal the existence of any attachment by any court at that time. A press notice was issued. The valuation report of the District Magistrate also did not show the existence of any attachment.

The property was valued at Rs. 77,165 by the District Magistrate (Rs. 34,850 for land and building and Rs. 42,315 for machinery). The decree was for a sum of Rs. 33,000 a major part of which was later liquidated by the Company. A criminal case was instituted against the Company for making false statement. But they were acquitted on some technical grounds, one of which was that the net value of the assets after deducting the amount of the decree still covered the amount of the loan under the provisions of Section 19(1) (a) of the B.S.A.I. Act. A certificate case for recovery of the loan amount is proceeding against the party.

**Audit comments—**

(3) A total sum of Rs. 1,41,500 was paid to eight concerns as loan during the period from 30th March, 1950 to 26th December, 1951. The Departmental Auditor's Report conducted after the payment of loans to the concerns showed that three of these firms which received a total loan of Rs. 92,500 were not in a position to repay instalments of loan, while 5 firms which received a total loan of Rs. 49,000 were not even in existence. In the case of one of these loanees, who was granted a loan of Rs. 8,000, it was stated that the firm was a bogus one and had no existence at all.

**Departmental replies—**

(3) **Grant of loan of Rs. 1,41,500 to eight concerns:**  
It appears that the following loans are referred to :—

- (i) Rs. 35,000 granted to the Instrument Research Laboratory Ltd.
- (ii) Rs. 11,500 granted to Messrs. Glacokid (India) Ltd.
- (iii) Rs. 46,000 granted to Shri B.B. Dey.
- (iv) Rs. 20,000 granted to Hindusthan Salt Manufacturing Co. Ltd.
- (v) Rs. 10,000 granted to Shri S. B. Chatterjee.
- (vi) Rs. 8,000 granted to Messrs. Burdwan Bucket and Plain Sheet Manufacturing Co. Ltd.
- (vii) Rs. 4,000 granted to Messrs. Guha & Co. Ltd.
- (viii) Rs. 7,000 granted to Shri M. N. Mondal.

The total loan of Rs. 92,500 paid to the three parties refers to the first three loans. The loan of Rs. 35,000 granted to Messrs. Instrument Research Laboratory Ltd. has been realised in full, with due interest. Messrs. Glacekid(India) Ltd. have already paid about Rs. 17,000 only towards the repayment of the loan with interest, out of which Rs. 6,000 have been paid to the Directorate and the balance has been realised by the Certificate Officer. An amount of Rs. 4,903 has been realised from Messrs. Guha & Co. Ltd., while the amount so far realised from Shri M. N. Mondal is Rs. 4.410-45 nP.

The other five firms receiving the total loan of Rs. 49,000 refer to the remaining loan cases quoted above. The loans were granted to running concerns after due inspection and all the units did exist and there were sufficient grounds to recommend the loans.

Certificate cases are in progress against the defaulting loanees. The loan granted to Messrs. Hindusthan Salt Manufacturing Co., Shri B. B. Dey and Messrs. Burdwan Bucket and Plain sheet Manufacturing Co. are adequately covered by the securities of landed properties. A part of the landed properties hypothecated to the Government by Shri B. B. Dey against the loan has been acquired by the Rehabilitation Department and the compensation awarded is more than Rs. 50,600. A claim has duly been put on the amount and this is now under consideration of the appropriate authority.

A loan of Rs. 8,000 was granted to Messrs. Burdwan Bucket and plain Sheet Manufactuirng Co. Ltd. The Company did exist at the time the loan was granted. It was inspected twice by two departmental Inspectors before the Company's application for loan was considered. One of these inspections was conducted jointly with the Civil Supplies Department which also issued permits for sheets. It is not correct to state that the firm did not exist at all. It was a Private Limited Company duly registered with the Registrar of Joint Stock Companies. The Accountant-General, West Bengal, has since gone through the relevant papers in our file which was produced before him and he has accepted the position as explained above.

**Audit comments—**

(4) A sum of Rs. 1,74,000 was granted as a loan in 1953 to a concern which spent Rs. 1,40,000 out of the amount received from Government as loan, towards repayment of a Bank Overdraft and not for the development of its industry as per agreement. It was stated by the Directorate in May, 1959 that a sum of Rs. 2,06,719 (Principal Rs. 1,57,500 and Interest up to February, 1959 Rs. 49,219) was outstanding against the Company at the end of February, 1959 and that the Company had since gone into liquidation and that the affairs of the Company had been placed at the hands of the Official Liquidator, High Court.

(5) The amount overdue for recovery from the defaulting loanees as on 31st March, 1959, was Rs. 9,37,734. Government had adopted certificate procedure for the realisation of Rs. 8,23,126 only. Steps taken for the recovery of the balance are not yet (August, 1959) ascertainable.

**Departmental replies—**

(4) **Loan of Rs. 1,75,000 granted to a Company in 1953 :** This refers to the loan granted to Messrs. United Press of India Ltd. In granting the loan, the opinion of the Law Officers was taken and they found no objection to the proposed utilisation of the loan. Since the Company went into liquidation, another new organisation under the name of United News of India Ltd. has taken over the assets of the United Press of India Ltd. under orders of the High Court. As far as the State Government's claim is concerned as a secured creditor, this has already been placed before the Official Liquidator for necessary action.

(5) **Steps taken for the recovery of outstanding loans :** Certificate proceedings have been instituted for the realisation of the entire balance amount of Rs. 1,14,608.

**COTTAGE AND SMALL SCALE INDUSTRIES DEPARTMENT***Paragraph 31, pages 25-26*

**Irregularities in the operation of a scheme.**—In 1956-57 a scheme known as "Integrated Scheme for Training-cum-Production for Wood Industries" located at three centres, viz., Durgapur, Kalyani and Siliguri was started by Government. The operation of the scheme was entrusted to a Special Officer and a sum of Rs. 7 lakhs was placed in the Personal Ledger Account opened in his name for the purchase of raw materials, payment of wages, etc. The total expenditure incurred under the scheme up to the end of 1958-59 was Rs. 29.94 lakhs.

In the course of local inspection of the accounts of the scheme conducted during the period from September, 1958 to January, 1959, various irregularities came to notice, a few of which are detailed below :—

(i) *Purchase without tender.*—In a large number of cases, purchase of timber, machines and stores had been made without open tender. The total amount involved in these cases, so far known to audit came to Rs. 7,79,498. In some of these cases supplies were made by the contractors on the verbal orders of the Special Officer. In one case, timber worth Rs. 1,30,858 was purchased from a contractor during the period from March, 1958, to December 1958, with the full knowledge that the contractor had been *black listed* by the Government. The rates paid to this contractor were also much higher than the market rates prevailing at the time of purchase. The extra expenditure on this count amounted to Rs. 20,000 approximately. In reply to an audit query it was admitted by the authorities that out of 100 tons of timber purchased from this contractor about 40 tons were still lying unused and that the rates allowed to the contractor were really abnormal and needed investigation.

(ii) *Purchase in excess of requirements and long before actual requirements in order to avoid lapse of budget grant.*—In one case some machines worth Rs. 42,967 were purchased during the period from May, 1958 to October, 1958, for use in a Training Institute while the construction of the building to house the Institute had not so far (February, 1959) been taken up. In this case the amount was drawn from the Treasury at the end of March, 1958 in order to avoid lapse of budget grant. In another case machines worth Rs. 53,631 purchased during the period from February, 1957 to

(i) It is true that in certain cases, due to exigencies of circumstances, purchases were made without open tender; but in every case quotations were obtained from reliable dealers and importers engaged in the production, manufacture or import of particular commodities. In some cases supplies were made by the contractors on the verbal orders of the Special Officer; but these were later confirmed in writing with the approval of the Director of Industries.

It is also true that in one case purchase was made from a black-listed contractor. The matter was investigated by the Home (Anti-Corruption & Enforcement) Department. It is reported that this particular contractor, named Messrs Ramanlal Kondai, was a black-listed firm and the information was conveyed under the Memo. No. 1426/2A-2/57 dated 23rd June 1958 of the Administrator, Rural Reconstruction. No purchase was made from this firm after the above fact was intimated to the Director of Industries.

It is also a fact that in certain cases rates paid to the contractor were higher than the market rates. The Director of Industries has reported that this was due to wrong calculation of the c.f.t. rate of the timber and that the excess paid to the contractor has since been realised from them.

The entire 100 tons of timber referred to in the Audit Report have since been fully utilised. The rates allowed to the contractor were on the basis of approved quotations and according to approved quality and specification. It is necessary to stock the requirement for two to three months in anticipation of orders of the different parties and to execute them in time.

(ii) It is a fact that machinery worth Rs. 42,967 were purchased for the Wood Industries Institute from May 1958 to October 1959 when the construction of the building to house the Institute was still proceeding. The construction has since been completed and the machinery installed. It is also a fact that certain machines worth Rs. 53,631 were purchased for the Kalyani Wood Industries Training-cum-Production Centre during the period from February 1957 to November 1958, but these could not then be installed in the workshop which had no sufficient accommodation



**Audit comments—**

November, 1958, for one of the centres had not so far (August, 1959) been used at all. Yet, in another case 23 tons of Badam logs valued at Rs. 5,131 purchased in September, 1957, were allowed to rot in the supplier's yards owing to failure on the part of the department to lift the same in spite of repeated reminders by the supplier.

(iii) *Drawal of money from the Treasury long before the actual disbursement and keeping the same outside Government Account.*—The Special Officer used to take away moneys drawn from the Treasury by the drawing officers of various centres for payment to contractors, on the alleged ground that he would make the payments to the contractors from his Calcutta Office. It was on record that he never furnished any acknowledgments for amounts thus taken by him. A scrutiny of the cash book maintained by his Calcutta Office showed that large amounts so collected by him had not been accounted for therein. On one occasion (31st March, 1957) he took a total sum of Rs. 3,08,880 from one of the centres for disbursements to contractors and kept the amount with him without any entry in his cash book. The disbursements were continued from April, 1957 to January, 1948.

(iv) *Some cases of interest.*—(a) In one Centre 22 tons of timber valued at Rs. 8,290 were found to have been issued at the end of 1957-58 to a production centre in excess of the quantity actually required. But no accounts of the disposal of excess timber were available.

(b) Payment of Rs. 3,674 and Rs. 4,906 were made to a sub-contractor in November, 1957 and January, 1958, respectively for fabrication of certain doors and windows on the strength of certificates that the articles were accounted for in the register of finished products. But no entry of such articles in the relevant registers could be traced in audit.

(v) The Special Officer drew small travelling allowances on several occasions for tours outside Headquarters, while the log-book of his official car showed that he was using the car at Headquarters at the time.

(vi) *Non-maintenance of regular books of accounts.*—Regular books of accounts as prescribed in the commercial system of accounts had been maintained. The Manufacturing, Trading and Profit and Loss Accounts and Balance Sheets had not been prepared.

On the matter being pointed out by audit in February, 1959, it was stated by Government in July, 1959, that the services of the Special Officer had since been terminated with effect from 2nd July 1959 and that the case had been handed over to the Police for further investigation with a view to taking legal proceedings.

**Departmental replies—**

These have since been installed in the newly constructed building of the above centre. It sometimes becomes necessary to purchase machinery when they are available in the market at a proper price. Delay often results in the prices shooting up and the machines also are not always easily available. These purchases were made in order that the Institute and the Production Centre may not suffer for want of machines after the building is completed.

As for the Badam log, these were purchased from the Andaman Government Timber Depot, Shalimar, according to the allotment made by the Government of India in the Agriculture Department. The delay in lifting the quantity was due to a dispute over quality and rates of the logs supplied. However, the entire quantity was lifted and utilised.

(ii) The matter was investigated by the Home (Anti-corruption & Enforcement) Department. During enquiry it came to light that cash and drafts obtained from different Treasuries on account of contractors' and suppliers' bills were collected by Shri Upadhyaya, [former S. O. (Wood)] from different centres. Shri Upadhyaya used to pay the bills of suppliers and contractors from Calcutta. These cash and drafts were kept by Shri Upadhyaya in his personal custody and were not accounted for in the Cash Book of the Calcutta office. These cash and drafts were disbursed between 3-4-57 and 6-11-57. The undischursed cash and drafts were returned to the Treasury on 10-1-58 and 30-1-58. After disbursement, the vouchers were sent to the Centres concerned. Shri Upadhyaya was the Drawing and Disbursing Officer of the scheme. His explanation was that he kept the amount of cash and drafts with him in Calcutta for payment to the contractors and suppliers instead of keeping such huge amounts in the Cash Box of the Centres where there was no armed guard and when he himself was responsible for any loss or theft of such cash and drafts. Regarding the delay in disbursement, Shri Upadhyaya explained that the bills were paid after receipt of articles and on completion of work though the amounts were drawn from the Treasuries before the end of the Financial year for fear of lapse of the sanctioned amounts. Keeping Government cash and drafts in personal custody certainly amounted to violation of Treasury Rules.

(iv), (v) & (vi) The specific cases of irregularities pointed out by the Audit were also investigated and it was found that Shri Upadhyaya was personally responsible for the same. The services of that Officer have been terminated. The matter was also referred to the Home (Anti-Corruption & Enforcement) Department in order to prosecute him. After investigation, it was reported by the said department that no criminal case could be established against Shri Upadhyaya. Steps have since been taken to tighten control and remove the procedural defects commented upon by the Audit against the Wood Industries Institute.

The present position in regard to these paras was duly reported to the Accountant General, West Bengal. Arrangement for concurrent Audit has been enforced in respect of the payments which are made out of the Personal Ledger Account of the S.O. (Wood). The Books of Accounts as required under the rules are now being properly maintained. Strict check is being made in regard to the payment to workers and comparison with the production figure is always insisted upon to stop any possible leakage. Advances are now generally disallowed and in cases where advances are given, a close watch is always kept for early adjustment. Statement of Accounts are now being regularly submitted to the Accountant-General, West Bengal.

## Audit comments—

## Departmental replies—

## REFUGEE RELIEF AND REHABILITATION DEPARTMENT.

Paragraph 32, pages 26-27—

**Infructuous expenditure on the Salanpur Rehabilitation Scheme.** (a) The Salanpur Rehabilitation Scheme was sponsored in November, 1949, to rehabilitate 7,500 non-agriculturist displaced families for securing employment for them in the Chittaranjan Locomotive Works and also setting up a dairy farm through them on co-operative basis. But it was later revised in January, 1951, to rehabilitate 3,000 horticulturist families. In pursuance of the scheme, 1,281·85 acres of waste land were acquired for Rs. 4,09,475 on the 8th March, 1951. But on the 9th March, 1951, it was decided by the Land Planning Committee, on the advice of the technical experts, that the scheme should be abandoned because the land was considered unsuitable for cultivation. The scheme was, however, modified and proceeded with as a horticulture-cum-poultry scheme for re-settlement of 1,500 families. Due to lack of response from the displaced person it was further revised with a view to rehabilitating 150 agriculturist and 50 non-agriculturist families and each family was offered the following rehabilitation benefits:—

Land (homestead)—1 bigha	} As against 10 cottahs of homestead and 1½ bigha of agricultural land contemplated in the original scheme.
Land for paddy cultivation—3 bighas.	
Other agricultural land—8 bighas.	

Over and above the usual House building, Agricultural and Maintenance loans, each family was also offered concessions in the shape of a mud hut at a cost of Rs. 387 each approximately and maintenance dole at the rate of Rs. 25 per month for one year. Even then only 90 families joined the scheme by the end of March, 1956. Of these, 58 families deserted the place by the end of June, 1958, leaving outstanding dues of Rs. 76,861 (House building loan—Rs. 26,200, agricultural loan—Rs. 34,800 and maintenance loan—Rs. 15,861). The authorities had meanwhile spent up to 31st December, 1956, a total of Rs. 18,72,931 on the scheme as detailed below:—

	Rs.
Pre-reclamation development	2,81,870
Post-reclamation development [includes an expenditure of Rs. 9,78,100 on account of (i) doles paid to non-working members of the workers' families (ii), camp establishment, and (iii) cost of implements].	11,82,028
Other works	4,09,033
	<u>18,72,931</u>

In response to an audit enquiry regarding the unproductive expenditure, Government observed in August, 1959, as follows:—

“About 600 acres of land out of 1,281 acres comprising the entire scheme were converted into agricultural land under Expert's advice. The character of the land was laterite *danga* type. As most of the waste land in Asansol Sub-division is of this type, it was considered desirable to go ahead with the

(a) The acquisition being completed 1,281·85 acres of waste land was taken possession of on 8th March 1951 at Salanpur primarily for the resettlement of 7,500 non-agriculturist families in view of the prospect of growth of “Industries” in the nearby Chittaranjan locality. When it was found that there was no immediate prospect of growth of sufficient industries in the locality, the plan was further curtailed for rehabilitation of 150 Agriculturist families and 50 non-agriculturist families by the target date of 31st December 1955. Accordingly about 600 acres of land out of the total acquired land of 1,281·85 acres was converted into agricultural land under Expert's advice. The character of the land was laterite *danga* type. As most of the waste land in the Asansol Sub-division is of this type, it was considered desirable to go ahead with the implementation of the scheme at any rate as an experiment, which was expected to yield valuable lessons in the utilisation of the waste land of this class. The difficulties were fully known but advantage was sought to be taken of certain policies, then in force, regarding the administration of the Camps. In fact Salanpur Soil was in no way inferior to that of Keleghai in the district of Midnapore, where a Sisal-cum-paddy cultivation scheme is in operation. By the end of March, 1956 arrangement for more than 90 families could not be made. Out of them 58 deserted after getting rehabilitation benefits. The amount of Rs. 18,73,000 approximately has been shown by audit as cost for the development of the colony during the period from 15th December 1952 to 30th December, 1956. But the amount spent for the acquisition of the entire area, tractorisation and soil treatment for 600 acres was to the tune of Rs. 6,87,900 deducting the sum of Rs. 11,85,000 (details given below) from Rs. 18,73,000—

	Rs.
(a) Expenditure on account of camp staff	1,64,000
(b) Amount of doles paid to the non-working members of families during the period of works.	7,98,500
(c) Cost of implements	15,000
(d) Part payment to land-lord for acquisition of land.	2,07,000
	<u>11,85,000</u>

There are two camps located in the site and the expenditure was incurred on the maintenance of the camp families. Some of them were put to work under an approved scheme of Government of India. Expenditure on doles and wages for the maintenance of the camp families at Salanpur and also on account of pay and allowances of camp Staff and cost of implements etc. had in any case, to be incurred to give the refugees shelter and work there. The expenditure incurred on these accounts cannot therefore be termed as infructuous, as Government would have to incur the same for keeping the refugees fit and for the preservation of their lives even if the camps were located elsewhere. Moreover the cost of some stock of unutilised manures to the value of about Rs. 2,400 should also be deducted from the development cost, calculated by audit. Thus the actual cost on development stands at Rs. 6,85,000. It is, therefore, not correct to say that Rs. 18,73,000 approximately was spent on the development of the Salanpur Scheme.

**Audit comments—**

scheme at any rate as an experiment, which was expected to yield valuable lessons in the utilisation of the waste land of this class. The difficulties were fully known but advantage was sought to be taken of certain policies which were then in force regarding the administration of camps. This has not yet been abandoned; in fact, some families are still there. The chances of settlement of non-agriculturist families are still there and families can be sent as soon as some more industries are set up in the locality".

This large scale experimental of land reclamation and settlement has so far resulted in an infructuous expenditure of about 20 lakhs of rupees.

(b) Due to delay on the part of the District Officers in finalising the land award payments relating to the land acquired for the scheme, Government had incurred up to June, 1958, an avoidable liability of Rs. 83,669 as interest charges.

(c) Although there had been no expenditure on the development work of the scheme since 31st December, 1956, implements and fertilisers of the value of Rs. 14,889 and Rs. 2,402 respectively, not required in the Camp, were lying in stock unused up to June, 1958.

*Paragraph 33, page 28 --*

**Shortage of tents worth Rs. 97,020 approximately:** In the course of local inspection of the accounts of a Departmental Store in August, 1958, it was noticed that 633 tents, worth Rs. 97,020 approximately, had been found short at the time of departmental verification conducted in December, 1957, but no action to adjust the shortage had been taken.

The matter was reported to Government by audit in September, 1958 for fixing the responsibility for the loss but no orders had so far (July, 1959) been received from them.

**Departmental replies—**

This scheme has not yet been abandoned, in fact, some families are still there. The whole scheme is under the survey of Agriculture Department whose report is awaited.

(b) After the acquisition of the land the estimate of the cost of the acquisition of land was prepared on the basis of valuation prevailing in December, 1946 as per the provisions of the Land Development and Planning Act, 1948. But the estimate could not be sanctioned as the validity of the Act regarding valuation at 1946 rates was challenged by some interested parties in the Hon'ble High Court, Calcutta, which declared the provisions of the L. D. P Act, 1948 regarding valuation at 1946 rates to be ultravires the constitution. The payment has to be withheld under the orders of the Land and Land Revenue Department pending decision of the appeal in the Supreme Court of India, which was filed by the State Government against the decision of the Hon'ble High Court. The Supreme Court of India decided against the State Government and confirmed the decision of the Hon'ble High Court. When again arrangement for payment according to the decision was going to be made, there was further development. The constitution of India was amended and the State Government also in accordance with the amendment of the Constitution made necessary amendment of the L. D. and P. Act, 1948 under Act XXIII of 1955. By virtue of this amendment the value of the land was to be awarded at 1946 rates.

In the meantime before the amendment of the Act, the system of "On Account" payment was introduced under the orders of the Land and Land Revenue Department. As this was an "On Account" payment on Ad-hoc basis against assessment, only those amount could be paid against which there was no dispute and to those only who were willing to receive such part payments. The payment commenced from the year 1954-55 but unfortunately huge amount could not be paid on account of objection petitions filed by the interested parties, for which there was delay in payment of cost of acquisition and interest had to be paid. The payment has been completed and an amount of Rs. 1,06,989 had to be paid as interest for the reasons, which were beyond the control of the department.

(c) The implements have been returned to the Cossipore Stores. The unused stock of fertilisers was handed over to the Agriculture office at Asansol and a total sum of Rs. 2,127 has been credited to Government by that office after sale of the fertilisers.

As a result of Physical verification of the Stock of Government Relief Stores at Cossipore, conducted by the department in October, 1957, 738 pieces of tents were found short. The total loss incurred by the Government was assessed at Rs. 93,968.25 approximately as detailed below :—

	Rs.
1. Shortage on account of tents supplied by the Deputy Director (Training) 70 pieces at Rs. 137 per tent.	9,590.00
2. Shortage in the Stock of Messrs. Steel Brothers and Messrs. Mahadeo Ramkumar—552 pieces at Rs. 148-10-6 per tent.	82,058.25
3. 116 pieces of used but serviceable tents value assessed at Rs. 20 each.	2,320.00

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93,968.25

## Audit comments—

## Paragraph 34, page 28—

(a) **Delay in letting out Government buildings constructed for the purpose.**—With a view to giving alternative accommodation to refugee families in squatters' colonies and in occupation of Government-requisitioned buildings, construction in Calcutta of 776 tenements at a total cost of Rs. 25,10,842 was taken up. 160 tenements were completed on 10th December, 1955; 448 tenements on 15th January, 1956 and 168 tenements on 31st May, 1956. The Administrative Department took over charge of the buildings on the 3rd August, 1957, i.e., more than a year after the completion of the tenements although they were duly apprised of the completion and reminded several times by the constructing authority. Response from the refugee families in squatters' colonies having been poor, the tenements were subsequently thrown open to all refugee families of the fixed income group with a minimum income of Rs. 100 per month. In September, 1950, when some 50 tenements were allotted to refugee families, a proposal from the Ministry of Rehabilitation for starting a hospital therein was received by Government. It was also proposed by the Ministry that 200 tenements should be kept reserved for hospital trainees. These proposals were ultimately dropped in May, 1958. From June, 1958 to February, 1959, 688 tenements were stated to have been allotted out of which 609 tenements had actually been occupied by the allottees.

Due to delay in taking over charge of the tenements and also in letting them out, Government had to sustain loss in rental income at different stages as stated below :—

	Rs. (Approximately.)
(i) Loss due to delay in taking over charge	2,77,356
(ii) Non-allotment of 726 tenements from August, 1957 to May, 1958.	1,45,200
(iii) Non-allotment of 167 tenements from June, 1958 to March, 1959.	33,400
	4,55,956

## Departmental replies—

The then Superintendent and Storekeeper were placed under suspension with effect from 23rd October 1957 and proceedings were drawn up against them. This case was taken to court by the Enforcement Branch of the Calcutta Police. Both of them were convicted by the Court and sentenced to two year's rigorous imprisonment and fined Rs. 1,000 each in default imprisonment for six months more for criminal breach of trust on 21st March 1960.

The services of the Superintendent however, terminated with effect from 1st March 1958 while the Storekeeper was dismissed from service with effect from 21st March 1960.

Government of India are being moved to issue necessary orders for writing off the loss.

(i) On receipt of information in August, 1956 that construction of 776 tenements (flats) under the Ganguli Bagan Tenement Scheme were completed on 31st May 1956 by the construction Board, arrangement for taking over possession of the tenements was made. As certain administrative procedures had to be taken and rules framed for letting out the flats, as soon as those were taken possession of there was some delay and the work of taking over started with effect from 5th July 1957 and completed on 3rd August 1957.

(ii) It was originally decided that these flats would be let out to the refugee families in squatters' colonies and in occupation of Government requisitioned buildings, as alternate accommodation to them. But the response from them was practically nil. It was subsequently decided to let out these flats to the refugee families of fixed income group with a minimum income of Rs. 100 p.m. and the actual work of letting out the flats began in September 1957. When 50 flats were thus allotted to refugee families, a proposal from Ministry of Rehabilitation, Government of India for installation of a hospital there and for reservation of 200 tenements for 400 hospital trainees were received and the work of letting out the remaining 726 tenements had to be suspended. But the proposal made by Government of India did not materialise and ultimately dropped in May, 1958. As soon as this decision was made known the work of allotting and letting out the flats again commenced. So, the prevention of loss sustained as shown by audit in not letting out the flats from August, 1957 to May 1958 was beyond the control of Government.

(iii) Out of 167 tenements, shown by audit as not allotted, 16 tenements were earmarked for the staff of the Chief Engineer, Public Health Engineering and State Electricity Board for maintenance of the tenements there and were occupied by them. 104 flats and 47 flats were however earmarked respectively for the staff of the State Transport Directorate and the Post and Telegraph Department. The flats earmarked for the State Transport Directorate were not finally allotted as the proposed allottees could not furnish necessary documents in support of their refugee status. Although 47 flats were earmarked for the Post and Telegraphs Department, at the request of the Post Master-General, West Bengal Circle, only 25 flats were let out to 16 refugee families and the other 22 flats could not be let out owing to non-response from that side. So it would be evident that the flats could not be let out in time in spite of best efforts by this Department.

**Audit comments—**

(b) **Outstanding rent.**—A sum of Rs. 51,680 only was stated to have been realised by the department on account of rent of these tenements up to March, 1959, against the total demand of Rs. 1,21,800, leaving an outstanding balance of Rs. 70,120. It could not be ascertained from the records how many of the defaulting allottees were Government servants or employees of Local Bodies.

**Departmental replies—**

(b) Almost all the flats have since been allotted to 507 refugee families including 190 State Government employees.

The position of the outstanding dues as on 1st January, 1961 is as follows :—

	Rs.
(i) Total demand of rent as on 1st January 1961.	3,93,110
(ii) Total amount realised as on 31st December, 1960.	2,47,802
(iii) Amount outstanding as on 1st January, 1961.	1,45,308

The heads of offices have been requested to effect recovery of the current as well as arrear rent from the defaulting State Government Employee occupants from their monthly pay bills. As regards others, demand notices have been issued. Instructions have also been issued to file rent suits for realisation of arrear dues from the defaulting tenants.

*Paragraph 35, pages 28, 29—*

**Nugatory expenditure.**—With a view to securing employments for refugees on a cotton mill, an agreement was entered into with the authorities of a mill on the 15th January, 1955, under which the mill would construct for the refugees 200 tenements close to the mill by the 31st March, 1955, at a cost of Rs. 2,90,000 to be borne by Government. The agreement provided for penal clause making the mill liable to damages in the case of failure to complete the houses by the specified date or to construct the houses according to specification. It was also provided for the contract that the payments for the constructions would be made on a certificate of completion to be issued by the State Executive Engineer. It was however, noticed that final payment of cost was made by the Subdivisional Officer concerned on 5th July, 1956, although completion certificate was issued only on the 29th November, 1957. The authorities instead of imposing a penalty for failure to complete the work within the stipulated period, made a further payment of Rs. 16,500 on account of establishment charges for 11 months at the rate of Rs. 1,500 per month to the mill on 5th July, 1958, though such payment was not provided for in the contract. A further sum of Rs. 4,923 was paid to the mill on account of additional work not provided for in the agreement, but the information regarding the justification for this additional payment was not made available to audit.

Over 300 refugee families who were granted maintenance loan amounting to Rs. 56,154 were sent there but the majority of them deserted the place as they could not find any employment in the mill owing to the fact that the mill was debarred from opening additional looms under Government of India orders. No agreement with the mill authorities offering to provide employment to the refugees in the mills could be produced.

During a local inspection of the accounts of the scheme in January, 1959, it was further noticed that only

A scheme for rehabilitation of 200 camp refugee families at a site acquired by Government contiguous to the Dhakeswari Mills premises, by their absorption in the Mills after a training period of six months in the Mills was drawn up and for this purpose House Building Loan at Rs. 1,450 per family was sanctioned. With a view to have a uniform type of buildings for these workers, it was decided that instead of advancing loans to individual refugees, the Mill authorities were asked to construct 200 tenements at a total cost of Rs. 2,90,000 after execution of an agreement which provided for a penal clause making the party liable to damages in the case of failure to complete the houses by the specified date and to construct the houses according to specification. The estimates submitted by the Mill authorities were shown to the Chief Engineer, Construction Board who observed that the estimate according to the Construction Board would come to Rs. 2,001 per house if all the materials were to be supplied. After completion of the tenements, those were to be handed over to the refugee employees on loan bond. It was agreed that final payment for the completed work would be made on the basis of necessary completion certificate from the Chief Engineer, Construction Board, while part payment would be made on the certificates of the Executive Engineer. Final payment of Rs. 50,423 was made to the Mill authorities on 5th July, 1958 and not on 5th July, 1956 as stated, on receipt of completion certificate from the Chief Engineer, Construction Board. It is a fact that the work could not be completed within the stipulated time by the Mill authorities, but extension of time was granted to them on their prayer for the same intimating that building materials including cement could not be procured by them in spite of their best efforts. The question of imposing penalty for failure in completing the work by the stipulated date did not, therefore, arise. No payment on account of establishment charges for 11 months was made to them as observed by audit. It is a fact that an amount of Rs. 21,423 was sanctioned and paid to them. Of this amount a sum

**Audit comments—**

72 tenements had been occupied by the refugees and the remaining 128 had been lying vacant. Even the 72 occupants did not sign the loan bonds for the amounts representing cost of construction of the tenements on the ground that these were not habitable and almost all of them were in a defective condition. The matter was brought to the notice of Government in October, 1955, for further investigation, but no reply had so far (August, 1959) been received.

**Departmental replies—**

of Rs. 15,733 was paid for some additional work as detailed below :—

	Rs.
1. Cost of works not originally provided ..	17,523
2. Extra cost for foundation of four tenements.	1,010
	18,533
Less -Savings in latrines—for 200 latrines as recommended by Planning Officer-cum-Executive Engineer.	2,800
Total ..	15,733

The remaining amount of Rs. 5,690 was paid on account of extra cost due to increase in price of cement and C. I. sheets.

Of 200 families, 95 deserted the site during the period of training from July, 1954 to August, 1955. Most of the remaining refugee trainees who were found to qualify were given employment in the Mills. Subsequently there had been a strike in the Mills. Enquiries, however, revealed that there was no fault on the part of the Mill authorities. As a result of the strike, some of them further deserted the place. 72 families were, therefore, found to occupy the tenements. The refugees, however, did not execute the loan bonds. As most of the refugees had deserted it has since been decided by the State Government to make over the entire property to the Mill authorities, on loan basis subject to certain conditions safeguarding the interest of Government as well as the interest of the refugees as far as practicable. The matter has been taken up with the Government of India and their decision is awaited.

On receipt of the above information in February 1960, Accountant General, West Bengal deputed one of his accountants for verification of the above statement with reference to local records in March, 1960. The statement was verified on 31st March, 1960. No further comments have been made by audit, as yet, (December, 1960).

**Paragraph 36, page 29—**

**Injudicious Purchase—**For the accommodation of displaced persons from East Pakistan, a Palace estate consisting of several buildings in a dilapidated condition was purchased by Government in the year 1948-49 at a total cost of Rs. 7,15,000 and let out to 58 displaced families. In May, 1955, the buildings were made over to the Works and Buildings Department for total demolition "as they were absolutely unsafe for living". The cost of demolition of the buildings could not so far (May, 1959) be ascertained from the Works and Buildings Department.

The unrealised rent due from the occupants up to 31st March, 1955, amounted to Rs. 70,654. Information regarding the action taken against the defaulters is still (May, 1959) awaited.

This refers to the purchase of premises No. 14A and 14B Beliaghata Main Road, known as "Vizianagram Palace".

The point of 'injudicious' purchase was raised by audit in paragraph 44 of the Appropriation Accounts for 1950-51 and Audit Report 1952 and was discussed in the meeting of the Public Accounts Committee held on 17-8-54 and was settled to the satisfaction of the Committee. So it is not known as to the reasons why this point of purchase has again been raised by audit.

The premises comprised a big two storied brick-built building as well as an extensive compound of about 15 bighas of land. Government purchased the building and lands with the idea of utilising the valuable vacant lands for construction of new office buildings. As per decision of Government the land along with a major portion of the buildings was made over to the Works and Buildings Department of this Government on 15-5-55 for utilising those for accommodation of Government Offices. Accordingly some new buildings have been erected on the vacant land within the premises

## Audit comments—

## Departmental replies—

by that Department and Commercial Tax Offices accommodated therein. Only one small structure viz., old service latrine was disposed of by public auction at Rs. 1,230 in May 1957 and it did not entail any expenditure to Government towards its demolition as the dismantling was undertaken by the auction purchaser of the materials in question. Only 46 rooms were in occupation of the refugee families. 21 rooms out of these 46 rooms are still in occupation of the State Government employee, one Central Government employee, 4 Non-Government employees and 8 unauthorised refugee families. Arrangement for restoring the remaining 25 rooms to the Works and Buildings Department, the vacant possession of which has since been obtained, is being made.

The purchase of the building was made much more for the valuable vacant lands in that area than for the structures. So no financial loss was incurred by Government in this transaction.

The total dues outstanding as rent as on 1-1-61 from the occupiers including those, who have already left, are as follows:—

	Rs.
4 State Government servants ..	6,728
7 Central Government servants ..	9,513
46 others .. ..	96,860
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	1,13,041

Of these amount a sum of Rs. 23,158.75 is due from the present occupiers. (1 State Government servant Rs. 4,967, 1 Central Government employee Rs. 4,474 and 4 others Rs. 13,718). Recovery from the State Government employees are being effected by deduction from their monthly salary bills. As regards the Central Government employees, adequate legal steps are being taken for recovery of the dues after ascertaining the whereabouts of those, who have since left. As regards others (other than Government Servants) steps for ascertaining the whereabouts of these families who have since moved to the rehabilitation sites are being taken so that demand notices may be served to them.

Effective steps are also being taken to make the present occupiers vacate the entire buildings so that the possession of the same may be made over to the Works and Buildings Department.

## Paragraph 37, pages 29-30—

*Infructuous expenditure*—In the course of local inspection of the accounts of two Rehabilitation Schemes in March, 1959, the following irregularities were noticed:—

(a) With a view to rehabilitating displaced families' Government sponsored a horticultural scheme in a district and for that purpose obtained 634.60 acres of land on the 10th February, 1951. Against an availability of 829 plots, 658 families were sent there and they were given Rs. 6,65,419 during the period from 10th February, 1951 to 28th June, 1953 as loans *vide* details below:—

	Rs.
(i) Horticultural loan ..	2,56,662
(ii) Horticultural maintenance loan.	92,857
(iii) House-building loan ..	3,15,900

(a) The scheme relates to Talbagicha scheme. The scheme site is adjacent to Indian Institute of Technology, Kharagpur in the district of Midnapore.

An area of 634.60 acres of land approximately was taken possession of on 10-2-51 for settlement of East Pakistan refugees, with the approval of the Land Planning Committee. It was decided in consultation with the then Agronomist of this department that this scheme should be for rehabilitating the middle class people as horticulturists with an allotment of 1 bigha of land per family as homestead. There was a good response from the refugees, as a result of which

**Audit comments—**

After receiving the loans, 332 families deserted the site. Thereupon the scheme was converted into an urban scheme and a further sum of Rs. 3,82,000 representing additional house-building loans under the urban scheme was paid to the remaining 326 families. Thereafter 23 families deserted the place bringing the total number of deserter families to 355 with a total loan of Rs. 3,92,630 outstanding against them, which amount had since practically become irrecoverable. On the question of suitability of the land for horticultural purposes, there was nothing on record to show if any investigation was made or any expert opinion taken before the scheme was launched.

(b) For another agricultural scheme for rehabilitating displaced persons Government acquired 380.28 acres of land in the same district on the 15th September, 1950, at a cost of Rs. 80,972. A sum of Rs. 1,38,136 was paid as loans as indicated below to 98 families who were sent there for rehabilitation :—

	Rs.
(i) House building loan ..	48,750
(ii) Agricultural loan ..	82,314
(iii) Reclamation loan ..	7,072
	1,38,136

After receiving the loan, all of them deserted the site. Here also records did not show if any expert opinion was taken regarding suitability of land for agricultural purposes. As not a single family could be rehabilitated in the scheme, the total expenditure noted above, thus, proved to be wasteful.

In both the cases mentioned above it is not known how Government have utilised the land forsaken by the deserters.

**Departmental replies—**

658 families went to the rehabilitation site. They were paid horticultural loan, maintenance loan and house-building loan for settlement there. A number of refugee families after getting rehabilitation benefits, however, deserted the site. Then the then Refugee Rehabilitation Commissioner, West Bengal visited the site in February, 1953. It was then decided by him, which had the approval of the Land Planning Committee as well as of Government, that the scheme should be converted into an Urban Scheme, with two parts—one Urban colony and the other Rural Agri. Colony. It was also decided that those families who had not deserted would be allowed to settle in the urban colony. As regards deserters only those who would volunteer to come back and stay there would also be allowed rehabilitation in the scheme. The approval of Government was conveyed in June, 1953. In the meantime, 332 families deserted the site. Additional house building loan, as admissible in urban scheme was paid to 326 refugee families, who did not desert. After receipt of this additional benefit 23 families, however, deserted.

As regards the present utilisation of the area it may be mentioned that the whole area in the scheme was divided into three blocks viz. A, B. & C. The Block 'A' was converted into non-agricultural urban colony comprising of 1,143 plots with a total area of 290.25 acres. In this block in addition to 303 families who were already there, 318 families out of the 332 families who deserted the site previously were rehabilitated with further loans as is allowed in urban colonies. 57 new families were also given house-building advances for rehabilitation in this block. Heads of most of these new families are railway employees at Kharagpur and neighbourhood and the rest are maintaining themselves on small trade.

With regard to the blocks 'B' and 'C' with an area of 315.73 acres, these were further developed and 47 agriculturist families were rehabilitated there in the year 1958. They are still living in the colony and earning their livelihood from agriculture.

(b) The scheme relates to Chandipur Sholeghoria scheme. With the same purpose as stated in (a) above for rehabilitation of displaced agriculturist families from East Bengal, a total area of 380.28 acres of land situated at Chandipur Sholeghoria in the district of Midnapore was taken possession of on 15-9-50. The scheme was launched by the then Refugee Rehabilitation Commissioner, West Bengal in consultation with the Agronomist of the Department and had the approval of the Government and the Land Planning Committee. In 1950-51, 97 agriculturist families and one Small Trade family went to the site for rehabilitation there and was given rehabilitation benefits in the shape of loans viz. House Building, Agricultural and Reclamation. After receipt of the loans all of them deserted the site.

As regards utilisation of land purchased it may be stated that the lands have since been further developed. In 1958, 58 agriculturist families including 28 old agriculturist families who deserted the site after receipt of rehabilitation benefits in 1950-51, have been resettled there along with 3 non-agriculturist families. They are, upto now, continuing there and can be said to have been 'rehabilitated.'



**Audit comments—***Paragraph 38, page 30—*

*Loss*—Mention was made in paragraph 33 of the Audit Report, 1959, of the frequent desertions from camps for displaced persons in a particular subdivision, after the displaced persons had received various types of loans. On further enquiry it has been ascertained that large scale desertion by displaced families from rehabilitation centres is a common feature throughout the State. Outstanding loans from the deserters and interest thereon at the end of March, 1958, as furnished by the department (June, 1959) come to Rs. 1,46,17,141 and Rs. 16,89,774 respectively. The reasons for such large scale desertion are not readily ascertainable.

The following irregularities were, however, noticed in this connection :—

- (i) Loans had been granted on the security of lands over which the loanees had practically no title or interest.
- (ii) Payments of loan had been made before the execution of loan bonds or on defective loan bonds.
- (iii) There was no proper verification in regard to the actual utilisation of loans advanced to the displaced persons.

As there is no bright prospect of realising any part of the loan from the deserters, a large part of the amount of Rs. 1,63,06,915 may have to be eventually regarded as a loss to Government.

**Departmental replies—**

The reasons for desertion were as follows :—

(a) Before the introduction of the Passport System many refugees had not finally made up their minds and on receipt of loans they were tempted to go back to Pakistan.

(b) Large number of families were settled under what is known as Union Board Scheme and the variant to the Union Board Scheme, under which a good deal of resettlement depended on the good will of the local people. As the name of the scheme suggests, the scheme was to be sponsored by social workers and Union Board Presidents. Actually the dispersed refugees did not meet with very good conditions on the sites, where they went. Hence, many of them deserted.

(c) Some refugees who were averse to work under any condition deserted after receiving loans.

Desertion after the stoppage of the Union Board Scheme and the introduction of the Passport system has not been abnormally high.

The irregularities, pointed out in items (i) to (iii) are based on the observations of audit in different Inspection Reports. The matter is being pursued through the respective inspection report.

(i) and (ii) Appropriate steps have been and are being taken wherever possible against the officers, who have granted loans against lands on which the loanees had no right, title or interest and against defective loan bonds or before the execution of loan bonds.

(iii) Where a loan was advanced in more than one instalment payment of the 2nd and subsequent instalment was made in every case after verifying whether the previous instalment was fully and properly utilised. But in the cases of payment of final and the last instalment of the loan, it was not feasible to verify the proper utilisation of the same, as the loanees in question, deserted immediately after they had received the payment, and as such they were treated as deserters.

It is, however, a fact that there is little prospect of realising the loan money, advanced to the deserters. But before Government of India are approached for writing-off the same, steps have been and are being taken to recover at least a portion of the same from the surties or by disposing of the available assets, left by the deserters.

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### DEPARTMENT OF FOOD, RELIEF AND SUPPLIES

*Paragraph 39, pages 30-31—*

*Ineffective control over the use of departmental vehicles and entertainment of staff*—(a) During the period from 1st November, 1957 to 31st October, 1958, vehicles of this department were allotted to as many as 20 officers daily. As per requisitions of these officers, the vehicles were sent to their residences. The duty slips relating to these vehicles wherein full particulars of the journey and purpose of the journey should be recorded were not filled in properly, only time of release of the vehicles having been generally mentioned. According to the orders of Government, the use of these vehicles for journeys between residences and places of duty and for other private purposes is prohibited, except in emergent cases, when the officers using the cars are liable to pay at the prescribed rates. At a modest computation the hire charges recoverable from these officers would amount to a few thousand rupees. Further, seven officers requisitioned vehicles for 1,716 days in all during the aforesaid period and in all these

(a) Departmental vehicles were allotted to 20 officers only. Such allotment was made after taking into consideration the nature of the officers' duties which required extensive use of the vehicles in the interest of public service. This Department has a large number of offices and godowns throughout Calcutta. It has to supervise the operations in various rice and flour mills. Besides, some officers are also deputed at railheads and docks where work goes on even on Sundays and holidays from morning till late at night. A report in this connection was furnished to the A.-G., W.B. in Food and Supplies Department letter No. 667-PS, dated 27-1-60. The journeys undertaken by the officers in departmental vehicles between residences and places of duties were not in private interest. Thus the question of payment of charges on this account by officers using the vehicles as such does not arise.

The old form of duty slips had no columns to show details and purposes of journeys. As such the form

**Audit comments—**

requisition slips, the word "for headquarters" were only recorded. In the absence of any record showing the full particulars of the journey and also the purpose of the journey no check over the consumption of petrol, etc., could be exercised. It could not also be ascertained whether any amount was recoverable from the officers concerned on this account.

On these defects being pointed out to them, Government stated in July, 1959, that the Food Department officials had to supervise work at various shops and godowns, rice and grinding mills and also visit rail-heads, docks, etc., besides having to attend urgent conferences and meetings at Ministers' residences or offices, outside the duty hours. This situation would really justify the sending of cars to the officers' residences to enable them to do their work quicker and more conveniently especially outside the regular office timings. However, in view of the objection taken in audit, the department issued as a temporary and experimental measure an order No. 1499 F.S., dated 25th February, 1959, putting a stop to reporting of vehicles to the residences of officers except for urgent official use with the prior approval of the Deputy Secretary.

(b) Out of 14 vehicles allotted to a district only 7 were in working condition during the period from 1st October, 1957 to 31st January, 1959, but all the 14 drivers had been entertained throughout that period with the result that Government had to spend a sum of Rs. 11,160 on account of pay and allowances of the drivers for the idle period. On the matter being pointed out by audit, in March, 1959, it was stated that pointed out by audit, in March, 1959, it was stated that "the drivers' strength had since been readjusted". Subsequently, however, the Government have contended in July, 1959, that it was not possible to reduce the strength of drivers temporarily for a period and again to increase them to the number necessary for the full strength of vehicles allotted to a particular station. It was added that a proposal for the purchase of new vehicles was under the consideration of Government.

*Paragraph 40, pages 31-32—*

*Loss*—Shortages of Government paddy worth Rs. 1,12,376 from the godowns of three Storing Agents in a district came to the notice of the department on 13th December, 1955. It also transpired that 46,419 gunny bags belonging to Government [serviceable—11,700 (new), 4,797 (second hand); unserviceable—3,718 (new), 26,204 (second hand)] had been pledged with the State Bank of India by one of the said Agents. Complaints were immediately lodged with the Police against two out of the three Storing Agents as also against two Government officials connected with the storage work, who were simultaneously placed under suspension. In regard to the 3rd Storing Agent, Government in March, 1957, issued orders to the effect that a sum of Rs. 25,169, being the value of excess quantity of shortages, etc., should be recovered from him and that Rs. 9,012, being the value of 2 per cent. of the total stock kept in his custody, should be written off as allowable limit of shortages in terms of agreement entered into with him, as Government were satisfied that he could not be held responsible for the shortage of the whole quantity. In April, 1959, a sum of Rs. 11,148-2-3 representing outstanding claims of the said 3rd Storing Agent with the Government was adjusted against Rs. 25,169 to be recovered from him. Further information regarding recovery of the balance is still (August, 1959) awaited.

It was stated by the department in August, 1959, that the money-suits which had been filed against the 1st and 2nd Storing Agents in 1956 and 1957

**Departmental replies—**

has since been suitably amended. Measures have also been taken so that the duty slips are properly filled in by the officials using F. D. Vehicles. It may also be mentioned that the allotment of vehicles individually to officials has been stopped and all the vehicles are now to report to Directorate pools from where the officers are to take vehicles as and when necessary.

(b) The drivers' strength at Midnapore were reduced to 9 from 14 since 1-3-59. The proposal for purchase of new vehicles is still under consideration of Government.

The names of the parties, the quantity of paddy found short, the money value thereof and present position of the cases relating to each party is shown below :—

1. *Shri P. B. Ghosh, ex-Storing Agent, Kaliagung—3,463 mds. 15 seers valued at Rs. 38,097-2-0 at the rate of Rs. 11 per maund*—The money suit No. 13 of 1956, subsequently renumbered as 3 of 1957 was filed against him in the court of Sub-Judge at Balurghat for recovery of a total amount of Rs. 77,246-4-3 representing the value of the aforesaid shortage as also his other liabilities to Government. The party has a security deposit of Rs. 1,000 with Government. The suit was originally for a sum of Rs. 68,583 but the claim was subsequently raised by means of an additional plaint. The suit is still pending.

As regards gunny bags it appears from this Department record that 49,119 pieces of gunny bags and not 46,419 pieces of gunny bags are due from Shri P. B. Ghosh of Kaliagung. Both new and second hand bags are included. The value amounting to Rs. 36,354-5-6 is recoverable from the agent. The money suit mentioned above includes this amount.

2. *Shri A. K. Nawn, ex-Storing Agent, Kaliagung—3,851 mds. 18 srs. valued at Rs. 42,365-15-2 at the rate of Rs. 11 per maund*.—The ex-agent's total liability

**Audit Comments—**

respectively for the recovery of Government dues amounting to Rs. 68,583 and Rs. 37,523-8-0 respectively were *sub judice* and that the criminal cases against the 1st and 2nd Storing Agents as well as the two departmental staff involved had not yet been finalised. The authorities felt that the disciplinary action to be taken against the two Government officials had to wait till the criminal cases which were under police investigation were completed and the records seized by the Police received back.

**Departmental replies—**

inclusive of the amount of Rs. 42,365-15-2 for this shortage has been calculated at Rs. 57,020-6-3. Against these liabilities suit No. 1242 of 1957 has been filed against Shri Arun Kumar Nawn in the High Court at Calcutta for recovery of Government's net dues amounting to Rs. 37,523-8 after claiming set off his assets (viz. his bills amounting to Rs. 19,496-14-3). The party has also a security deposit of Rs. 2,000 for storing and transporting Government Stocks.

The criminal cases against Shri P. B. Ghosh and Shri A. K. Nawn are still *subjudice* and further action regarding the Departmental officers will be taken on the result of the criminal cases.

3. *Shri J. R. Bakshi, ex-Storing Agent, Raiganj—2,901 mds. 6 srs. valued at Rs. 31,912-10-5 at the rate of Rs. 11 per maund.*—Out of the said loss, Rs. 9,012-0-6 being the value of 819 mds. 11 srs. has been written off in Government Order No. 1740-1/EP/CON/3R-23/56, dated 20-3-57. The balance of Rs. 22,900-9-11 is recoverable from the party. This amount together with liability on account of decomposed paddy found in his godown comes to Rs. 25,169. Against this liability, a sum of Rs. 11,148-2-3 has already been adjusted against his outstanding claims. As regards the balance of Rs. 14,020-13-9 his pending bills amounting to Rs. 33,922-11-3 (as provisionally ascertained) and security deposit valued at Rs. 7,500 has been kept withheld pending finalisation of his accounts.

**DEVELOPMENT DEPARTMENT**

Paragraph 41, page 32—

(Construction Board).

**Injudicious purchase resulting in loss and locking up of Capital.**—Between 1950-51 and 1952-53 *jhama* bricks and *bats* (*jhama* bricks 29,926,210 Nos. and *jhama* bats 49,61,581 c.ft.) were purchased by a Division, in connection with the construction of a township. Even at the end of November, 1957, 2,249,097 bricks and 1,364,452 c.ft. of *bats* of the total value of Rs. 5,50,742 remained unutilised in the township. Notwithstanding these heavy balances, fresh purchases of 3,012,360 *jhama* bricks were made between December, 1955 and July, 1957, out of which only 2,577,940 bricks could be utilised in the work for which these were purchased.

In reply to audit query it was stated by Government in November, 1958, that the original purchases of bricks and *bats* had been made in connection with the estimated work for the development of four blocks in the township but subsequently the development work in respect of three of these blocks had to be kept in abeyance and as such the bricks and *bats* had become surplus. It was stated by Government in September, 1959, that the stock of picked *jhama* bricks, which formed the walls of *bat*-stacks, could have been utilised by this time but in that case the stacks of *bats* might have collapsed resulting in loss of some quantity of *bats* and that they were seriously thinking about utilisation, in their future programme, of the stock of picked *jhama* bricks from the walls of *bat*-stacks.

The quantity of surplus stocks of bricks and *bats* which had so far (July, 1959) been utilised "in other works" is not known. It was, however, noticed that 87,804 c.ft. of surplus *bats* of the book value of Rs. 28,783 at Rs. 32-12-6 per hundred c.ft. had been transferred up to November, 1957, to another division at the reduced rate of Rs. 25 per hundred c.ft. resulting in a loss of Rs. 6,832.

When the development of Kalyani Township was taken up the development of the entire area comprising of 4 blocks named A, B, C & D was in contemplation. Collection of *Jhama* bricks and *bats* was made for meeting the requirements of the entire area. Subsequently however, it was found that development of the entire area immediately would involve a heavy capital expenditure. Accordingly it was decided to phase the programme and to take up development of block B alone to start with. That is how the surplus accrued.

Picked *Jhama* bricks and *Jhama* and 1st class *bats* are being gradually consumed in different works under various schemes that are undertaken. The present stock position is as follows :—

Picked *Jhama* bricks- 1,288,290 No. *Jhama* and 1st class *bat* 989,953 cft. Even this quantity in hand is expected to be consumed in the immediate working programme when construction of a 500-bedded hospital and other buildings of staff quarters, etc., attached to the hospital, construction of 100 Nos. of houses under Middle Income Group Housing Scheme, construction of roads in the areas made over to Health Department and Education Department, etc., will be taken up.

Picked *Jhama* bricks that formed the wall of *bat* stocks are also being progressively utilised.

The quantity of surplus stock of picked *Jhama* bricks and *Jhama* and 1st class *bats* so far utilised in other works (July, 1959) stood at 987,763 Nos. and 401,865 cft. respectively.

The fresh purchase of 3,012,340 Nos. constitute 1st class picked and 2nd class picked bricks and not *Jhama* bricks as stated. There is however no balance of fresh purchase at present.

The issue rate of *bats* was at Rs. 32-12 per 100 cft. and not Rs. 32-12-6 as indicated.

Supply of 529,754 cft. of *bats* was taken over at Rs. 25 per 100 cft. by the Construction Board. The rate of the *bats* supplied to the Construction Board was

**Audit comments—**

*Paragraph 42, pages 32-33—*

**Inordinate delay in effecting recoveries of Government dues from a Political Organisation.**— A total amount of Rs. 2,47,116 was recoverable from a Political Organisation on account of services rendered and amenities provided by the State Government in connection with an annual session of the Organisation held at a recently developed township in the State in January, 1954. The recoveries mainly related to conservancy charges, rent of land and buildings, cost of water and electricity, value of stores supplied and the cost of petty works executed for the annual gathering.

The question of recovery of these dues was raised by Audit as early as December, 1954 and after protracted correspondence Government agreed in April, 1958, to recover a sum of Rs. 2,30,421 from the Organisation against an amount of Rs. 2,47,116 calculated as recoverable by Audit. Regarding the recovery of the balance of Rs. 16,695 Government intimated in October, 1959, that they did not think it fair and reasonable to recover the amount of Rs. 14,900 representing hire charges (depreciation at the rate of 5 per cent.) in respect of the materials issued for the work of electrical arrangements in consideration of the fact that some of the plants and machinery which were installed during the session of the Organisation were being subsequently used for various schemes of Government, even though the electrical arrangements were made directly for the benefit of the Organisation. No final decision regarding the recovery of the remaining amount of Rs. 1,795 had yet (October, 1959) been taken by Government.

Out of the amount of Rs. 2,30,421 which Government have agreed to recover from the Organisation, recovery has been made so far (October, 1959) to the extent of Rs. 1,08,251 (Rs. 73,425 in cash and Rs. 34,826 in the shape of stores returned) leaving a balance of Rs. 1,22,170 still to be realised. In lieu of effecting this recovery the State Government decided in April, 1958, to set it off against a sum of Rs. 1 lakh proposed to be given as a grant-in-aid to the Organisation on the ground that "by holding its annual session at that township it helped the cause of a State Project immensely by way of excellent publicity work done for the township".

Since the proposed grant-in-aid being a "new service" was outside the scope of the demands for grants for 1958-59 as voted by the Legislature, the book adjustment of this grant against the recovery was objected to by Audit in October, 1958 and the Government were requested to obtain the specific approval of the Legislature by way of supplementary or token grant before arranging this "set off". Further information on the point is still (November, 1959) awaited.

**Departmental replies—**

fixed at Rs. 25 per 100 cft. considering the market price of this quality of materials at that time. There would ultimately be no loss, though this small quantity has been disposed of at a lower rate.

*(Development Department)*

This is regarding recovery of Government dues from the Congress on account of services rendered and amenities provided by the State Government for holding of the Congress Session at Kalyani in January 1954. The matter has been engaging the attention of the Audit for the last few years. A controversy arose between the Audit and the State Government regarding the realisation of certain amounts for services and supply of materials to the Congress. As a result of correspondence and clarification it was ultimately agreed between Government and Audit that the total claim on these disputed items should be reduced to Rs. 33,226.

*(continued to the next page)*

**Audit comments—****Departmental replies—**

On the basis of this settlement the final position is as follows :—

	Rs.
Amount due against Congress for the undisputed part of the supply of services .. .. .	1,98,690
Amount due against Congress on basis of agreed decision between Audit and State Government on account of the disputed part .. .. .	33,226
	<hr/>
Total ..	2,32,216
Amount so far recovered from Congress ..	1,08,251
	<hr/>
Amount still due from Congress .. .. .	1,23,965
	<hr/>

Against this due the State Government suggested that Rs. 1 lakh should be paid to the Congress as a grant-in-aid for the publicity done indirectly for the Kalyani Township by holding the Annual Session of the Congress and the exhibition there and this was accepted by Audit. Since the proposed grant-in-aid, being a "New Service", was outside the scope of demands as voted by the Legislature, the book adjustment of this grant against the recovery was objected to by Audit and the Government was requested to obtain the specific approval of the Legislature by way of supplementary or token grant before arranging this set off.

The State Government has therefore, decided to move the Legislature for sanction of the grant.

The balance of Rs. 23,965 has been since paid down by the Congress.

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### LOCAL SELF-GOVERNMENT DEPARTMENT

*Paragraph 43, pages 33-34—*

The following irregularities were noticed in the course of local inspection of the accounts of the Director of Fire Services for the period from 1st January, 1958 to 31st December, 1958 :—

(a) **Infructuous expenditure.**—A building was requisitioned on the 22nd April, 1956, at a monthly rental of Rs. 500 for accommodating two fire stations. As the building was in a very bad condition, it was estimated that a very large amount would have to be spent for its thorough repair in order to make it fit for occupation. The building remained vacant till 12th September, 1958, when it was finally decided to de-requisition it with effect from that date. The expenditure of Rs. 14,500 on account of rent for the entire period was, thus, infructuous.

(b) **Extra Expenditure.**—The Divisional Officer-in-Charge of the fire stations at Barrackpore and Panihati had been provided with a rent-free accommodation at Calcutta, a distance of 13 miles from the fire stations, and for performing daily journeys to the place of work and back, had been allowed to use the staff car, thereby causing considerable extra expenditure to Government. Government stated in July, 1959, that this arrangement was made in the interest of the Fire Service.

(a) and (b) The house in question (262 Barrackpore Trunk Road) was proposed to be taken on lease when the collapse of the structure containing the Panihati Fire Station made it necessary for this station to shift and join with the Barrackpore one at Lal Kuthi. The Divisional Fire Officer's Head Quarters being at Lal Kuthi and this building too being of a dilapidated nature, it was urgently necessary to secure larger accommodation and search both at Panihati and Barrackpore revealed that the house in question was the only one immediately available and suitable. It was proposed and the owner initially agreed that this property should be taken on a five-year lease at a monthly rent of Rs. 500 with the owner being responsible for effecting repairs and providing electric connections and water supply up to the premises. At the final stage, however, the owner was not willing to execute an agreement and recourse to requisition of the premises was unavoidable although this meant that certain works of the nature indicated above which were to have been performed by the owner would devolve upon Government. The estimate of these costs was prepared after possession of the building was secured by requisition. This could not have been done earlier nor was it foreseen that this works would have to be executed by Government, the estimate amounted to Rs. 3,70,000.

## Audit comments

(c) **Loss.**—A sum of Rs. 100 per month was being paid as rent for an old building, wherein the Raniganj Fire Station had been housed since 1942. In 1951, a suit to increase the rent was filed by the owner of the premises, which was remitted to the Rent Controller for disposal. The Rent Controller filed the case, as the owner of the premises withdrew the suit in November, 1952. On the 17th June, 1955, the building was de-requisitioned and on the very day, taken over again on lease for two years on a monthly rent of Rs. 550 with the option to renew the lease for a further period of two years with effect from 17th June, 1957.

In reply to an audit query Government stated that the enhanced rent had been fixed roughly on the following basis :—

	Rs.
(i) Terminal compensation payable at the time of de-requisition for the retention of the property for 12 years (from 1942 to 1953) Rs. 60,000. Monthly terminal compensation on this account .. ..	416
(ii) Monthly compensation .. ..	100
(iii) Monthly liability of Government for repairs which will be the liability of the landlord .. ..	83
	599
	or
	550

The terminal compensation was ultimately assessed in September, 1958, at Rs. 24,622 and paid to the owner. On the basis of this revised figure the monthly compensation comes to Rs. 354 [Rs. 171 for item (i), Rs. 100 for item (ii) and Rs. 83 for item (iii)]. Thus, during the period from the 17th June, 1955 to 16th June, 1959, the excess payment on account of rent amounted to Rs. 9,408. When called upon by Audit to recover the amount paid in excess, Government observed in December, 1958, that the rent could not be reduced during the currency of the present lease, which would continue up to 16th June, 1959.

(d) **Outstanding dues.**—Outstanding dues for attending calls outside the jurisdiction of the respective fire stations during the period from 1st January, 1958 to 31st December, 1958, amounted to Rs. 15,788, out of which a sum of Rs. 622 was recovered up to July, 1959.

## Departmental replies—

The Finance Department being approached were of the view that the premises should be acquired as it would not be justifiable to invest so much Government money on private property. It was then examined as to what part of the total area in order to minimise cost would in fact be needed for fire service purpose where the stations and quarters would be constructed by Government and out of a total area of 13½ bighas, 7 bighas would, it was found, be necessary. This Department was of the view that the remaining area could and should be derequisitioned but it was held by the Land and Land Revenue Department that it was not possible to derequisition partially. As soon as this decision was communicated to this Department, derequisition of the entire premises was made to avoid further infructuous expenditure which could however have been justified in the event of the whole area being acquired, a transaction that would have resulted in avoidable Government expenditure.

(c) The premises occupied by the Raniganj Fire Station was a requisitioned one. The owner asked for an increase of the amount of the monthly compensation on the ground that it was fixed at a very low rate long ago or alternatively, that the premises be released and restored to him. It was not possible to comply with either of these requests because it was not the practice of Government to enhance the monthly compensation payable in respect of requisitioned properties and also because no suitable alternative accommodation was available for hire at Raniganj for removing the Fire Station.

In February, 1955, the terminal compensation payable for the property, if it was de-requisitioned, was assessed by the Special Land Acquisition Officer, Burdwan, at Rs. 60,144. It was felt that this compensation would be higher if the property was retained for a longer period. On the other hand, if the property was released and taken on lease, further liability on this account would cease. Accordingly it was decided with the approval of the Cabinet to de-requisition the property and to take it on lease. On the basis of the compensation of Rs. 60,000 as originally estimated by the Land Acquisition Officer, Burdwan, the amount of terminal compensation per month was calculated to be Rs. 416 and the rent for the premises for the purpose of lease was fixed at Rs. 550, roughly taking into account (i) the said amount of Rs. 416 (ii) the rent of Rs. 100 per month paid during the period of requisition and Rs. 83 as monthly liability of Government on account of repair to the property. It could not be foreseen that the amount of terminal compensation as originally estimated would be so low as Rs. 24,622 on final assessment. Besides, when the final assessment was known, the lease had already been executed and the Government were advised that as the rent of Rs. 550 per month for the premises was payable on the basis of the lease agreement between the owner and the Government it could not be reduced during the subsistence of the lease.

(d) Out of the outstanding dues of Rs. 15,788, a sum of Rs. 13,744 has since been realised. Necessary steps are being taken by the Director, West Bengal Fire Services, to recover the balance dues. Full realisation is expected to be made soon.

## SUMMARY OF OTHER CASES OF LOSSES, IRREGULARITIES, ETC.

Paragraph 44, pages 34-36—

Other cases of losses, irregularities, etc., have been mentioned in the Review of the respective grants. The following table gives the references :—

Page.	Para- graph.	Number and Name of the grant.	Total number of losses, irregu- larities, etc., under each grant.	Total amount of losses, etc., under each grant.	Brief Subject and Audit Comments.	Departmental replies.
1	2	3	4	5	6	7
				Rs.		
61	4	2—Land Revenue	5	7,415	<p><i>Misappropriation of Government revenues.</i>— Five cases of misappropriation of Government revenues by the Tahsildars in a district involving a loss of Rs. 7,414-80 nP. were reported to audit during the period from March, 1957, to June, 1958. In four of these cases, the Tahsildars did not deposit the full amount collected and misappropriated the money, while in the other the Tahsildar did not exhibit in the duplicate copies of the receipts of the amount actually collected. According to the instructions of the Board of Revenue, the Clerk-in-Charge of the Circle Office is required to scrutinise once in every month all the rent receipt books issued to Tahsildars and to record a certificate to that effect to be endorsed by the Junior Land Reforms Officer. These checks were, however, not properly exercised. Return of receipt books previously issued was not insisted upon when fresh receipt books were issued. The misappropriation was thus rendered possible owing to the failure of the departmental officers to check the accounts of Tahsildars in time.</p> <p>It was stated in June, 1959, that criminal cases, which had been instituted against all the Tahsildars had not so far been disposed of and that the settlement of claims for compensation, which had been preferred against the Insurance Company, with whom four of the Tahsildars held Security Bonds, had not been finalised owing to non-receipt of final results of criminal cases. It was also stated that disciplinary action was being taken against the Clerks-in-Charge who had been found negligent in their duties.</p>	<p><i>Board of Revenue.</i>— It has been reported by the Collector, Burdwan, that the checking of the accounts of all the Tahsildars, as per instructions of the Board was not possible for the Clerk-in-Charge in spite of his best intention on account of large number of blocks in the Circle, particularly during the peak collection season when large number of Rent Receipt Books were used by the Tahsildars. However strict instructions have been issued to the J. L. R. Os. to ensure regular monthly checking of tahsil accounts by the Clerk-in-Charge. Effective steps have also been taken to ensure return of all Rent Receipt Books previously issued to Tahsildars before issue of fresh ones. Five criminal cases instituted against the Tahsildars are still sub judice. The departmental proceedings against the Clerk-in-Charge are also pending. The settlement of claims preferred against the Insurance Company could not be finalised as the criminal cases have not yet been disposed of.</p>
69	3	5—Forest	1	364	<p><i>Loss due to robbery.</i>— On the 19th April, 1956, a Forester was murdered and robbed of forest revenue amounting to Rs. 364 which was in his custody. The amount was written off by the competent authority in December, 1958.</p>	<p>Amrita Claudia Dey, a permanent Forester, was in charge of Tukriajhar Bent (near Naksalhari) under the Kurseong Forest Division in the district of Darjeeling. On 19th April, 1956, when he was on duty, he was murdered and robbed of forest revenue amounting to Rs. 364-5 which was in his custody then. The amount of loss was written off by the Conservator of Forests, Northern Circle, West</p>

Page.	Para-graph.	Number and Name of the grant.	Total number of losses, irregularities, etc., under each grant.	Total amount of losses, etc., under each grant.	Brief Subject and Audit Comments.	Departmental replies.
1	2	3	4	5	6	7
				Rs.		
72	3	8—Sales Tax ..	4	8,503	<i>Remission of Revenue.—</i>	Bengal, in his Order No. 10472/2E-92, dated 12th December, 1958, as he was competent to sanction the same.
					(a) Remission of Revenue amounting to Rs. 5,727 was sanctioned in three cases by the competent authority during the year 1957-58 on the ground that the assesses were not traceable.	(a) The orders for remission were issued by Government after being fully satisfied that the amounts were unrealisable even after certificate procedure and that there had been no defect in the system of collection and no Government servant could be held responsible for the loss.
					(b) Remission of Revenue amounting to Rs. 2,776 was sanctioned in one case by the competent authority during the year 1958-59 on the ground that the assessee was insolvent.	(b) The amount involved is small compared to the total sales tax collection.
88	9	11—Irrigation ..	3	5,287	(i) Damaging of brick-pitching and theft (Rs. 1,157), (ii) theft of tools and plant (Rs. 2,577), and (iii) defalcation of Government money (Rs. 1,553).	
					(i) Loss due to damaging of 933 c.ft. of brick-pitching and theft of Government bricks of a Circuit Embankment in the year 1954.	(i) On receipt of an anonymous petition on the 13th August, 1954, alleging that one Shri Mrityunjoy Sahoo of village Samathoria, police-station Daspur, district Midnapore, had taken away some bricks from the brick-pitching scour at Samathoria in the 30th mile of the Chotua Circuit Embankment, the Sectional Officer, Dussaspur Section under the West Midnapore Division of the Irrigation and Waterways Department, made a local enquiry and found that some bricks had actually been removed from the said scour. The Sectional Officer reported the matter to the police. But the case was finally dismissed by the Subdivisional Officer, Ghatal, for want of proper charges being framed by the police. There was no negligence on the part of the departmental staff, and the loss amounting to Rs. 1,157 was written off by the Chief Engineer, Irrigation, on the 22nd July, 1958.
					The amount was written off in July 1958.	
					(ii) Theft of 57 articles of tools and plant from a subdivisional office of the Irrigation and Waterways Department in the night of the 15th January, 1957.	(ii) Miscellaneous articles of the book value of Rs. 2,577-7 were stolen in the night of 15th January, 1957, from the office of the Subdivisional Officer (Irrigation), Krishnagar, at Kalyani. The matter was reported to the police, who investigated into the case but could not find any clue to the theft. Sanction of Government to the write-off of the loss amounting to Rs. 2,577-5 was accorded on the 7th October, 1958. With a view to minimising the chances of such thefts, the Chief Engineer, West Bengal, Irrigation, issued instructions that either the Barkandaz or peon should sleep in the subdivisional office during night and that all scientific instruments should be kept in steel almirahs.
					Government issued orders of write-off in October, 1958 and also issued instructions for taking proper precautionary measures.	



Page.	Para-graph.	Number and Name of the grant.	Total number of losses, irregularities, etc., under each grant.	Total amount of losses, etc., under each grant. Rs.	Brief Subject and Audit Comments.	Departmental replies.
1	2	3	4	5	6	7
					(iii) Defalcation of Government money in an Irrigation sub-division due to failure to maintain an effective check on the monthly ticket books and receipts and issues of the monthly tickets from the office during August 1946 to July 1949.	(iii) The incident of defalcations was included in the Appropriation Accounts, 1951-52 and the Audit Report, 1953, vide paragraph 6 of the Review under Grant No. 10—Irrigation at page 69. In the said audit comments, the loss was reported to amount to Rs. 6,945 only. But the loss actually amounted to Rs. 8,498-7 as was stated in the corresponding departmental replies. In the preliminary report submitted by the Subdivisional Officer, Calcutta Canals Subdivision, under the Irrigation and Waterways Department, it was indicated that an approximate amount of Rs. 6,944-12 was defalcated. But a detailed examination of the records revealed later on that a total sum of Rs. 8,498-7 was actually defalcated. In the present audit comments, the difference of Rs. 8,498 and Rs. 6,945, i.e., Rs. 1,553 has, therefore, been shown as the amount defalcated.
				The amount was written off in December 1957. The clerks responsible for this were punished. The loss was not reported to audit immediately. It has been stated in October 1958 that this was not done through oversight.		Approval of Government to the write-off of the loss amounting to Rs. 8,498-7 was accorded in the Irrigation and Waterways Department. Memo. No. 5782(3)-IE, dated 19th December 1957.
						It is not a fact that the case was not reported to audit immediately. The case was reported to the Accountant-General, West Bengal, by the Chief Engineer, West Bengal Irrigation, in Memo. No. 2572/2(3) CIE, dated the 27th July, 1949.
107	4	14—General Administration.		8,913	(a) Loss due to non-accountal of Government receipts (Rs. 1,830). (b) Fraudulent payment of award money in some Land Acquisition case (Rs. 3,127). (c) Fraudulent drawal of pay and allowance by forging signature (Rs. 56). (d) Found missing from the cash box of a Sub-Treasury (Rs. 3,900).	
						<i>Board of Revenue.</i>
					(a) In the course of scrutiny in July 1955 of a challan, dated 22nd December 1954, showing deposit of motor vehicle tax amounting to Rs. 117-8-0 into the Treasury, some suspicion about its genuineness arose in the mind of the Officer-in-charge of the Motor Vehicles Department of a district and he referred the case to the Treasury Officer concerned. On the report of the Treasury Officer that the challan in question, although entered in the Subsidiary Receipt	(a) A case of fraud involving loss of public money was detected on 12th July 1955 at the time of scrutiny of a challan, showing deposit of Motor Vehicle Tax in the 24-Parganas Collectorate Treasury. The Collector reported that the dealing clerk in the Treasury in collusion with some owners of Motor Vehicles had been practising a fraud by using forged seal of the State Bank of India, Alipore and forged signature of the Agent of the Bank. Accounts in the Treasury had also been tampered with a view to avoid detection of the fraud. An investigation

Page.	Para-graph.	Number and name of the grant.	Total number of losses, irregularities, etc., under each grant.	Total amount of losses, etc., under each grant. Rs.	Brief subject and Audit comments.	Departmental replies.
1	2	3	4	5	6	7
					<p>Register of the Treasury, was not taken into account in arriving at the total of the day's collection, a detailed investigation into the matter was taken up with a view to examining whether there were similar cases of non-accountal of Government receipts. The investigation was completed in May 1956, and it was found that there had been twenty such challans involving a total sum of Rs. 1,940. Subsequently in November 1956 one of the depositors paid again a sum of Rs. 110 against one of the faked challans. The total loss thus comes to Rs. 1,830. Thereupon, a criminal case was instituted against one Assistant Accountant of the Treasury and two outsiders. The case against the outsiders ending their acquittal; the Assistant Accountant has since been absconding and the case is still (July 1959) pending before the court.</p>	<p>was then made by S. O., Home (Anti-Corruption) Department of this Government. In course of investigation it was revealed that a sum of Rs. 1,830 was found involved in this fraud.</p> <p>A criminal case was started against five persons including the dealing clerk of the treasury. Of the 5 accused persons two had to be discharged for want of sufficient materials against them for their prosecution. Of the remaining three accused the Judge of the Special Court found two accused not guilty and they were acquitted. The other accused Shri Birendra Narayan Sarkar, dealing clerk of the Treasury, absconded and since then he could not be produced although all legal processes had been exhausted. The suit is still pending in the Court.</p> <p>In the meantime the Collector has reported that out of the total amount involved in the fraud case, a sum of Rs. 32 is not recoverable. It has also been reported that a sum of Rs. 503-8-0 has since been realised as a result of steps taken. Efforts to realise the remaining amount have not succeeded as in respect of the vehicles involved in fraud, realisation of tax etc. had been stayed due to issue of a Civil Rule and other challenge petitions filed by the owners of some lorries.</p>
					<p>(b) In January 1951, the Collector of a district reported that some cases of fraud in connection with the payment of award money in Land Acquisition cases had come to his notice and that the matter had been taken up by the District Enforcement Department for further investigations. The final report of the Investigating Officer showed that a loss of Rs. 3,127 had been sustained by Government in those cases.</p> <p>It was reported by the District Magistrate in February 1952 that the defect in the system of identification of payees, inexperience of the staff and general lack of supervision and check on the part of supervisory officers facilitated the fraud.</p> <p>It was stated in March 1959 that criminal cases started against the accused persons had ended in their acquittal. (Government orders writing off the amounts are awaited (July 1959).</p>	<p>(b) The fraud cases mentioned in the audit note relate to the district of Birbhum. The matter is being examined in consultation with the local officers. The decision of Government will be communicated to the audit in due course.</p>

*Land and Land Revenue Department*

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				Rs.	(c) A sum of Rs. 56 representing pay and allowances of a peon was fraudulently drawn by somebody in May 1954 by forging his signature on the acquittance roll.	(c) No further comments.
					The loss was written off by the Government in February 1959, as the responsibility for the loss could not be fixed on any person. Remedial measures are reported to have been adopted to prevent the recurrence of such cases in future.	
						<i>Board of Revenue</i>
					(d) A sum of Rs. 3,900 was found missing on 24th July 1956 from the cash box of a Poddar attached to a sub-treasury. It was reported that the lid of the cash box was open and the Poddar was counting notes, when the theft took place. A criminal case instituted against the Poddar ended in his acquittal (December 1958). The loss has not yet been written off (May 1959). Further communication regarding the departmental action against the Poddar is awaited.	(d) The peon referred to in this item was attached to the Forest and Fisheries Department.
						On 24th July 1957 a sum of Rs. 3,899 was found missing from the cash box of Shri Haripada Biswas, Poddar attached to the Baraset Sub-Treasury out of the Public Money received by him from several depositors on that date.
						The Poddar Shri Biswas was proceeded against both criminally and departmentally. He was acquitted of the criminal liability on benefit of doubt. The Departmental proceedings started against him also ended on his being reinstated in Government service after careful consideration by the Collector as there had been no dereliction of duty on the part of Shri Biswas.
						The Court of the Second Special Judge, Alipore, however, observed that although Shri Biswas was found not guilty of the charge, he should not be absolved from the civil liability to pay the amount of Rs. 3,899 to Government. The S.D.O., Baraset has stated in this connection that Shri Biswas has already exhausted almost all his resources to conduct the criminal case instituted against him and to maintain his family during the long period of his suspension from service. It has also been reported by the Collector that the Court's observation regarding Civil liability was taken into account in finalising the departmental proceedings.
						In the circumstances the local officer's proposal for writing off the loss of Rs. 3,899 is under consideration of Government.
112	3	15.—Administration of Justice.	2	31,229	<i>Remission of Revenue.</i> —Sums of Rs. 2,390 and Rs. 28,839 representing respectively the amounts of Government decrees and decrees for court-fees in pauper suits were found irrecoverable and written off during the calendar year 1958 by the competent authorities.	The sums were written-off by the Divisional Commissioners in terms of rule 4, Chapter V, page 90 of the L. R.'s Manual.

Page.	Para-graph.	Number and name of the grant.	Total number of losses, irregularities, etc., under each grant.	Total amount of losses, etc., under each grant.	Brief subject and Audit comments.	Departmental replies.
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				Rs.		
122	3	17.—Police	1	8,142	Theft and criminal breach of trust of cash and properties lodged in a Police Malkhana.	<p>A. S. I. Shanti Ranjan Mukherjee was posted in the Hare Street Police-station on 1st December 1951. He was in charge of "Serious case" Malkhana from 1st December 1951 and subsequently took the charge of "Petty Case" Malkhana under orders of the Officer-in-charge of the Police-station. At the time of his taking over the charge of Petty case Malkhana a sum of Rs. 2,219-3-6 representing the personal properties of the accused persons in Petty cases remained undischarged and was kept inside the Malkhana. There was only one key for the door lock of the petty case Malkhana, which was kept with the A. S. I. All the collected cash relating to the petty cases were kept in an open steel suitcase inside the Petty Case Malkhana. The above-mentioned cash of Rs. 2,219-22 nP. was also kept in the steel suitcase.</p> <p>In "serious cases", all the exhibits and personal properties concerned were kept in the Serious case Malkhana in charge of the A. S. I. Santi Ranjan Mukherjee excepting the exhibits and personal properties of considerable value which were kept in a separate wooden chest inside the Malkhana. The key of the wooden chest was in the personal custody of the Officer-in-Charge. The lock of the Serious Case Malkhana has got duplicate keys. One key remained with the A. S. I. and the other with the Officer-in-Charge.</p> <p>On 6th September 1952 A. S. I. Santi Ranjan Mukherjee left the police-station in the evening reporting himself sick and as such he did not report himself for night duty. Next day (7th September 1952) at about 8 a.m. the A. S. I. informed D. C. Biswajit Mukherji over phone that he was coming to the police-station but he did not turn-up. As he was expected to come, no enquiries were made about him by the Officer-in-Charge on that day. As the A. S. I. did not turn up even on the next day (8th September 1952), enquiries were made about him at Entally police-station and it was learnt that he had left Entally police-station Guard, where he used to sleep, at about 8 a.m. on 7th September 1952. Enquiry was made about him at his house at 1/1/D Biswanath Motilal Lane and it was learnt from his mother that he had not gone to his house since Saturday (6th September 1952) night.</p> <p>Apprehending that the A. S. I. might have met with an accident, enquiries were made in different hospitals but to no effect. On 9th September 1952, when the petty case malkhana was opened to keep the day's collection of Petty Cases after preparing a</p>
					An Assistant Sub-Inspector of Police attached to a Police Malkhana absented himself from duty from 7th September, 1952. On 9th September, 1952 it was detected that he had committed theft and criminal breach of trust of cash and properties lodged in the said Police Malkhana to the extent of Rs. 8,142. A criminal case instituted against him was filed by the Court in August, 1953, as the accused could not be apprehended even after declaring him an absconder. The orders of Government regarding the write-off of Rs. 8,142 are still awaited (May, 1959).	

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				Rs.		
122	4	17.—Police ..	3	45	<p><i>Non-recovery of advances.</i>—A sum of Rs. 45 representing advance of pay granted in October 1948, to three constables who were discharged subsequently could not be recovered from them for not recording the advances in the relevant registers. The clerk concerned was exonerated from the charges instituted against him in the departmental proceedings.</p> <p>The loss was written off by Government in December, 1958.</p>	<p>The bill clerk in Midnapore Police Office prepared an advance pay bill for 17 recruit constables, who were awaiting despatch to the Police Training College, at Rs. 15 each in October 1948. The bill was cashed on 28th October 1948 under T. V. No. 111, dated 28th October 1948. In November, 1952, it was detected that the advances had not been recovered and a sum of Rs. 45, due from three constables, were irrecoverable as they had been discharged.</p> <p>The advance was not adjusted from the pay bills of the constables at Barrackpore after they joined at the Police Training College there. This is because no intimation about the advance appears to have been sent to Barrackpore from Midnapur. Nor had the Bill Clerk at Midnapur made any note about the advance in the recovery register.</p> <p>The Deputy Inspector-General of Police, Western Range, was asked to take necessary action so that the outstanding amount might be recovered from the person responsible for the loss by drawing up proceedings. A proceeding was then drawn up against the Bill Clerk of Midnapur Police Office, but he was given the 'benefit of doubt' by the Superintendent of Police, Midnapur. This is because</p>
						<p>duplicate key of the room, it was noticed that the sum of Rs. 2,219-3-6 was missing from the suitcases. This aroused the suspicion of the Officer-in-Charge about the conduct of the A. S. I. who hastened to the "serious case" malkhana and found the wooden chest broken open. Values of properties, including cash of Rs. 7,141-15-3 found lost stood at Rs. 8,142. The residence of the A. S. I. at 1/1/D Biswanath Motilal Lane was searched but nothing incriminating was found. Subsequently it was learnt from Dharendra Nath Biswas, a Telephone Operator of S. R. P. Office, Howrah, and also a co-villager of the A. S. I. Santranjan Mukherji, that the said D. N. Biswas had received a letter on or about 15th September 1952 from his father at Dacca intimating that Santi Ranjan Mukherji had gone to his native village.</p> <p>Government are of opinion that it was purely a case of theft by a dishonest employee and there was no laxity of supervision on the part of Superior Officers. Government Order sanctioning the write-off of the amount of Rs. 8,141-95 nP. was issued in July 1959 (<i>vide</i> G. O. No. 2929P1, dated 6th July 1959).</p>

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				Rs.		
139	6	20.—Charges on account of Education.	5	3,447	<p>(i) Theft of a type writer and other properties (Rs. 1,048), (ii) burglary (Rs. 38), (iii) Theft of office cash (Rs. 505) and (iv) loss due to criminal breach of trust of public money (Rs. 1,856).</p> <p>(i) Theft of type-writer (Rs. 905-8-9), an iron safe borrowed from another Centre (value not known) containing cash balance of Rs. 72-5-0 and a clock worth Rs. 70 on the 5th November, 1949.</p> <p>The loss was not reported to Audit as required under the Financial Rules. The sum of Rs. 72-31 was written off by Government in April, 1958, stating that none of the staff was found guilty or responsible in police investigation. The orders of write-off in respect of other articles are still (August, 1959) awaited.</p> <p>(ii) Office cash stolen on the 22nd July, 1953 following a burglary in the residence of the Office Superintendent.</p>	<p>the Bill Clerk's plea was that he had duly noted down in the Last Pay Certificates of the constables the fact of the advance but the plea could not be verified as the Last Pay Certificates could not be traced.</p> <p>In view of the finding of the Superintendent of Police, Midnapore, and in view of the very small amount involved, Government have written off the loss as irrecoverable.</p> <p>(i) This refers to Baigachi State Orphanage (now Banipur). Theft took place on 5th November 1949 and the police investigation was made. But in the absence of sufficient evidence a final report was submitted and the case ended in non-prosecution. None of the staff could be held responsible for the loss and the loss did not disclose any defect of system. This amount was written off in G. W. B. Edn. No. 64-Edn(P), dated 13th January 1960 and the objection settled vide A. G. W. B. No. OA/SW/3N/8, dated 23rd April 1960.</p> <p>(ii) This relates to the Central Orphanage, Berhampur. A burglary was committed in the quarters of the Superintendent, Berhampur, located within the Central Orphanage premises on 23rd July, 1953. The miscreants decamped with personal effects including office cash for Central Orphanage, Berhampur (Rs. 37-15 as.) and office cash for Manindra Mill State Orphanage, Berhampur (Rs. 32-6 as.). The police investigated the case but could not trace the miscreants. No member of the staff could be held responsible for the theft and there was no wilful negligence on their part. The State Homes have now been supplied with small steel almirahs. The loss has been written off by G. O. No. 911-Misc., dated 16/17th April, 1958.</p>
					<p>The irregular practice of keeping office cash in the residence was pointed out to Government through successive Inspection Reports but the Directorate took action only after the theft. Police investigation prove futile. The amount was written off by Government in April, 1958, as no responsibility could be fixed.</p>	

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				Rs.		
					(iii) Office cash stolen on the 4th January, 1958. (Rs. 472.88).	(iii) This relates to Banipur State Welfare Home Camp No. 1. The sum of Rs. 472.88 nP. representing office cash in hand was stolen on 4th January, 1958. The police submitted formal report as they failed to find out any definite clue. Departmental proceedings were taken against the officer who was in charge of the Home at that time (Shri Bimal Kanta Basu, Assistant Superintendent). He was found guilty of utter negligence of duty as also leaving the post without permission and removed from Government service with effect from 14th September 1959. The amount is being written off.
					It was stated in December, 1958, that the loss was due to the negligence on the part of the then Assistant Superintendent. It was stated in June, 1959, that the departmental proceedings had not so far been completed.	
					(iv) Theft of office cash (Rs. 32.37).	Vide item (ii) above.
					Police investigated the case but could not trace the miscreants. The amount of Rs. 32.37 was written off by Government in April, 1958, as nobody was found responsible.	
					(v) Cash found missing on the 1st May, 1957.	(v) This relates to Central State Welfare Home, Berhampur. One Shri Rajani Kanta Pal, a permanent Assistant Master of the Government High School, was deputed to work as Superintendent of the Home. A theft of a sum of Rs. 1,856 was committed on the 1st May, 1957 and the incident was reported to the police. The police could not come to any definite conclusion. However on departmental investigation several financial irregularities were detected and Shri Pal was placed under suspension with effect from the 24th June, 1957. He was found guilty of gross dereliction of duty but charges of misappropriation of Government money could not be established even partially. He was ordered to be reverted to his original post of Assistant Master of Jalpaiguri Zilla School. Final disposal of the case is under consideration.
					The then Superintendent of the Homes had been placed under suspension, and a case had been instituted against him for criminal breach of trust of public money. Further information is still (August, 1959) awaited.	
139	7	20.—Charges on account of Education.	1	2,192	Misappropriation of Government money—In the course of a departmental verification of the Education Tax Register of a Collectorate for the years 1949-50 to 1952-53 with the relevant Treasury Registers, in July, 1954, misappropriation of Government money	An amount of Rs. 2,102 realised, as the Primary Education Tax money was misappropriated by the Education Tax clerk of Malda Collectorate during the period 1949-50 to 1952-53 which was given to him by the Presidents of Union Boards and Collecting Panchayat for crediting the amount in the

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					to the extent of Rs. 2,102 was detected. It was reported that the Education Tax Clerk attached to the Collectorate misappropriated the amount through fabrication and forging of the receipted chalang and false entries in the Register. The clerk was placed under suspension and prosecuted but he was discharged in February, 1956. Result of the departmental proceedings and the orders for the write-off of the loss in question are still awaited (August, 1959).	
					At the instance of Audit, Government have, however, modified the Education Tax Register maintained in the Collectorates and provided that Tax money be deposited directly in the Treasury or Sub-treasury and in no case made over to the Education Tax clerk or any body else in the District Office.	
148	5(b)	21.—Medical .. ..	.. ..	1,47,867	<i>Unserviceable stores and shortages.</i> —Value of unserviceable and damaged stores and shortages not written off up to the close of the year 1957-58 was stated to be Rs. 1,47,867. Early steps need to be taken to adjust the losses by write-off or recovery after proper investigation.	This relates to the value of unserviceable and damaged stores of the Central Medical Stores, Calcutta, and shortages found in course of physical verification which are required to be written off under orders of Government.  The proposal to write-off the value of the above unserviceable and damaged Stores amounting to Rs. 1,47,867 is still under examination of the Health Directorate. The certificate as required under rule 393 of West Bengal Financial Rules, Part I, has not yet been furnished by the Assistant Director of Health Services (Equipment and Stores), and non-submission of such a certificate stood on the way of finalisation of the question of issue of write-off order.  In view of heavy discrepancies in the accounts of stores it was decided by Government that cent. per cent. physical verification of Stores held in the Central Medical Stores, Calcutta, should be undertaken by a private firm, under the supervision of a Special Officer appointed for the purpose. So the matter regarding writing-off of Rs. 1,47,867 could not be proceeded with further as it was intended to take action on the overall results of physical verification of Stores.



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						The entire stock of stores at the Central Medical Stores was accordingly subjected to cent. per cent. physical verification by a firm of Chartered Accountants (Messrs. G. Basu and Co.) and the Special Officer Shri P. C. Haldar has submitted to Government his report detailing inter alia results of such verification. The report is under examination of the Health Department. Action for writing-off the loss will be taken on the basis of decision to be arrived at on examination of the report.
148	6(b)	Ditto	.. ..	41,974	<i>Unserviceable stores.</i> —The question of the write-off of the value of stores worth Rs. 21,397 and Rs. 20,577 approximately which had been declared unserviceable during the years 1956-57 and 1957-58 respectively are reported to be still (June, 1959) under consideration of the Directorate.	This relates to the question of writing off of the value of stores of the Kanchrapara T. B. Hospital declared unserviceable during the years 1956-57 and 1957-58. Before the issue of write-off order of the value of the above stores amounting to Rs. 41,974, the Superintendent, Kanchrapara T. B. Hospital, was asked to furnish information on the following two points, viz., (1) whether any reserve price was fixed for the articles sold by public auction, and (2) the name and designation of the officer by whom the auction was conducted. The information furnished by the Superintendent is under examination by Government.
171	9(ii)	23.—Charges on account of Agriculture	.. ..	30,315	<i>Shortages of stores.</i> —The value of the shortages in the different Stores amounted to Rs. 30,315. The loss requires to be regularised.	
171	10	Ditto	.. ..	1,250	<i>Loss of Government money.</i> —In July, 1953, it was alleged that a Peon of an Officer was robbed of a sum of Rs. 1,249-10-0 while he was returning with the money from the Treasury. Out of the above amount Rs. 859-12-0 represented pay and allowances of the staff (including the salary of the peon himself) for June, 1953, and the balance, viz., Rs. 389-14-0 represented the salary of the Head of the Office, for June, 1953. The amount of Rs. 859-12-0 was redrawn in August, 1953 under Government orders and the peon was also paid his salary, though a case was instituted against him after placing him under suspension with effect from 1st July, 1953.	

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				Rs.		

In the criminal case instituted against the peon, he was found guilty and was sentenced to undergo R. I. for one year and to pay a fine of Rs. 1,500, in default to undergo R. I. for six months more.

The loss of Government money was facilitated due to non-observance of the relevant Rule, under which two peons are required to be sent to the Treasury for the encashment of bill or bills if the amount involved is between Rs. 500 and Rs. 1,000 and if the money exceeds Rs. 1,000 as it happened in this case, one Clerk accompanied by two peons should be sent to bring the money.

The loss has not yet (August 1959) been written-off by Government.

175	2	24—Agriculture— Fisheries.	1	14,561	Nugatory expenditure	
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An irrigation tank was improved between 1948 and 1952 at a cost of Rs. 14,866. The tank finally proved to be uneconomical and unutilisable due to proximity of the tank bed to a river. The resulting loss amounted to Rs. 14,561 (cost of improvement—Rs. 14,866 less the receipt in respect of lease rent amounting to Rs. 305). On the matter being referred in December, 1956, by the District Officer to the Government, the loss was written off in March, 1959. The responsibility for the loss could not, however, be fixed as the reports of initial survey and subsequent inspections made from time to time were all missing. At the instance of Audit, Government, however, issued instructions in June, 1959, so as to impress upon the officers concerned the necessity of proper filing and preservation of such documents.

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176	3	24.—Agriculture— Fisheries.	..	Rs. 5,355	Loss in the running of the scheme for the production of Shark Liver Oil.	

The *Pro forma* Accounts of the Scheme for the production of Shark Liver Oil for the years 1950-51 and 1951-52 as furnished by the Directorate showed that there was a net loss of Rs. 6,913 in 1950-51, while there was a net profit of Rs. 1,558 in 1951-52. In calculating the net loss in the year 1950-51 the undermentioned charges were not taken into account.—

- (a) Rent, rates and taxes.
- (b) Postage and Stationery.
- (c) Leave, Pension and Provident Fund contributions.
- (d) Audit Fee.
- (e) Office Establishment.

In 1951-52 also the charges relating to items (a) to (c) were not taken into account, while the Audit fee was under-charged.

From the beginning the scheme for production of Shark Liver Oil, fishmeal, etc., was taken up and continued as a Grow More Food Scheme for the years 1948-49 and 1949-50 and was financed by Government of India. From 1950-51, the Government of India did not consider it as a Grow More Food Scheme and refused to finance it from the Grow More Food fund. Their decision was received about June 1950. Consequently, it took some time to approve the scheme and include it in the normal activities of the Fisheries Directorate and sanction could not be accorded thereto earlier than the 2nd week of December, 1950. The season of operation of the scheme commences from the middle of October every year. As the scheme could not be operated full season during the year, this accounts for the loss sustained that year.

1950-51 and 1951-52—

(a) The Fish Curing Yard at Jampur (Contai) was acquired at Rs. 31,722-14-0 during pre-partition period. The Yard is also used for operation of other schemes. Under G. O. No. 504, dated 9th March 1960, 25 per cent. of the total cost are allocated to this Scheme. An amount of Rs. 7,930 representing 25 per cent. of Rs. 31,722-14-0 has been included in the Government capital. Depreciation at 5 per cent. on this asset and interest thereon have been charged and shown in the balance-sheet of the year. No extra expenditure under the head "the rent, rates and taxes" was incurred during the year.

(b) Postage was charged on the basis of contingent bills shown from Treasury. Expenditure on account of stationery could not be determined. This was charged from 1954-55.

(c) Some of the permanent staff of the Fisheries Directorate were deputed to Jampur for work of this scheme as also for work of other schemes for 3-4 months. 50 per cent. of their pay were booked in the accounts of the Shark Liver Oil Scheme. Considering this, no charges on these items were made in the accounts of the scheme.

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				Rs.		
181	4	26.—Charges on ac- count of Co-opera- tive Credit.	..	21,28,500	Withdrawal of money in order to avoid lapse of budget grant.	
					<p>A sum of Rs. 21,28,500 was drawn on the 31st March, 1959, for investment in the share capital of a number of Co-operative Organisations, against the specific budget provision for the same during the year. On the 6th April 1959, Government, however, deposited the money into the Reserve Bank of India under a Deposit head of account with the object of utilising the same as and when occa- sion arises, on the ground that as investments in 262 Co-operative Societies were involved in this case it would take time to finalise the necessary formalities. The information received in Audit up to 22nd June, 1959, showed that no investment had actually been made till then. The amount was ap- parently withdrawn on the last day of the financial year to avoid lapse of budget grant. The Annual Approp- riation Act authorises with- drawsals from the Con- solidated Fund of the State only if the drawsals are meant for the expenditure, during the budget year.</p>	<p>The fact that no investment was made till 22nd June, 1959 was correct. It was, however, forced by circumstances beyond control. Before the money was drawn by the Registrar of Co-operative Societies on 31st March 1959, it was proposed that a personal ledger account be opened with the Reserve Bank of India in the name of Registrar of Co-operative Soci- eties for depositing the amount of loan contribution to the share- capital of Co-operative Institu- tions. But in the meantime the money was drawn on 31st March 1959 and credited under the head "Deposit not bearing interest— Deposit of local funds—other funds—other Miscellaneous fund" in the Public Account Section of the Budget for 1958-59. The Ac- countant-General, West Bengal, was then requested to allow the Co-operative Department to open State Partnership Fund" under the self-same head and to allow the amount of Rs. 21,28,500 as also the recoveries to be made from the Societies (when retirement of Share-capital takes place) to be accounted for under that head and also to allow the Registrar of Co-operative Societies to operate the fund according to the ac- counting rules that may be laid down. The Deputy Accountant- General, West Bengal, agreed on 15th May 1959 to the opening of a Personal Ledger Account in the name of the Registrar of Co-operative Societies on certain terms and conditions. The Finance Department pointed out in their note, dated 19th May 1959, that the intention was to create what is called a State Partnership Fund as per Cabinet Decision dated 20th February, 1959 and embodied in the Rules for State Partlcipation which will not be a mere Personal Ledger Account nor will work as a revolving capital. Again the file was referred to the Accountant- General, West Bengal, on 21st May, 1959 at the instance of the Finance Department requesting him to re-consider his previous decision. This time the Account- ant-General, West Bengal in his note, dated 28th May, 1959, raised several points which had to be met in consultation with the Finance Department and the Ac- countant-General, West Bengal, and ultimately the order was issued on 31st August, 1959 per- mitting the Registrar of Co-opera- tive Societies to draw the requisite amount for investment and keep the balance in a personal ledger account in the name of the Regis- trar of Co-operative Societies.</p>

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214	3	28. —Industries— Cottage Industries	2	2,230	Misappropriation of cash (Rs. 428) and stores (Rs. 1,802).  In the course of the local audit of the accounts of one of the branches of the Government Sales Emporium in Calcutta, conducted during the Period from May to July, 1958, it was noticed that cash (Rs. 428) and stores (Rs. 1,802) had been misappropriated through manipulation of accounts and records.  The misappropriation was facilitated by :—  Non-maintenance of cash-book up to the end of 1956-57 and non-observance of rules in the matter of handling cash and stores.  On the matter being brought to the notice of Government, the Directorate stated in November, 1958, that the shop had been closed with effect from 23rd July, 1958, and that the sales-assistant concerned had been dismissed after due departmental investigation. The sanction to the write off has not so far (September 1959) been received.		Accountant-General, West Bengal, while examining the accounts of the Government Sales Emporium during the year 1957-58 detected this defalcation. Following the report of the A. G. W. B. the Salesman-in-charge of the Chowringhee branch was suspended and the shop was closed. Thereafter a departmental enquiry was undertaken by one Investigator of this Directorate. He reported that the amount of shortage as pointed out by the A. G. W. B. was not quite correct. It was Rs. 853.73nP. instead of Rs. 2,012.14nP. as pointed out by the Accountant-General, West Bengal. The report of the Investigator was accepted and the Salesman-in-charge was thereafter discharged from the service. In 1958-59 Accountant-General, West Bengal, again examined this matter and pointed out that the exact amount of defalcation in stores was Rs. 2,230.11nP. instead of Rs. 853.73 nP. as found by the investigator. Necessary action for recovery of the amount has since been taken by fixing responsibility by the Director of Industries.
214	4(a)	Ditto ..	1	6,799	Theft.  On 30th August, 1957, stores worth Rs. 6,799 were stated to have been stolen by burglars from the Main Shop of the Government Sales Emporium. The matter was also stated to have been reported to the Police. Further information is still (August, 1959) awaited.	One person was arrested in this connection but stolen property was not recovered. The proposal for writing off the amount is under examination.	
214	4(b)	Ditto ..	3	1,050	Shortages of stores.  The physical verification reports on stores conducted by the departmental authorities at the end of March, 1958, in respect of three Sales Offices showed that there had been a total shortage of stores worth Rs. 1,050. The sanction to the write off of loss is still (August, 1959) awaited.	This relates to shortage of stores at one Sales Emporium instead of three. Steps to recover the amount by fixing up responsibility are being taken.	

Page.	Para-graph.	Number and name of the grant.	Total number of losses, irregularities, etc., under each grant.	Total amount of losses, etc., under each grant.	Brief subject and Audit comments.	Departmental replies.
	2	3	4	5	6	7
				Rs.		
					In the case of one of the Sales Offices mentioned above it was noticed in the course of local audit conducted during the period from May to July, 1958, that the total value of stores found on physical verification on 31st March, 1958, was Rs. 35,800 as against the book balances of Rs. 38,174. The shortage of Rs. 2,365 was reported to Government in October, 1958, for investigation, but no report of action thereto had so far (August, 1959) been received.	
214	5	Ditto	.. ..	17,176	Premature appointment of staff.	
					With a view to explaining the utility of modern machines, tools and plant by giving practical demonstration to the rural population, two schemes, one for Mobile Carpentry and the other for Mobile Blacksmithy, were sanctioned by Government in December 1956. It was stipulated in the Government orders that the staff should be appointed as and when actually required.	As stated in the Audit query statement, the recruitment of the staff was considered essential for making correct specification and purchase of machinery tools and equipments and also for inspection of the construction work of the van body and maintenance of chassis in proper condition. The services of the driver was also utilised at the Headquarter Pool of Cars. It was therefore necessary to appoint staff and the expenditure incurred in their pay and allowances were fruitfully used.
					Two vans were purchased in March, 1957, and made over to a firm in April, 1957, for fitting up tools and plant thereon within one month. The firm after completing the work delivered one of the vans on 20th March, 1958, and the other on 23rd July, 1958. Although these vans were used for the first time for demonstration purposes in April, 1958, and October, 1958, respectively, the staff required for the schemes (viz., driver, cleaner, instructor and demonstrator) were entertained as early as March, 1957—the last appointment being made in November, 1957. A total sum of Rs. 17,176 approximately was, thus, spent on their pay and allowances prior to their actual employment on the work for which they had been appointed.	
					In reply to an audit query it was stated that recruitment of staff was considered essential for making correct specifications and for purchase of machinery, tools and equipments, etc. and also for inspection of the construction of van body and maintenance of the chassis in proper condition.	
223	5	31.—Miscellaneous Departments— Excluding Fire Services.		6,363	(a) Loss due to long storage (Rs. 240). (b) Theft of materials (Rs. 228). (c) Shortages of materials (Rs. 506).	

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1	2	3	4	5	6	7
					(d) Loss due to sale of surplus materials by public auction (Rs. 5,389).	(Development Department)
					(a) Loss of 1.60 tons of cement which remained in stock after completion of certain works in a Division of the Construction Board towards the end of March 1955, and got clotted as a result of long storage.	(a) In August 1952 cement weighing 192.40 tons were stored in C. I. sheets godown by the Construction Board in connection with the execution of different construction works in the district of West Dinajpur. Up to March 1955, 139.75 tons of cement were utilised. It was expected that the remaining quantity of cement weighing 52.65 tons would be utilised in some other works which were likely to be started in that district. In fact no fresh work was actually taken up in that district since March 1955 and when steps were taken to despatch this cement for utilisation in some other works of the Construction Board it was found that about 1.60 tons of cement got clotted in spite of all precautionary measures taken by the Subdivisional Officer, Malda Subdivision of the Construction Board. As a result of this Government had to incur loss to the extent of Rs. 240 being the cost of 1.60 tons of damaged cement. A thorough investigation was made about the matter but none of the Officers could be held responsible for this loss amounting to Rs. 240.
					The amount was written off in July 1958.	After careful consideration of the above facts and considering the amount of loss as negligible one, the loss was written off as a special case under this Department Government Order No. 6032/4R-13/58, dated 3rd July 1958.
					(b) Theft of materials from N. C. C. Buildings within the compound of a college on 12th October 1957 and 27th October 1957.	(b) No further comments.
					The amount was written off by the Education Department in August 1958.	(Development Department)
					(c) Materials found short at the time of taking delivery from the Station Master, Siliguri Station, on 23rd July 1951.	(c) On 23rd July 1951 at the time of taking delivery of certain materials such as M. S. Rods, C. I. sheets and cement at the Siliguri Station the then Subdivisional Officer, Darjeeling Subdivision, found shortage in each category of articles worth Rs. 505.91 nP. These materials were requisitioned by the Construction Board in connection with the execution of different construction works in the district of Darjeeling. The short receipts of materials was at once reported to the Station Master, Siliguri, by the then Subdivisional Officer, Darjeeling Subdivision, for obtaining a certificate from him in this context. The Station Master, Siliguri, however, in order to evade responsibility did not issue the certificate in spite of repeated persuasion from the Subdivisional Officer, Darjeeling Subdivi-
					It was reported in August 1958 that the Railway authorities did not accept the claim and repudiated the same on the ground of its becoming time-barred.	
					There was no evidence that the procedure prescribed by Government for valuing losses in transit was followed by the local departmental officer. As the officer had resigned from service the loss was written off by Government in August 1958.	

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						<p>sion. Having failed to receive the above certificate from the Station Master, Siliguri, the Subdivisional Officer, Darjeeling Subdivision referred the matter to the higher Railway Authorities as well as brought the matter to the notices of his higher officers of the Construction Board. Mean-while the Subdivisional Officer who took delivery of the articles resigned from service and his substitute carried negotiation with the Railway authorities proffering the claim for the shortage of the above materials. The Railway Authorities did not, however, accept the claim and repudiated the same on the grant of its becoming time-barred under section 77, Indian Railway Act. The State Government could have taken up the matter directly with the Railway Authority but it did not do so as all the officers involved in the transaction have resigned from Government services long ago.</p> <p>In view of the above circumstances and after careful consideration of the difficulties about realisation of the loss from the Railway Authority, this Government was pleased to write off the value of the materials amounting to Rs. 505.91 nP. as a very special case under this Department Government Order No. 7099/1M-98/56, dated 14th August 1958.</p>
						<p>(Construction Board,</p> <p>(d) Further to the loss commented upon in paragraph 5 of the Review below this grant (<i>vide</i> page 262) of the Appropriation Accounts for 1957-58, another case of loss of a similar nature has come to notice.</p> <p>In one of the Divisions, 181 tons 8 cwt. of coal had been collected during the period from 1949 to 1950 for manufacture of bricks required for constructions. This quantity of coal of book value of Rs. 6,349 which became surplus was sold for a sum of Rs. 960 in March 1958, by public auction resulting in a loss of Rs. 5,389 to the Government.</p> <p>The matter was brought to the notice of Government in May 1959, for fixation of responsibility for such loss but no reply had to far (July, 1959) been received.</p> <p>(d) The coal in question was collected for the local manufacture of bricks in connection with the construction of Health Centres under the Medical and Public Health Department. A programme of Health Centres to be constructed during the year 1950-51 was received from the Medical Department in February 1950. The programme was framed in course of several meetings held between the Chief Engineer, Construction Board, and the Deputy Director of Health Services, Medical Department, in his office. The Chief Engineer, Construction Board, was requested to speed up preliminary arrangement for construction of Health Centres as per Programme fixed in the meetings. As the sites of Health Centres were in out of the way places with very poor communication and transport facilities, coal for local brick burning had to be collected beforehand to be readily available during the brick burning in the dry months of the year so that this work of the construction of Health Centres when administratively sanctioned might not be hold up for want of bricks but could be taken up immediately on receipt of administrative approval.</p>



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				Rs.		
						Subsequently owing to change of decision by the Medical Department works for some of the Health Centres were deleted from the sanctioned programme and eventually abandoned, as a result of which, the coal already collected in the remote places of the district became surplus and had to be disposed of by public auction at the sites where the same were stacked.
						The disposal of surplus coal by public auction requires, the prior approval of the Coal Commissioner. In case the Coal Commissioner can utilise the surplus coal for any public utility purpose, generally permission is not accorded for disposal by public auction. As a result of protracted correspondences with the Coal Commissioner, the disposal of the surplus coal had to be kept in abeyance. But eventually when permission for disposal was obtained already there was abnormal delay and the quality of the coal deteriorated to such extent, that it did not fetch any appreciable value in the public auction.
						Moreover coal at that time was a controlled commodity and its requirement had to be submitted to the Coal Commissioner well in advance so that this controlled commodity could be procured in time. This was also a vital factor as to why the coal was collected and stored well in advance in anticipation of administrative approval.
						In view of the above circumstances, it will be evident that the officers of the Construction Board cannot be held responsible for this loss.
232	7(a)	32.—Civil Works .. ..		1,350	Theft of stores.	
					Theft of 39 pieces of window shutters on the night of 20th March 1956 from the compound of a building purchased by the Government for construction of a hospital.	It was reported that one Shukhan Bhuiya, mazdoor of Works and Buildings Department, who had been engaged to clear off jungles from the compound of Rajendra Bhawan at Uttarpara was arrested by Police on the night of 20th March 1956 while he was carrying some old shutters of doors and windows of the Rajendra Bhawan. After investigation it was found that seventy-two pieces of shutters were stolen from the said building. Out of 72 numbers, 33 pieces of shutters were recovered by police. The cost of lost shutters (39 pieces) was Rs. 1,350 only.
					The amount was written-off in November 1958. The culprit mazdoor was discharged from Government service and was prosecuted and sentenced to 3 months' R.I.	

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						<p>The case was tried at Magistrates' (1st class) Court, Serampore and the culprit Bhuinya was sentenced to 3 months' rigorous imprisonment by the Court.</p> <p>Departmental proceedings against the said mazdoor were also drawn up and he was discharged from Government service with effect from the date of his absence.</p> <p>Two chowkidars were appointed by the Department for guarding the above premises. No serious laxity on the part of the individual officer or officers which might call for disciplinary action was also brought to light. The theft perpetrated by the mazdoor could not thus be ascribed to negligence on the part of local officers or defect in guarding arrangement.</p> <p>In the circumstances sanction of Government was accorded to the writing off of the loss at Rs. 1,350 under Government order No. 1853 A(Adt), dated 13-11-1958.</p>
232	7(b)	Ditto	..	..	70,930 . Non-recovery of excess payment	<p>Loss due to waiving recovery of the additional dearness allowance of Rs. 2 per month with effect from 1st August 1956 and of Rs. 5 per month with effect from 1st April 1957, irregularly paid to the Road Mazdoors employed on consolidated pay under certain Divisions of the Works and Buildings Department during 1956-57 and 1957-58.</p> <p>The recovery was waived in September 1958. Officers responsible were directed to be more vigilant. The consolidated pay drawn by such staff was, however, increased by Rs. 5 per month with effect from 1st October 1957, by issue of a separate order on 18th December 1957.</p> <p>Government sanctioned additional dearness allowance of Rs. 2 p.m. with effect from 1st August 1956 which was subsequently increased to Rs. 5 per month with effect from 1st April 1957. Road Mazdoors employed under the Works and Buildings Directorate draw monthly consolidated pay and as such they were not entitled to draw the additional dearness allowance referred to above. But, the Road Mazdoors employed under the Jalpaiguri, Darjeeling, Cooch Behar and Midnapore Divisions were allowed, by the drawing officers concerned, to draw such allowance. Drawal of such allowance in favour of such staff was irregular. The irregularity was subsequently detected. The irregular payment involved a sum of Rs. 70,930. As recovery of the amount irregularly paid to them would cause hardship to them, sanction of Government was accorded to the waiving of the recovery. The officers responsible for the irregular payment were also directed to be more vigilant. The consolidated pay drawn by Road mazdoors under the Works and Buildings Directorate was however increased by Rs. 5 per month with effect from 1st October 1957.</p>

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				Rs.		
232	8	Ditto	..	9,000	Infructuous expenditure. (approx.).	
					<p>In a Public Works Division, the plan and estimate for the work of construction of a Rifle Butt was technically sanctioned in the year 1952. The face wall which formed a portion of the work was erected by the contractor as per original specification and approved drawing on work orders issued on 7th February 1956. At the last stage of the work which was held to have been completed on 15th June 1956, the face wall could not stand the thrust of the sand fill and collapsed. A revised specification for the face wall was again drawn up and the work was entrusted on 17th April, 1957, to another contractor who completed it by 20th June 1957. The second face wall also collapsed on 21st June 1957. In both the cases, the working contractors could not be held responsible for the structural failures which were considered to be the outcome of defective design and specification, and as such, their claims were settled up in December 1957.</p> <p>The exact amount of infructuous expenditure incurred on this account could not be stated (March 1959) as the work was not completed but on a rough estimate the amount would be Rs. 9,000.</p>	<p>The Audit objection is for alleged infructuous expenditure due to structural failures of the face wall of the Rifle Butt at Krishnagar. While the fact of structural failure twice is not disputed, it would not be correct to attribute the same to any defect of design and specification.</p> <p>The fact is that the butts in question were designed to be of a masonry wall at the rear with plastered expanded metal wall in front at a distance of 2ft. the gap being filled up with sand. The expanded metal wall was fixed to the masonry wall with M. S. tugs. The top of the sand filling between the walls was to be covered with water proofing sheets. When the work had been wellnigh complete except for the top water-proofing course, there were untimely heavy rains attended with strong wind and the expanded metal face wall with plaster was unable to sustain the load of sand filling due to the additional thrust caused by soakage of rain water and gave way. The face wall was erected again with stronger support but it again collapsed similarly due to the tremendous pressure exerted by the sand filling saturated by intervening rains and gales. According to the opinion of the technical experts on record, the successive collapses were due to non-completion of the top water-proofing course to prevent the rain water from percolating into the sand filling, causing the break downs. It is to be appreciated in this context that in such works water-proofing the top is not feasible until after completion of the sand filling work. That similar butts, constructed in the past on the basis of the same type plan are still giving satisfactory work will show that there was no fault in the design. In the circumstances Government considers that the structural failure were not due to any fault or default of any officer of the Contractor. Probably the Second failure might have been avoided if after the first experience the work could be deferred until after the monsoon. But this could not be adopted as the police authorities pressed for speedy completion of the urgent work which had remained postponed for a considerable period due to the formalities of land acquisition.</p> <p>The work has since been completed again and made ready for handing over to the police authorities.</p>

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				Rs.		
232	9	Ditto	..	10,910	Loss of revenue due to non-realisation of rent.	

A sum of Rs. 18,465-12nP. was shown outstanding up to the 30th September, 1957 in a Public Works Division on account of unrealised rent from lawyers and stall-holders using accommodation within the compounds of a District Judge's Court. This amount was stated to include a sum of Rs. 18,424-75nP. which fell into arrears since 1933 up to 31st October, 1952 (*i.e.*, the date prior to the transfer of the charge of realisation of the rent to the Works and Buildings Department) when the court authorities were responsible for collecting the rent. Out of the total outstanding arrear rent the recovery of a sum of Rs. 10,909.50 nP. was waived by the Government in September, 1958, because the whereabouts of the tenants could not be traced and some of them were dead. Legal action is reported to have been taken for the recovery of Rs. 4,478, while the balance of Rs. 3,077.62 nP. is in the process of realisation. Due to non-observance of the relevant financial rules, which lays down *inter alia* that the departmental controlling officers should see that all sums due to Government are regularly received and checked against demands, the Government had to suffer a considerable loss.

The collection of rent from the pleaders occupying spaces within the court compound of the District Judge, Alipore, proved to be a difficult job for a long time. To obviate this difficulty it was decided in September, 1933, that the District Judge, 24-Parganas, who had much influence over the pleaders should arrange for collection of rent from the pleaders and others through the Nazir. In spite of best endeavours, this arrangement proved a failure and the task of collecting rent was re-entrusted to the Public Works Department in November, 1952. At the time of taking over of the charge by the Public Works Department, arrears of rent stood over Rs. 18,000 including a bad debt of Rs. 10,909.50nP.

Immediately after taking over this charge, a Cash Sarkar was specially appointed for collection of rent (arrears and current) from the existing pleaders and others occupying the spaces in question. Special endeavours were also made to realise the arrears from those persons also who were no longer occupying the spaces and whose whereabouts also were not readily available and for that purpose, the Executive Engineer was advised in Works and Buildings Department memo. No. 3661-A, dated the 11th July 1956, to ascertain the present addresses of the missing tenants by making oral enquiries from their acquaintances who might then be found in the Court compound and file suits immediately against such defaulters.

The Commissioner of Police, Calcutta, was also requested by the Executive Engineer, Alipore Division as well as by Government to hold proper investigation and help Government in securing correct addresses of the missing tenants and in case any such tenants were dead the names and particulars of their legal heirs in order that the question of recovery of arrear dues of Government on account of rent could be effectively pursued by the Government. The required particulars could not, however, be gathered by Police in spite of repeated attempts and hence, the loss of Rs. 10,909.50 nP. representing arrear rent on the above account had to be written off by Government.

The loss of Rs. 10,909.50 nP. is the total of many small sums of the order of Rs. 2 or so per month due from many persons over many months during which the collection had been in charge of the District

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1	2	3	4	5	6	7																
						<p>Judge, 24-Parganas. The collecting staff of the District Judge failed to realise the rent in view of the recalcitrant attitude of the parties.</p> <p>The circumstances described above do not indicate that observance of financial rules would have yielded better results. Better results might have been achieved if a large body of collecting sarkars were appointed to give more frequent takids to the parties concerned but in that case, the collection charges would outweigh the amount of recoveries.</p> <p>Suits have, however, since been filed against the defaulting tenants whose whereabouts could be traced for the names of whose legal heirs (in the cases of dead persons) brought on records.</p> <p>The concerned Executive Engineer has also been advised to take prompt action as soon as rent falls due in terms of rule 9 of the West Bengal Forest Ranger, Volume I, and see that in no case rent falls into arrears.</p>																
240	3	35.—Superannuation Allowances and Pensions.	..	20,560	Ex-gratia payments	.. No comments.																
					<p><i>Ex-gratia</i> payments of death or retirement gratuities were paid during 1958-59 in 35 cases to Government servants or to their legal heirs in consideration of long and satisfactory services rendered by them. The total amount involved was Rs. 20,560.</p>																	
265	3	38.—Miscellaneous—Other Miscellaneous-Expenditure.	..	5,212	Irrecoverable loans and advances	No further comments.																
					<p>The details of the amounts written off under orders of the Government during the year 1958-59 are given below:—</p> <table border="1"> <thead> <tr> <th>Name of charge.</th> <th>Amount</th> </tr> <tr> <td></td> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td>(i) Loans to Artisans</td> <td>2,821</td> </tr> <tr> <td>(ii) Agricultural Loan</td> <td>198</td> </tr> <tr> <td>(iii) Advances to Cultivators (Land Improvement Loan)</td> <td>500</td> </tr> <tr> <td>(iv) Loans to Traders</td> <td>100</td> </tr> <tr> <td>(v) Advances to Forest Ranger.</td> <td>623</td> </tr> <tr> <td>(vi) Non-recovery of Festival Advances paid to a peon of the Food Department owing to his dismissal from Government Service.</td> <td>25</td> </tr> </tbody> </table>	Name of charge.	Amount		Rs.	(i) Loans to Artisans	2,821	(ii) Agricultural Loan	198	(iii) Advances to Cultivators (Land Improvement Loan)	500	(iv) Loans to Traders	100	(v) Advances to Forest Ranger.	623	(vi) Non-recovery of Festival Advances paid to a peon of the Food Department owing to his dismissal from Government Service.	25	
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1	2	3	4	5	6	7	8
					(vii) In January, 1943 payment on account of demurrage charges for materials indented for emergent Military Works was made by a Public Works Division out of P. W. Advance pending recovery from Railways or debit to the Defence Service estimate. As the claims for refund were not entertained by the Railways nor could any debit be raised against the Defence Department for want of relevant records, the loss was written off by Government in April 1958.	945	
					Total ..	<u>5,212</u>	
265	4(c)	Ditto	..	..	661 Loss in a Police Station.		
					In January, 1954, a sealed bag containing Rs. 705 deposited by a Revenue Officer in a police-station for safe custody was found cut open and a sum of Rs. 661 was missing.		The loss of Rs. 661 written off by Government was in respect of agricultural loan collection money missing from the Ghatal police-station in Midnapore district. No further comments.
					A criminal case was instituted against a Police Officer but it was withdrawn on the advice of the legal authority. The officer concerned was however, punished departmentally by the reduction of his pay by Rs. 2 for a period of one year. The sum of Rs. 661 has been written off by Government in 1958.		
266	6	Ditto	..	..	9,867 Extra expenditure	..	[Home (Defence) Department.]
					A contractor, being the lowest tenderer, was allowed to supply foodstuffs to the West Bengal National Volunteer Force Training Centre from 1st March, 1956 without entering into the prescribed agreement and making the requisite security deposit. He, however, stopped supply of foodstuffs with effect from 7th March, 1956. Foodstuff had accordingly to be purchased from the next higher tenderer. It was reported in October, 1958, that the actual extra expenditure incurred on this account amounted to Rs. 9,867. Under the model terms of agreement, this extra expenditure was recoverable from the contractors. But as no agreement was entered into with him, he could not be made liable for the same.		The Tender Committee recommended acceptance of the rates of the lowest tenderer, subject to a confidential enquiry about their past business. All the requisite preliminaries could not be carried out well before the commencement of the contract on account of certain enquiries proceeding against the contractor regarding their past activities and status. The contractor was asked to supply articles provisionally with effect from the 1st March, 1956, with the idea that the agreement would soon be finalised. Supply was most unexpectedly stopped with effect from the 7th March, 1956, by the contractor.

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1	2	3	4	5	6	7
					<p>It was stated that the non-execution of agreement by the contractor was due to late submission of the recommendation of the Tender Committee and consequent delay in issuing Government order accepting the tender and that the supply of foodstuff could not wait for the execution of the agreement. It is not clear why all the requisite preliminaries were not carried well before the commencement of the contract on 1st March, 1956.</p>	
266	7	Ditto .. ..		4,008	Avoidable expenditure.	
					<p>For supply of dietary articles to a National Volunteer Force Training Centre during 1958-59, only two firms submitted tenders. The Selection Committee in its meeting held on 14th January, 1958, accepted the lowest tender. Although there were some complaints against the lowest tenderer the Committee proposed to give him the contract as the qualities of his samples were better and the rates lower than the other tenderer. In spite of this recommendation the authorities asked the other tenderer to supply the dietary articles from week to week on a temporary basis. At the time of local inspection of the office in August, 1958, it was noticed that this temporary arrangement had been continuing. On the matter being pointed out by Audit, Government issued orders appointing the lowest tenderer as the Catering Contractor with effect from 1st November, 1958.</p> <p>Meanwhile, the action of the authorities had resulted in an extra expenditure of Rs. 4,008 to Government.</p>	<p>Certain allegations were received against the lowest tenderer and pending final disposal of the allegation, the next higher tenderer who was also the supplier for the previous year, was asked to supply provisionally. After the disposal of the allegation the provisional arrangement was discontinued and the lowest tenderer was asked to supply. The extra expenditure was, therefore, unavoidable.</p>
274	3	39.—Miscellaneous— Expenditure on Displaced Persons.	1	2,964	Loss of Government money from the custody of a Havildar.	
					<p>On 29th March, 1952, a sealed bag containing Rs. 3,458 representing an undisbursed amount of loan money was handed over by a District Rehabilitation Officer to a Havildar of an Armed Escort Party for safe custody during the night. One of the constables of the said party, who had been on guard duty, absconded with the bag the same night.</p>	<p>On 29th March, 1952, at 7 p.m. the District Rehabilitation Officer, Hooghly, handed over to a Havildar of an Armed Escort party consisting of seven members a sealed bag containing Rs. 3,458 representing undisbursed amount of loan money after distribution to the refugees at Guptipara. Hooghly, with due entry in the command certificate and taking proper receipt from the Havildar, The District Rehabilitation Officer with his disbursing party and the Police Party were</p>

Page.	Para- graph.	Number and name of the grant.	Total number of losses, irregu- larities, etc., under each grant.	Total amount of losses, etc., under each grant.	Brief subject and Audit comments.	Departmental replies.
1	2	3	4	5	6	7
				Rs.		
					<p>The criminal case instituted against the constable remained undecided as he could not be apprehended. The absconding constable was dismissed from the service with effect from 30th March, 1952.</p> <p>In the departmental enquiry by the Police, the Havildar was held partly responsible and a sum of Rs. 494 was ordered (May, 1955) to be recovered from his pay. The balance of Rs. 2,964 has not yet (May, 1959) been written off.</p>	<p>then waiting at Guptipara Railway Station for train to Chinsurah, due to arrive there in the following morning. On the following morning at 5 a.m. the District Rehabilitation Officer, concerned was informed by the havildar that the constable Dil Bahadur Desai, who was on sentry duty during 3 a.m. to 4 a.m. had fled away with the sealed bag, leaving behind his gun. Every possible effort to find him out, however, failed. In the departmental enquiry none of the District Rehabilitation Officer's party including himself could be held responsible for the loss.</p> <p>A criminal case was started against the absconding constable but the trying Magistrate adjourned the case sine die as the constable is still at large. The constable was dismissed from service with effect from 30-3-52.</p> <p>A sum of Rs. 494 was recovered from the havildar, who was found partly responsible for the loss in accordance with the principle laid down in paragraph 10(5) of the Bengal Audit Manual. The five other members could not be held responsible as they acted under the orders of the Havildar. The amount of pay of Rs. 57 for March 1952 that was admissible to the constable, could not, however, be forfeited until he was tried and convicted and the same had been refunded to the treasury as undischursed pay.</p> <p>Government of India have been moved to write off the loss of Rs. 2,964 (Rs. 3,458—Rs. 494) and their orders are still awaited.</p>
297	3	45.—Road and Water Transport Schemes.	..	4,729	Ex-gratia Payments	.. No further comments.

The following *ex-gratia* payments were made in 1958-59 :

- (a) Rs. 2,430 paid to thirty-eight employees of the State Transport Directorate for medical treatment.
- (b) Rs. 75 paid to meet the funeral expenses of one ex-driver and one ex-conductor of the Directorate, who died while on duty.
- (c) Rs. 1,000 paid to three ex-employees of the Directorate. In two cases, the payments were made to persons who could not be retained in service, being found medically unfit after prolonged illness, while in the third case the payment was made for the medical treatment of an ex-employee suffering from T. B.



Page.	Para-graph.	Number and name of the grant.	Total number of losses, irregularities, etc., under each Grant.	Total amount of losses, etc., under each Grant. Rs.	Brief subject and Audit comments.	Departmental replies.
1	2	3	4	5	6	7
					(d) Rs. 600 paid for the relief of the destitute families of two employees of the Directorate, who died of prolonged illness.	
					(e) Rs. 624 paid to three victims of a major bus accident.	
31	6	44.—Civil Works	..	8,554	<p><i>Loss due to bad storage and lack of proper control over stores.—</i> In course of local inspection during February, 1956, it was noticed that 66,000 bags of cement were purchased by the Government in 1950-51 (8,048 bags) and 1951-52 (57,951 bags) for use on a woko in a Public Works (Road Construction) Division in North Bengal and were stored until April, 1952, in small hired private godowns with kutcha floors and roofs which were not waterproof. The cement was used up to the year 1953-54 and out of the total quantity, 1,396 bags of cement worth Rs. 8,554, got caked. Though the caking took place in 1950, it was not detected when the cement was transferred from the hired godowns to Government godown in May, 1952, nor even afterwards till 1955, when a Survey Report for the write-off of the same was submitted by the Assistant Engineer concerned.</p> <p>It transpired on physical verification conducted by the Executive Engineer, that the quantity of caked cement, as actually kept at site in lump and not in bags, was not commensurate with the number of bags survey reported. The difference in the volume of caked cement at site and that survey reported, has been explained to be due to 600 bags of caked cement having been utilised in flood protection works during 1951-52 even though, there was no authority for such issue of cement, nor any record of such issue at the Divisional or Sub-divisional Office.</p> <p>Further, physical verification of the materials at site was not conducted at regular intervals.</p> <p>The loss could, therefore, have been avoided had proper care been taken while storing such a large quantity of cement. No action appears to have been taken for fixing the responsibility for the faulty storage or for not exercising strict control over the materials-at-site.</p>	<p>Advance collection of 66,000 bags of cement in West Dinajpur had to be made essentially in the interest of large scale road development works undertaken during the years (1950-51 and 1951-52) following the Partition, when there was acute scarcity of cement, particularly in West Dinajpur, where movement of wagons was an extremely difficult problem. There was no road in that vast area and communication was extremely difficult and, therefore, establishment of road communications, both internal and inter-districts, had to be given a very high priority. The collection of cement in advance was, therefore an unavoidable necessity and smooth execution of the road works was possible only because of the advance collection.</p> <p>Since the road organisation in West Dinajpur was in its formative stage and no large-scale development works were undertaken previously in the area, neither any private godown nor Government godown suitable for the storage of such huge quantity of cement was in existence at that time. The cement acquired had, therefore, to be stacked in height of 15 to 20 bags in two small private godowns with kutcha floor and roof. It is not a fact that detection of caking of cement was not made earlier than 1955. The caking of cement was detected in the latter part of the year 1950 and as a matter of fact 600 bags of caked cement was used in flood protection works in 1952. It was due to the earlier detection that godown was being constructed and cement was transferred to Government godown in May, 1952. The actual loss works out to Rs. 5,886-50 nP. being the cost of 960-6 bags of cement (including 600 bags of caked cement used in flood protection works) out of the total quantity of 1,396 bags indicated in the Audit report, the residual 435 bags found serviceable having been utilised in less important Government works.</p> <p>Huge quantity of cement had to be collected in advance and stored in the manner indicated above, which was beyond the control of officer or officers concerned. The officers concerned also did their</p>

Page.	Para-graph.	Number and name of the grant.	Total number of losses, irregularities, etc., under each grant.	Total amount of losses, etc., under each grant.	Brief subject and Audit comments.	Departmental replies.
1	2	3	4	5	6	7
				Rs.		
336	5(a)	46.—Capital Outlay on State Schemes of Government Trading.	..	86,956		best up to the limits of their ability and experience to prevent further loss by transfer of cement to Government godown at the earliest possible opportunity. In the circumstances the loss in question has since been written off by Government in orders issued with the Development (Roads) Department memo. No. 45-DA, dated the 6th January 1961.
		Shortage of stock in physical verification.				
		The physical verification of stocks of rice and paddy and gunny bags with the different stock-holders at the close of the financial year disclosed the following shortages :—			The present position is indicated below :—	
		Name of commodities.	Mds. srs.	Rs.		Rice. Paddy. Gunny bags.
						Mds. sr. ch. Mds. sr. ch. Pieces.
		(I) Rice ..	4,842 14	81,109	Value written off ..	.. 1,075 0 11 15 31 8 ..
		(II) Paddy ..	26 4	290	Value recovered ..	.. 38 28 11 0 4 0 2,176
		(III) Gunny Bags	7,409 bags	5,557.	No shortage ..	.. 0 12 8 .. ..
		The recovery of the value of the shortages or write-off order in respect of the irrecoverable portion is still (August 1959) awaited.			Adjusted ..	.. .. 7 2 0 118
					Sold on auction ..	.. .. .. 5,115
					Report awaited from the dtes..	3,728 12 2 3 6 0 ..
					Total ..	.. 4,842 14 0 26 3 8 7,409
336	5(b)	Ditto ..	..	1,281	Loss on sale at reduced rates ..	This paragraph is based on para 13(a) of the Inspection Report on the accounts of Rice and Paddy for 1957-58.
					The sale of deteriorated rice and paddy at reduced rates resulted in the following loss :—	
						Mds. srs. Rs.
					Rice ..	117 7 1,053
					Paddy ..	48 22 228
					The loss has not so far (August 1959) been made good by persons responsible for it or written-off under orders of competent authority.	The deteriorated stocks (165 mds. 29 srs.) mentioned in this para is the collection of godown sweepings, some damp affected bottom layer grains etc. from the Government Food Depots in Calcutta area out of a total stock of 1,21,25,790 mds. of foodgrains handled during 1957-58 in the said godowns.
						There has been a total loss of Rs. 1,281.24 nP. The proposed for writing off the loss is under examination.

Page.	Para- graph.	Number and name of the grant.	Total number of losses, irregu- larities, etc., under each grant.	Total amount of losses, etc., under each grant.	Brief subject and Audit comments.	Departmental replies.
1	2	3	4	5	6	7
				Rs.		
336	5(c) and (d).	Ditto	..	..	20,116	Loss in transit.
					(c) Shortages in transit.—	(c) The actual shortage is found to be 351 mds. 33 srs. 8 chs. and not 350 mds. 13 srs. as mentioned in this para. The present position is indicated below :—
					Shortages during transit from the Government Food Depots to the consignees of the district in one month—	
					Mds. srs. Rs.	Mds. srs. chs.
					Rice .. 350 13 5,868	Claims accepted by Rlys. 2 1 8
						Claims repudiated by Rlys. 53 8 8
						No claim preferred as the shortages were detected in sound bags. 70 11 12
						Claims pending with Rlys. 226 11 12
						<hr/> 351 33 8 <hr/>
					(d) Transit loss lying unrecovered from carrying contractors. A sum of Rs. 14,248 was found, as a result of test check, to have been lying unrecovered from the carrying contractors on account of transit loss, etc. The total outstanding dues have not been worked out nor any effective steps taken to realise the dues from the contractors.	(d) The total amount of Rs. 14,248 recoverable from the parties due to transit losses, has since been revised to Rs. 9,989-33 nP. Out of this a sum of Rs. 8,372-18 nP. has already been recovered. Steps are being taken to expedite recovery of the balance amount.
339	8	Ditto	..	2,092	Misappropriation of Government money.—On 18th January 1954, a member of the Police party escorting money from a police ration store to the Bank fled away with a sum of Rs. 2,392 representing the sale proceeds of rations sold to the police personnel on 15th January, 1954 and 18th January, 1954. A criminal case was filed against the accused who could not be traced.	Two constables No. C/239 and No. C/527 of the Asansol Emergency Force were deputed by the Havildar Major for Police Ration Stores duty and mainly for escorting, from Police Ration Store to the Imperial Bank (now State Bank), a sum of Rs. 2,391-14-3, being the sale proceeds of rations sold to police personnel at Chittaranjan on 15th January, 1954, and at Asansol on 18th January, 1954. But Constable No. C/527 was not briefed properly by the Havildar Major and as such he did not accompany Constable No. C/239 who alone went to escort the money to the Imperial Bank. But instead of depositing the money at the Bank the Constable fled with the money and could not be traced in spite of thorough search.
					It was reported that the misappropriation had been facilitated due to the negligence of duty on the part of two other police officials from whom a sum of Rs. 300 had been ordered to be recovered.	
					The balance was written-off in May, 1958.	As the loss was facilitated due to the negligence of duty of the Havildar Major and the Assistant in-charge of the Ration Store a sum of Rs. 100 and Rs. 200 respectively were recovered from them. The balance of Rs. 2,091-14-3, has been written off.

## CHAPTER IV

## Other Topics of Interest

## Audit comments—

## Paragraph 45, page 37—

*Scheme for distribution of Chemical Fertilisers.*—The scheme for distribution of chemical fertilisers amongst agriculturists was originally included under the "Scheme for Distribution of Manure" subordinate to the Intensive Food Production Scheme of the Agriculture Department. With effect from the year 1953-54, a special head under the name "Scheme for distribution of chemical fertilisers" for large-scale distribution of chemical fertilisers through agents has been in operation. Prior to 1958-59, the fertilisers were sold to the cultivators on the credit system and the prices were recoverable from them after the harvest. With effect from 1958-59, this system has been discontinued and instead, the cultivators are being granted cash takavi loans to enable them to purchase fertilisers on cash payment, the loans themselves being recoverable after the harvest.

The purpose of the scheme is—

- (i) to increase the yield of crops by the use of chemical fertilisers ;
- (ii) to make the cultivators fertiliser-minded ; and
- (iii) to help them in obtaining chemical fertilisers at reasonable prices.

The expenditure on the scheme as against the final budget grant up to the end of 1958-59 is shown below :—

Year.	Expenditure.	Final budget grant.
1	2	3
	Rs.	Rs.
1953-54 .. ..	1,53,75,045	1,55,50,000
1954-55 .. ..	1,04,16,499	1,08,00,000
1955-56 .. ..	63,57,225	84,10,000
1956-57 .. ..	2,01,72,424	1,74,00,000
1957-58 .. ..	2,13,40,000	1,94,96,000
1958-59 .. ..	1,48,77,494	1,25,00,000
Total .. ..	8,85,38,687	8,41,56,000

Against the total expenditure of Rs. 8,85,38,687<sup>7</sup> indicated above, the total receipt on account of sale<sup>6</sup> of chemical fertilisers was Rs. 6,31,63,564 only, up to the end of the year 1958-59.

The total quantity of fertilisers distributed under this scheme up to 1958-59 was 1,80,948 tons (Ammonium Sulphate—1,13,686 tons and Fertiliser mixtures—67,262 tons). It has been claimed by the State Government that for every ton of Ammonium Sulphate used there has been increase in the production of rice to the extent of 1.3 tons and that for every ton of fertiliser mixtures used there has been an equivalent increase in the production of rice. Thus, according to them, the use of chemical fertilisers during the years from 1953-54 to 1958-59 has resulted in an increase in the production of rice by 215,054 tons, the value of which comes to Rs. 11,82.80 lakhs at the average rate of Rs. 550 per ton.

## Departmental replies—

No comments.

**Audit comments—***Paragraph 46, para 38—*

*Scheme for the abolition of Zamindari System.*—In the fourth year of operation of the above mentioned scheme, the gross receipts of the ex-Zamindari Estates together with the collections from Government Estates were Rs. 443 lakhs as compared to Rs. 453 lakhs, Rs. 348 lakhs and Rs. 296 lakhs for the years 1957-58, 1956-57 and 1955-56 respectively. The total additional expenditure in this year on a account of the operation of the scheme (as compared to the pre-abolition period) was Rs. 424 lakhs as against Rs. 339 lakhs, Rs. 302 lakhs and Rs. 179 lakhs for 1957-58, 1956-57 and 1955-56, respectively. The main heads of receipts and expenditure during these four years are indicated below :—

**Departmental replies—**

No further comments.

	1955-56. 1st year.	1956-57. 2nd year.	1957-58. 3rd year.	1958-59. 4th year.
	Rs.	Rs.	Rs.	Rs.
<b>Receipts—</b>				
(i) Land Revenue receipts from ex-Zamindari Estates.	2,16,15,000	3,12,60,312	4,12,03,051	3,04,26,477
(ii) Collection from Government Estates.	70,59,797	35,78,001	41,14,036	1,38,81,750
<b>Total</b>	<b>2,95,74,797</b>	<b>3,48,47,913</b>	<b>4,53,17,087</b>	<b>4,43,08,236</b>
<b>Expenditure—</b>				
(a) Cost of management of ex-Zamindari Estates and Collection of Revenue.	20,70,656	67,68,758	1,12,80,598	1,48,26,552
(b) Staff employed for calculation of ad-interim compensation.	9,73,110	25,93,192	29,71,131	32,48,809
(c) Staff employed for payment of final compensation.	..	..	..	5,20,495
(d) Payment of ad-interim compensation to intermediaries including annuities to Debutter Estates.	3,27,479	42,77,381	1,09,04,754	1,61,50,268
(e) Expenditure on major settlement operation in connection with the Estates Acquisition Scheme.	1,35,71,891	1,51,14,515	70,78,986	46,81,482
(f) Payment to Union Boards on account of resumed chowkidary chakran lands.	..	2,42,295	2,61,151	2,75,099
(g) Charges of administration of Certificate Establishment.	28,743	68,591	1,05,493	1,75,553
(h) Works	..	2,53,323	70,544	13,860
(i) Miscellaneous Contributions —Grant to Local Bodies in lieu of ex-intermediaries' shares and cess in respect of Estates and interests vested in Government under West Bengal Estates Acquisition Act, 1953.	..	9,25,202	12,69,009	24,73,908
<b>Total</b>	<b>1,78,71,879</b>	<b>3,02,43,257</b>	<b>3,39,41,666</b>	<b>4,23,66,030</b>

Owing to non-completion of the survey and settlement operations of all the Districts and for want of final publication of the compensation assessment rolls, the total compensation payable cannot be ascertained at this stage. As in the previous years, interim payment of compensation to the intermediaries has been continued to be made in this year also ; besides this,

**Audit comments—**

expenditure to the tune of Rs. 5 lakhs has also been incurred on the employment of staff for the purpose of commencement of final compensation payments.

The West Bengal Land Reforms Act, 1955, which was enacted with the object of fixing rates, re-distribution and consolidation of lands, etc., has not been fully implemented this year.

*Paragraph 47, pages 38—39—*

*Multipurpose River Projects.—(a) Damodar Valley Project.*—The Government of West Bengal are participating in the Damodar Valley Corporation along with the Governments of India and Bihar. The accounts of the Corporation with the Audit Report thereon are laid before the State Legislature separately under section 45(5) of the Damodar Valley Corporation Act, 1948 (Act XIV of 1948).

*(b) Mayurakshi Reservoir Project.*—The Audit Comments on the accounts of the Mayurakshi Reservoir Project have been given in paragraph 7 of the Review under Grant No. 11, page 87.

*(Para 7, Review, Grant No. 11, page 87).*

*Mayurakshi Reservoir Project.*—The Mayurakshi Reservoir Project is a multipurpose River Scheme financed from loans sanctioned by the Government of India. It comprises mainly (1) a dam across the river Mayurakshi at Massanjore, (2) a reservoir in the Santal Parganas in Bihar, (3) Barrage across the rivers Mayurakshi at Tilparaghat, Kopai at Kultore, Dwarka at Deucha and Brahmani at Baidara, (4) Canals and distributaries in the districts of Birbhum, Murshidabad and Burdwan, (5) a plant for the generation of hydro-electric power at the Dam site at Massanjore. According to the estimates the Project should irrigate a total area of 5,95,000 acres.

The major portion of the installation of the plant for generation of hydro-electric power was completed during 1955-56 and the power house was put into operation from 1956-57. The project is nearing completion.

The acreage under canal irrigation in the Mayurakshi Project area was further extended during the year 1958-59 but the actual acreage brought under the irrigation command during the year had not so far (September, 1959) been available to Audit by the Administrator. Land measuring 14,967 (approximately) acres was actually irrigated under the operation of the optional Bengal Irrigation Act, 1876 during 1957-58 as against 1,038, 66,573 and 49,484 acres during 1956-57, 1955-56 and 1954-55 respectively. In addition 52,607 (approximately) acres of new lands were compulsorily irrigated during 1958-59 as against 82,547, 1,00,869, 1,11,148 and 32,213 acres of new lands during 1957-58, 1956-57, 1955-56 and 1954-55, respectively by applying to them the Bengal Development Act, 1935, which makes it obligatory for the cultivators to pay for the canal water made available to them. Resort to this Bengal Development Act was considered necessary by the State Government to secure adequate utilisation of available supplies of canal water and a proper monetary return therefor.

The expenditure incurred on the Project during the year 1958-59 amounted to Rs. 94,51,590 and the up-to-date expenditure from the commencement of the project during the period from 1945-46 to the end of 1958-59 is Rs. 14,89,92,077. The revised estimates of the Project sanctioned in 1953 contemplated a total expenditure of Rs. 16,11,24,316.

**Departmental replies—**

No comments.

No comments.

No comments.

The actual area irrigated during the year 1958-59 was 3,62,121 acres of which 35,222 acres were new lands compulsorily brought under irrigation during the year by applying the Bengal Development Act, 1935 and 3,26,777 acres were lands already brought under irrigation by applying that Act during the years 1954-55 to 1957-58 as shown in the Audit comments. The balance 122 acres were lands irrigated under the operation of the optional Bengal Irrigation Act, 1876.

The expenditure of Rs. 14,89,92,077 up to the end of 1958-59 shown in the Audit Comments is exclusive of the indirect charges, such as, pensionary charges, charges for audit and accounts, etc., whereas the revised estimate of Rs. 16,11,24,316 is inclusive of such charges.

**Audit comments—**

The Project as a whole is expected to fetch from the seventh year after its completion a net return of 4.14 per cent. exclusive of interest charges on capital outlay and is classified as a productive Project. The revenue account of the Project was opened in 1951-52. During the period 1951-52 to 1958-59 the revenue receipts amounted to Rs. 30,75,310 as against the revenue expenditure of Rs. 82,24,328 and interest charges of Rs. 3,52,79,823.

In the revised budget estimates for the year 1958-59 Rs. 5,56,000 was provided for on account of revenue of the Project against which the actual realisation was Rs. 5,33,530. At the beginning of the year 1958-59 the total amount outstanding as water rates was Rs. 2,04,832 and at the end of the year the figure on that account stood at Rs. 2,17,354. Though the declaration of the rates of improvement levy under Bengal Development Act, 1935, in respect of lands irrigated from 1954-55 to 1958-59 was made by Government by the end of December, 1958, arrear realisation amounting to Rs. 15,980 was made in respect the year 1954-55 against the demand of Rs. 1,06,606. No assessment had so far been made in respect of subsequent years. Special attention is necessary to ensure prompt realisation of arrears.

*Paragraph 48, page 39.*

**Expenditure on Relief and Rehabilitation of Displaced Persons :** Expenditure incurred during 1958-59 on the (i) Relief and Rehabilitation of displaced persons. (ii) Dispersal of displaced college students from Calcutta, (iii) Administration of Rehabilitation of displaced persons and eviction of persons in unauthorised occupation of land and (iv) Administration of Fulia Township amounted to Rs. 10,01,10,850 including the expenditure on officers and staff. The expenditure on "Relief" and "Rehabilitation" proper amounted to Rs. 13,67,965 and Rs. 3,26,02,526 respectively. Of this amount, a sum of Rs. 7,22,92,459 was realised from the Government of India, but owing to non-receipt of a cheque in time for Rs. 3,06,76,565 issued by the Pay and Accounts Officer, Ministry of Rehabilitation on 31st March, 1959, only a sum of Rs. 54,18,15,894 was exhibited as receipt in the accounts for 1958-59, the balance being accounted for in 1959-60. In addition, a total sum of Rs. 1,70,45,748 was advanced to displaced persons on account of various kinds of loans during the year. Rs. 36,02,18,700 was the sum total of balances of loans as on 31st March, 1959. The amount and the number of cases in which recoveries were overdue up to 31st March, 1959 and also the yearwise break up of the outstanding amounts could not be indicated as the same were not furnished by the State Government, although called for.

The expenditure incurred on account of pay and allowances of officers and establishment at Headquarters as well as in the Districts and Camps and also on account of staff connected with the administration of different schemes amounted to Rs. 1,34,97,486 as shown below :—

	Rs.
Staff at Headquarters (Calcutta) ..	20,26,397
Staff in Districts ..	30,07,450
Staff in Camps ..	56,37,690
Staff on account of different schemes ..	28,25,940
Total ..	<u>1,34,97,486</u>

**Departmental replies—**

The reason for shortfall in revenue receipts during the period from 1951-52 to 1958-59 is that no assessment and collection of water rates could be made till December 1958, in respect of lands irrigated since 1954-55 under the Bengal Development Act, 1935, for want of declaration of rates by Government due to certain legal difficulties, to obviate which amendments had to be made in the Bengal Development Act, 1935.

As the work of assessment and collection of levy in respect of lands irrigated since 1954-55 under the Bengal Development Act, 1935, started only from December 1958, the arrear realisation in respect of the year 1954-55 amounted to Rs. 15,980 only during 1958-59 against the demand of Rs., 1,06,606. The work of assessment and collection of levy has since been taken up according to the following programme :—

Year of irrigation.	Year of assessment and collection of levy.
1955-56 } ..	.. 1959-60
1956-57 } ..	.. 1960-61
1957-58 } ..	.. 1961-62.
1958-59 } ..	.. ..
1959-60 } ..	.. ..
1960-61 } ..	.. ..

The Statements of disbursement of loan as well as recovery thereof are under preparation from the records of local offices and those maintained by the Accountant-General, West Bengal.

The expenditure incurred on account of pay and allowances of officers and establishment as shown by Audit includes the expenditure of about Rs. 50 lakhs on account of pay and allowances of 6,605 teachers of about 1,380 Government-sponsored Free Primary Schools relating to Primary Education Scheme. But these teachers are not Government servants and the expenditure on account of their pay and allowances may not be treated as cost on 'Staff' in the scheme. Transfer of this cost from 'Staff' to expenditure on 'Rehabilitation' will reduce the percentage of cost on staff to less than 10 per cent.

**Audit comments—**

The above expenditure on staff works out at 13.4 per cent. of the amount spent on Relief and Rehabilitation proper including amount advanced as loans (excluding loans, the percentage will be 16.1). Corresponding percentages in the previous four years were as follows :—

1954-55	..	..	8.5
1955-56	..	..	7.3
1956-57	..	..	8.8
1957-58	..	..	10.3

The above fact would show that proportionate reduction in staff had not been made with the decrease in Relief and Rehabilitation operations.

**Paragraph 49, page 40—**

**Outstanding Audit Objections :** 40,633 items of objections relating to the accounts for the period up to March, 1959 were outstanding in the books of the Audit Office on the 31st July, 1959. Their money value amounts to Rs. 6,944.16 lakhs. The items date back in some cases to periods as far back as 1948-49 and cover mainly the following types of irregularities :

- (a) Want of estimates ;
- (b) Excess over estimates; and
- (c) Other reasons, viz., want of detailed bills in final adjustment of advance payments; want of disbursement certificates or payees' receipts; want of stock certificates, etc.

The following are the Departments or major heads which have comparatively heavy outstandings in this respect :—

Serial No.	Department.	Number of items.	Value in lakhs of rupees.
1.	General Administration ..	2,277	58.70
2.	Medical .. ..	2,650	148.01
3.	Agriculture ..	1,519	146.27
4.	Famine Relief ..	3,606	416.00
5.	Food .. ..	893	2,506.91
6.	Home Transport ..	1,633	72.30
7.	Education .. ..	2,514	54.59
8.	Refugee Relief and Rehabilitation.	8,179	267.36
9.	Loans to non-statutory Institutions and Private bodies.	244	130.06
10.	Loans and Advances by State Government—Advances to Cultivators.	1,991	133.41
11.	Works and Buildings ..	7,393	970.82
12.	Health .. ..	673	284.36
13.	Development ..	1,958	541.05
14.	Irrigation and Waterways	1,894	616.92
15.	Development (Roads) ..	701	276.20

Special measures are required to be taken by Government to clear up the outstanding objections by furnishing the Audit Office with necessary sanctions, explanations, countersigned bills, payees' receipts and other documents, etc.

**Departmental replies—**

The present position of the outstanding audit objection has been shown in a separate booklet.



**Audit comments—***Paragraph 50, pages 40-43—*

**Local Audit and Inspection.**—During the year under review, the initial accounts of 1,005 offices and institutions, indicated below, were test-audited :—

- (a) Public Works Department Offices (including Construction Board and Irrigation Divisions)—94.
- (b) Treasuries (including Sub-treasuries)—9.
- (c) Other Civil Offices—902.

The more important types of irregularities some of which are still persisting in spite of the steps reported to have been taken by the departments of Government, are briefly indicated below :—

**(a) Public Works Department—**

- (i) Abnormal delay in the settlement of "remittance" and "suspense" transactions.
- (ii) Delay in according sanctions to estimates and also in regularising excesses over estimates.
- (iii) Arrears in stock accounts.
- (iv) Materials at site accounts not written up completely or not closed properly, *e.g.*, successive receipts and issues of materials of considerable value collected at the site of works have remained unrecorded and unused balances have not been worked out in some cases.
- (v) Register of Major Works not written up completely or not closed properly, *e.g.*, the column for Appropriations for the year was not filed in or the estimated quantities and costs were not mentioned under each sub-head, or the entries made were not attested by the Divisional Officers in token of review.
- (vi) Contractors' Ledger not maintained properly, *e.g.*, (a) Outstanding Balances of the previous year have not been brought forward in many cases. (b) Ledger accounts were not balanced monthly in many cases.
- (vii) Purpose of journey not recorded in the Log Books of Motor Vehicles.

**(b) Treasuries—**

- (i) Submission of the Sub-Treasury accounts to the District Treasuries was delayed in some cases with the result that these accounts could not be incorporated in the accounts of the District Treasuries in time.
- (ii) The Register of Pension Payment Orders was not properly maintained.
- (iii) The Register of Government Promissory Notes was not properly maintained by some Treasuries.
- (iv) Delay was made in the posting of the Cash Book and closing of daily accounts in two cases.
- (v) In the cases of two Treasuries the date of discharge of payment orders issued on the Bank was not noted in the Register of orders for payment.

**Departmental replies—**

(a) Instructions were already issued to the Divisional Officers through a number of circulars to follow strictly Accounts Rules in this respect so that such irregularities do not recur in future.

Steps have also been taken to see that the outstanding estimates are sanctioned and arrears in accounts, particularly in stock accounts are pulled up as early, as possible.

The possibility of simplifying the present accounts procedure in respect of certain items as mentioned in Audit comments is also being examined.

(b) The irregularities mentioned here relate to the Treasuries and Sub-Treasuries in the districts of Darjeeling, Malda, West Dinajpur, 24-Parganas and Bankura.

The respective District officers have been requested to regularise the irregularities and to rectify the defects pointed out by the Accountant-General, West Bengal, as expeditiously as possible and to take steps so that such irregularities may not recur.

**Audit comments—**

- (vi) The Register of Cash Orders was not properly maintained.
- (vii) In some cases the Registers of Revenue Deposits were not properly maintained. The statement of Lapsed Deposits was not also correctly prepared.
- (viii) In one case payment of honorarium to a gazetted officer was made without authority from the Accountant-General, West Bengal.

**(c) Other Civil Offices—****1. Land and Land Revenue Department—**

- (i) In many offices security deposits had not been obtained from subordinates handling cash or stores as required under rules.
- (ii) Cash Books were not properly maintained in many offices. Cash balances were not verified at the end of each month by the heads of offices as required under rules. In some cases cash books were not even closed and balanced daily.
- (iii) Stores found unserviceable were lying in stock undisposed of in some offices. Early steps are required to be taken for their disposal.

**2. Education Department—**

- (i) In a number of cases utilisation certificates in respect of grants made to different institutions were not available.
- (ii) In some cases acquittances in support of disbursement of grants and stipends by the school authorities were not available to audit. Payees' receipts in respect of other payments were also wanting in a number of cases.
- (iii) In some offices cash books were not maintained properly. Verification of cash balance was also not done by the heads of the offices concerned.
- (iv) Necessary security deposits had not been obtained in several cases from subordinates handling cash or stores.

**3. Forest Department—**

Necessary security deposits had not been obtained from the subordinates handling cash or stores as required under rules.

**4. Department of Health—**

- (i) Various kinds of irregularities in the cash book, viz., want of certificate of the result of verification to be done by the heads of offices at the end of each month, over-writings, unattested entries of receipts and payments, etc., were noticed in several offices.

**Departmental replies—**

- 1. (i) Steps are being take to obtain the security deposit from the officers concerned.

(ii) Local officers have reported that cash books are now being properly maintained and cash balances verified regularly.

(iii) Steps are being taken to dispose of the unserviceable stores lying in stocks as early as possible.

- 2. (i), (iii) and (iv) A circular requesting the heads of offices to take effective steps to avoid such irregularities in future has been issued.

(ii) Necessary instructions have been issued to the officers concerned.

3. This point was raised both in paragraph 12 of the Inspection Report on the accounts of the East Midnapore Forest Division for the period from 1st November 1957 to 31st March 1959 and in paragraph 8 of the Inspection Report on the accounts of the Malda Forest Division for the year 1958-59.

Both these paragraphs have since been treated as settled by the Accountant-General, West Bengal. No further comments are, therefore, necessary.

4. (i) The irregularities noticed by the statutory audit in maintaining cash book in some of the local offices are dealt with in the instructive portion of the relevant Inspection Report. The instructions are duly followed by the offices concerned and it has been seen from the subsequent reports of audit that majority of those irregularities have been removed. Instructions have also been issued by the Health Directorate enjoining upon the heads of the offices to see that such irregularities may not recur. Every attempt is being made to guard against the recurrence of irregularities of this nature.

**Audit comments—**

(ii) Necessary security deposits had not been obtained in many cases from subordinates handling cash and stores.

(iii) There was no record in many offices to show that the stores had been subjected to physical verification by responsible officers as required under rules.

**5. Jails Department—**

In several offices security deposits had not been obtained from persons handling cash and stores.

**6. Department of Agriculture—**

(i) Subordinate officers handling cash and stores of considerable value had not furnished necessary security deposits as required under rules.

(ii) Huge amounts were found outstanding against the loanes on account of fertiliser loan, big growers' loan, sale of pumping plant, etc. In one district alone the total outstanding dues as on the 31st August 1958 amounted to Rs. 31,77,935 approximately.

**7. Industries Department—**

(i) Adequate security deposits had not been furnished by the subordinates handling cash and stores in many offices.

(ii) The amount of credit sale remained unrealised in many cases.

(iii) Stores were not physically verified in many offices by any responsible officer.

**Departmental replies—**

(ii) The Directorate of Health Services are taking action for obtaining security deposit from the persons concerned. The Accountant-General, West Bengal, suggested that as the Superintendents and Medical Officers of A.G., F.R.E and R. C. hospitals are entrusted with the duty of handling cash and stores, security deposit should also be obtained from them. After careful consideration of the case Government exempted these officers from furnishing any security in G. O. No. Medl/8080/DHS/Accts/1C(AD)-1/50, dated the 2nd November 1956. As these officers constitute a greater number of officers from whom security was not obtained, the cases of non-deposit of security have been settled up to a great extent. Every attempt is being made to settle up the remaining cases as expeditiously as possible.

(iii) The Chief Medical Officers of Health of the respective districts, Superintendents of the hospitals and the heads of other Medical Institutions keeping stock of stores have been directed by the Health Directorate by an Administrative Instruction to undertake physical verification of stores or to have the stores verified by a responsible officer to be deputed for the purpose and to record necessary certificate on the stock register of stores. The instruction is being complied with by the local officers.

It is hoped that the number of irregularities of this nature will be decreased to the minimum.

5. Except in respect of the Manager, Jail Depot, who is a gazetted officer, security deposits are regularly obtained from all persons handling cash and stores. The matter with regard to furnishing of a security deposits by the Manager, Jail Depot, is under consideration of Government.

As the head warders and warders are often transferred from one station to the other, realisation of their security deposits by monthly deduction from their pay is sometimes delayed by the circumstances that their security deposit accounts are to be transferred from one post office to the other.

7. (i) Security deposit is taken from all officers concerned handling cash or stores. Delay in realising the security deposit often occurs due to delay in fixing the amount of security deposit. Steps have been taken to avoid delay in fixing the amount of security and resultant delay in realisation.

(ii) This is due to delay in adjustment of amounts of sale proceeds in connection with finished products sold to other Government department through book transfer bills. Steps have been taken to avoid such delay.

(iii) Stores are now being verified annually within 1st week of April each year.

**Audit comments—****8. Development Department—**

- (i) Loans under Cottage and Small-Scale Industries Scheme were granted for purposes other than approved one.
- (ii) Security deposits were not obtained from subordinate officers handling cash and stores of considerable value.

**9. Department of Food, Relief and Supplies—**

- (i) In some cases, necessary security deposits were not obtained from subordinates handling cash and stores.
- (ii) Muster rolls in support of payment of cash in relief work were not obtained in many cases.
- (iii) Money realised was not remitted to treasury promptly. Instances of delay in disbursement for unduly long period were noticed in some offices and keeping the unspent balances in hand.

**10. Refugee Relief and Rehabilitation Department—**

- (i) Finished goods produced at the training centres were lying undisposed of for a long time. Early steps should be taken for the disposal of the same to the best advantage of Government.
- (ii) Loan ledgers were not maintained properly. The postings were not complete in many cases. Ledgers were not reviewed by any responsible officers as required under orders.
- (iii) Security deposits had not been obtained in many cases from the subordinates handling cash and stores of considerable value.
- (iv) Various types of defects were noticed in the maintenance of stock account of tents. As for instance, receipts, issue and return of tents were not properly recorded. The accounts were not also verified in certain cases by any responsible officer.
- (v) Loss of clothing in transit was noticed in the course of audit scrutiny of the stock registers of some of the camps. No action had been taken to fix the responsibility for the loss.
- (vi) Physical verification of stores, furniture and tents, etc., was not conducted although Relief Officers are required under the executive instruction to conduct the same at least once a month.
- (vii) Unserviceable articles, viz., tents, lanterns, cotton and woollen blankets, dhuties, sarrees, shirts, etc., were lying in stock without any action for their disposal or write-off as the case may be.
- (viii) Utilisation certificates in respect of loans granted to the refugees were not in many cases furnished by the Investigating Officers.
- (ix) The price of huge quantity of finished products of Training Centres and Homes sold on credit to Sales Emporium, other organisations and individuals remained unrealised for a long time.

**Paragraph 51, page 44—**

**Disposal of Inspection Report:** All important irregularities and defects in accounts noticed during local audits and inspections are detailed in Audit Inspection Reports and sent to departmental officers for necessary action. The points mentioned therein should receive the special attention of the Departmental officials and

**Departmental replies**

9. (i) F. R. S. (Food and Supplies) Department Security deposits have since been obtained from the subordinates handling cash and stores in this departments. A comprehensive report about this matter was sent to the Accountant-General, West Bengal, in this department letter No. 2252-FS., dated the 17th March 1960.

(ii and iii) Details show that the irregularities were detected in course of local audit and inspection of the accounts of famine relief expenditure in different districts. Steps are being taken to see that such irregularities do not recur.

10. The defects noticed by Audit in course of local inspection of records in the local offices under this department are being removed through the Inspection Reports in which the irregularities were noticed.

Effective steps have been taken and the local officers have been directed to see that such irregularities do not recur in future and the irregularities noticed by Audit are regularised as quickly as possible.

(i) Steps have been taken as suggested.

(ii) The postings in the loan ledgers have since been completed in most of the districts. The defaulting districts have been asked to complete those as early as possible. Demand notices are being issued to the defaulters after reviewing the ledgers.

(iii) Steps have been taken to obtain security deposits, where necessary.

(iv) Effective steps have been taken to remove the irregularities, noticed by audit.

(v) Action in every case is being taken.

(vi) The local officers have been directed to follow the rules and orders strictly in future.

(vii) Steps for disposal of the unserviceable articles to the best advantage of Government and for writing-off the value where necessary have been taken.

(viii) The local officers have already been instructed to obtain the utilisation certificates in every case.

(ix) The Directorate have been directed to realise the price from the defaulting persons and organisations concerned without further delay.

The present position of the outstanding Inspection Reports and items has been shown in a separate booklet.

**Audit comments—**

should be settled expeditiously so that the irregularity may not persist or recur. That this was not done to the required extent is indicated by the fact that as many as 2,717 Inspection Reports with 12,606 paragraphs, some of which date back to periods as far back as 1948-49, still remain outstanding up to the end of July, 1959.

The names of the departments with comparatively heavy outstandings are shown in the table below :—

Serial No.	Department	Number of Inspection Reports	Number of paragraphs
1.	Education .. ..	193	735
2.	Medical .. ..	121	480
3.	Famine Relief .. ..	121	737
4.	Food .. ..	166	604
5.	Irrigation and Waterways .. ..	118	789
6.	Refugee Relief and Rehabilitation.	883	3,644
7.	Agriculture .. ..	190	720
8.	Development .. ..	164	852

**Education Department—****Paragraph 52, page 44—**

**Audit of Grants-in-aid :** The Examiner, Local Audit Department, who conducted the audit of Grants-in-aid paid to District School Boards, District Boards and Municipalities has certified that the grants which have been paid to the end of 1957-58 and audited by him, were found to have been utilised properly in accordance with the prescribed conditions subject to the following exceptions :—

(i) In the case of 196 grants relating to the District School Boards aggregating Rs. 2,36,40,428—unspent balance to the extent of Rs. 1,40,01,216—remained outstanding at the end of the year. The above figure, however, excludes cases where the unspent balances fell below 10 per cent. of the total amount of each individual grant.

**Departmental replies—***(Education Department)*

(i) The unspent balance of Rs. 140.01 lakhs mainly consists of the following :—

	Rs. (in lakhs)
(A) Additional grant paid to the District School Boards to meet their <i>overall deficit</i> .. .. .	56.37
(B) Grants earmarked for specific purposes—	
(i) Recurring (for maintenance of schools, payment of increased salary of teachers, etc.) ..	33.76
(ii) Non-recurring (for the construction of buildings, purchase of furniture, equipment, etc.) .. .. .	49.88
Total .. .. .	140.01

Item (A) is not special grant earmarked for specific purposes. It was paid to the D. S. Boards to meet their overall deficit in their Revised Estimates and was spent during April and May next year.

Item (B)(i).—The Recurring grants were paid as usual in advance on the basis of the Estimates furnished by the District School Boards and necessary adjustments on the account were made in subsequent years on the basis of the Annual Account of the District School Boards. The unspent balances were duly adjusted during 1958-59 against the grant for 1958-59

Item B(ii).—The non-recurring grants are usually paid towards the latter part of the year after finalisation of the District Board's proposals. The slow progress of expenditure is due to non-availability or irregular supply of building materials, transport and conveyance difficulties in rural areas, etc. The unspent balances were however utilised in subsequent years towards the completion of the projects.

**Audit comments—**

(ii) Two sums of Rs. 50,000 and Rs. 2,60,000 sanctioned by Government in March, 1958 to District School Board, for meeting expenditure under Compulsory Primary Education and expansion of Basic Education, respectively were utilised by the Board for general purposes and not for the specific purpose for which these were sanctioned.

(iii) A sum of Rs. 44,000 was paid to a District School Board, for improving the accommodation in twenty-two schools on condition that the cost of each school must not be less than Rs. 3,500 and that the Board must contribute Rs. 1,500 against the Government grant of Rs. 2,000 for each school. It was, however, noticed that the Board contributed only Rs. 750 to each school against the full share of Government grant. It was further revealed that the actual cost of each school was less than Rs. 3,500 in all cases.

*Paragraph 53, pages 44-45—*

**Delay in the submission of Returns and Accounts to the Audit Office :** (i) *Annual Establishment Returns.*—Under the rules a detailed statement of the non-gazetted establishment (known as Annual Establishment Return) as on the 1st of March of each year should be prepared by the Heads of offices and transmitted to the Accountant-General not later than the 15th April of that year. During the year under report, the above returns were not received from a large number of Heads of offices on the due date. Even by the end of August, 1959, the number of defaulters was 57. Although delays in the submission of these returns on the due date have been mentioned in the previous reports, improvement has not been achieved to the desired extent.

As these returns are essential for proper audit of the pay bills of non-gazetted establishments, for the check of their increments and for verification of service for pension, delay in their submission seriously affect the work of the Audit Office. It is, therefore, essential that the returns should be submitted to the Audit Office, punctually on the due date.

(ii) *Accounts rendered by Treasuries and Public Works Divisional Offices.*—Of 16 Treasuries and 101 Public Works Divisional Offices which furnished monthly accounts to the Audit Office during the year, 12 Treasuries and 7 Divisional Offices delayed by more than 5 days in the despatch of their monthly accounts. Five Treasuries persistently delayed the timely submission of accounts; the delay exceeded 15 days in as many as 31 occasions, and on 9 occasions it went beyond 30 days, on 6 occasions it exceeded 40 days. The position in regard to the timely submission of accounts appreciably deteriorated during 1958-59 compared with the position obtaining during the last two years. Non-submission of account returns on due dates seriously affects the progress of work in the Accounts and Audit Office and also handicaps the Departmental Officers in the matter of expenditure, control and reconciliation.

**Departmental replies—**

(ii) This represents a portion of additional grant paid to the District School Board, Murshidabad, by re-appropriation from three specific heads, as shown below, towards meeting a portion of the overall deficit of the District School Boards and not for any specific purpose.

*First Five-Year Plan*

	Rs. (in lakhs)
I. Pilot Schemes for Compulsory Free Primary Education .. ..	.50

*Second Five-Year Plan*

II. Expansion of Basic Education ..	1.35
III. Improvement of the condition of service of teachers .. ..	1.25

The action of the District School Board was, therefore, in order.

(iii) This concerns the District School Board, 24-Parganas. The total contribution of Rs. 1,500 as contemplated under the Government Order was shared equally by the Board and the local organisers. As the cost incurred on the projects was less than the sanctioned estimate the details have been called for from the Board for necessary adjustment.

(i) The necessity for timely submission of the Annual Establishment Returns, Treasury Accounts and Public Works Accounts in accordance with the prescribed rules in these respects, has been impressed upon all the Heads of the offices who have been instructed to take effective steps to ensure timely submission of these accounts and records to the Accountant-General, West Bengal.

(ii) *Public Works Department*—It appears that there were cases of delay in furnishing monthly accounts to Audit in only 6 Divisions of the Works and Buildings Directorate during the year under review. Of these 6 Divisions, the number of cases of delay was only one in each of four Divisions, two in one Division and seven in the remaining Division. The circumstances leading to the delay in furnishing monthly accounts on 7 occasions by the particular Division are being looked into by Government.

A circular was issued on 28th August, 1959 impressing upon the Divisional officers the importance of timely submission of Divisional accounts to Audit Office with instructions to give personal attention to this matter to avoid recurrence of such irregularity.

## Audit comments—

## Departmental replies -

Paragraph 54, pages 45-47—

**Failure to submit Pro forma Accounts and Store Accounts :** The importance of furnishing the *pro forma* accounts and store accounts (commercial, quasi-commercial and other schemes) for incorporation in the Appropriation Accounts of the year was stressed in previous Reports. The details given below would show that the position is far from satisfactory. Special measures to bring the undermentioned accounts up-to-date are required to be taken by Government :—

*Pro forma Accounts.*

- |   |  |
|---|--|
| 1. North Calcutta Rural Electrification Scheme and Diesel Electric Pool.              | The accounts for the period from 1st April, 1954 to 30th April, 1955 (pre-Board) have not yet (September, 1959) been received.   |
| 2. Cooch Behar Electrification Scheme.  | Ditto.   |
| 3. West Bengal State Electricity Board.   | The accounts for the year 1955-56 and onwards have not yet (September, 1959) been received.  |
| 4. Scheme for production of Shark Liver Oil.  | The accounts for 1952-53 which were returned in October, 1957 for resubmission in proper form had not so far (September, 1959) been received. The accounts from 1953-54 onwards are wanting.   |
| 5. State Transport Service, Cooch Behar.  | The accounts for the years 1953-54 and 1954-55 were returned in September, 1959 for resubmission in the prescribed form. The accounts for 1955-56 although received in August, 1959 could not be taken up for audit due to non-finalisation of previous year's accounts. The accounts from 1956-57 onwards have not yet (September, 1959) been received. |
| 6. Scheme for Deep Sea Fishing with the help of Danish Trawlers and Japanese Cutters. | No <i>Pro forma</i> Accounts have been submitted to audit since inception of the scheme in 1949-50.  |
| 7. Scheme under the Milk Commissioner—  |  |
| (i) Scheme for supply of Toned Milk.  | The accounts since inception in 1950-51 have not yet (September, 1959) been received.  |
| (ii) Scheme for manufacture of butter and ghee.                                       | Ditto.   |
| (iii) Livestock Research-cum-Breeding Station at Haringhata.                          | Ditto.   |
| 8. Brooklyn Ice Plant and Cold Storage.   | The accounts from 1950-51 to 1958-59 have not yet (September, 1959) been received.   |
| 9. Silk Reelers Co-operative Organisation.  | The <i>Pro forma</i> Accounts for 1948-49 to 1951-52 were received in July, 1958. They were returned in August, 1958 for re-casting as they were not in proper form. The accounts from 1952-53 onwards are also wanting.   |

1 and 2. The *pro forma* accounts including Stores Accounts for the period from 1st April, 1954 to 30th April, 1955 of both the schemes were furnished to the Accountant-General, West Bengal, long back.

The accounts of the said North Calcutta Rural Electrification Scheme were also audited by the Accountant-General, West Bengal and those of the Cooch Behar Electrification Scheme are awaiting audit.

3. The accounts of the State Electricity Board for the period from 1st May, 1955 to 31st March, 1956 were duly prepared and audited by Messrs. G. Basu & Co., Auditors. Pending settlement on certain points raised by the Auditors, the audited accounts could not be furnished to Accountant-General, West Bengal.

The accounts of the Board for the year 1956-57 are now being audited by the Accountant-General, West Bengal. For the year 1957-58, the accounts are under preparation.

4. *Pro forma* accounts for the years 1952-53 and 1953-54 were submitted to Accountant-General, West Bengal, with Fisheries Directorate No. FW-135/1, dated the 29th February 1960. Steps are being taken for preparation of the accounts for the subsequent years as early as possible.

5. The Accountant-General, West Bengal, having raised further objection in the *pro forma* accounts for the years 1953-54 and 1954-55 regarding indication of the balances of the previous year, the same was settled and the revised accounts for these years were sent to the Accountant-General, West Bengal, under Home (Transport) Department letter No. 788-I-WT, dated 8th December 1959. The *pro forma* accounts for the years 1955-56 and 1956-57 were also sent to the Accountant-General, West Bengal, under that Department letter Nos. 5087-WT, dated 10th August 1959, and 978-WT, dated 11th February 1960, respectively. The accounts for the subsequent years are under preparation and the same will be forwarded to the Accountant-General, West Bengal, for audit as early as possible.

**Audit comments—**

10. Scheme for Industrial Centres. No *Pro forma* Accounts since inception in March, 1947 have been received.
11. Government Sales Emporium. No *Pro forma* Accounts in proper form have yet been received since inception in June, 1951.
12. State Transport Service in Calcutta and surrounding areas. The checking of the accounts for 1957-58 could not be completed so far (November, 1959) due to non-availability of supporting documents from the local office. The accounts for 1958-59 have not yet been received.
13. Kanchrapara Area Development Scheme. Government decision in respect of *Pro forma* Accounts has not yet been received.
14. Integrated Wood Industries Scheme under the Director of Industries (Durgapur, Kalyani and Siliguri Centres). *Pro forma* Accounts since inception in 1956-57 have not yet been received.
15. Government Saw Mills, Siliguri. Accounts for 1958-59 are wanting.
16. *Pro forma* Accounts and Store Accounts of the manufacturing Departments of the Presidency and Central Jails in West Bengal. The accounts for the year 1958 have not yet been submitted to audit.
17. The Consolidated *Pro forma* Accounts of all "hats" under the management of the State Government. The Consolidated Accounts for 1955-56 were received in December, 1958 but as individual accounts in support thereof were not submitted to audit, the accounts could not be certified. The accounts for 1956-57 onwards are in arrears.
18. *Pro forma* Accounts for State Trading on Rice and Paddy. The accounts for the year 1956-57 onwards have not yet (September, 1959) been submitted to audit.
19. *Pro forma* Accounts for State Trading in Wheat and Wheat Products. The accounts for 1957-58 onwards are in arrears.

**Departmental replies—**

10. The *Pro forma* Accounts for two years 1956-57 and 1957-58 have since been submitted to the Accountant General, West Bengal.
11. The *Pro forma* Accounts up to 1953-54 have since been submitted to the Accountant-General, West Bengal. Records for the years 1954-55 to 1957-58 are not available.
12. The *Pro forma* Accounts for 1957-58 have since been audited and certified by the Accountant-General, West Bengal, *vide* his letter No. OA/CA/ST/PA/57-58/56, dated 25th May, 1960. The accounts for 1958-59, were forwarded to the Accountant General, West Bengal, for audit under this Department letter No. 2096-WT, dated 26th March, 1960.
13. The question of the form of accounts and the office which should maintain them is still under consideration of Government.
14. The *Pro forma* Accounts since inception (in 1956-57) to 1959-60 have been submitted to the Accountant-General, West Bengal.
15. The *Pro forma* Accounts of the Government Saw Mills, Siliguri, for the year 1958-59, have since been submitted to the Accountant-General, West Bengal.
16. The accounts in question were submitted to Accountant-General, West Bengal.
17. Consolidated *Pro forma* Accounts in respect of the hats in this State for the years 1956-57 onwards are being prepared by the Board of Revenue.
18. The *Pro forma* Accounts in respect of rice and paddy for 1956-57 were submitted to Audit on 30th September, 1959. The certificate on the same has since been received. The P. L. Accounts for 1957-58 were submitted to the Accountant-General, West Bengal, on 30th September, 1960, and are now under examination in that office.
19. The *Pro forma* Accounts in respect of wheat and wheat products for 1957-58 were submitted to Audit on 30th September, 1959. The certificate on the same is still awaited.



## Comments—

Land Mortgage Bank The accounts for the year ending June, 1959 have not yet (September, 1959) been received.

## Store Accounts.

21. Store Accounts of the Cinchona Plantation, Mungpoo and Quinine Factory and Quinine Sales Depot. The accounts for the year 1958-59 are wanting.
22. Store Accounts of the Government Medicinal Plant Scheme. Ditto.
23. Consolidated Store Accounts of the Intensive Food Production Scheme under the Directorate of Agriculture, West Bengal. The accounts for the year 1958-59 have not yet (September, 1959) been received.
24. Consolidated Store Accounts of the Principal State Hospitals in West Bengal. Ditto.
25. Store Accounts of the Central Medical Stores (Medical Branch). Ditto.
26. Store Accounts of the Kanchrapara T. B. Hospital. The accounts for the year 1958-59 have not yet (September, 1959) been received.

## Departmental replies—

20. *Ad forma* Accounts of the Land Mortgage Banks have since been sent to the Accountant-General, West Bengal.

21. The Store Accounts for the year 1958-59 of Government Quinine Factory, Government Quinine Sale Depot and Plantations were submitted to the Accountant-General, West Bengal, by the Director, Cinchona, West Bengal, with his memo. Nos. 3839(c), dated 25th September 1959, 3833(c), dated 23rd September 1959 and 4080(c), dated 19th October 1959 respectively. The Audit Party deputed by the Accountant-General, West Bengal, also audited the same accounts duly.

22. The Store accounts for the year 1958-59 were sent to the Accountant-General, West Bengal, by the Director, Medicinal Plants, West Bengal, with his Memo. No. MP/273/1564, dated 10th August 1959. The accounts were duly audited by Audit Party of Accountant-General, West Bengal. The comments of the Accountant-General, West Bengal, on the accounts have also been received by Government and necessary action in the matter is also being taken by the Department.

24. The consolidated Store Accounts of the principal State Hospitals for the year 1958-59 were submitted to the Accountant-General, West Bengal, on 27th February 1960. The Store Accounts in question could not be submitted in time as the hospital authorities could not prepare it in time mainly due to shortage of working personnel in those hospitals. The Store Accounts were subjected to scrutiny by the Accountant-General, West Bengal, and some small discrepancies came to notice which had to be rectified and revised. Store Accounts submitted on 10th June 1960.

25. The Store Accounts of the Central Medical Stores for the year 1958-59 duly certified by the Audit Party of the Accountant-General, West Bengal, were submitted to him on 18th December 1959. On 6th January 1960 the Accountant-General, West Bengal, asked for a certificate to the effect that the Stores were physically verified by an Officer independent of the Superior Executive Officer-in-charge of Stores. This was duly complied with on 15th March 1960. Though the Store Accounts were checked up by the Statutory Audit before submission, the Deputy Accountant-General (OAD) in his D.O. letter, dated the 15th June 1960, called for clarifications of some points, viz., (1) categories of the Stores falling under the term "equipment", (2) whether the stock of equipment portion verified during 1958-59 represented 65 per cent. of the total stock. Assistant Director of Health Services (Equipment and Stores), has been asked to expedite submission of his reply to the points.

26. The Store Accounts of the Kanchrapara T. B. Hospital for the year 1958-59 were submitted to the Accountant-General, West Bengal, on 22nd October 1959. On 7th April 1960 the Accountant-General, West Bengal, called for a certificate from the Superintendent of the Hospital to the effect that the closing balance of Stock was not in excess of requirement and

## Audit comments—

27. Store Accounts of the Home Publicity Department. The accounts for the year 1958-59 have not yet (September, 1959) been received.
28. Store Accounts of the Jail Depot. The accounts for 1956 could not be certified as the same were not in proper form. The Revised accounts from 1956 onwards have not yet (September, 1956) been submitted to audit. The matter is still under correspondence with the Government.
29. Store Accounts of the Central Medical Stores, Public Health Branch. The accounts for 1957-58 could not be included as the grant under which the same should be shown have not yet been settled. The Accounts for 1958-59 have not yet been received.
30. Store Accounts of the Stationery Office. The Accounts for 1958-59 have not yet (September 1959) been received in Audit.
31. Stock Accounts of Stamps for 1958-59. Due to non-receipt of plus minus memos. and half-yearly verification certificates from the Treasury Officers of two and five districts respectively the accounts could not be prepared in the Audit Office.

## Departmental replies—

on 24th May 1960, the Accountant-General, West Bengal, requested the Health Directorate to submit a revised Store Accounts for 1958-59 attaching thereto a certificate to the effect that the physical verification of Stores was conducted by Departmental Officers, independent of the Executive in charge of Stores. Accordingly, the Superintendent of the hospital was requested to submit a revised Store Accounts for 1958-59 and also the Store Accounts for the year 1959-60 as the submission of the same became due in the meantime.

The Store Accounts of both the years were sent to the Accountant-General, West Bengal, by the Health Directorate on 24th January 1961.

27. The consolidated Store Accounts of the Home (Publicity) Department for the year 1958-59 have not yet been prepared due to the fact that the Stock Books maintained in the General Store of this Department were taken charge of by the police and submitted before the court of the Presidency Magistrate in connection with a suit between the State Government and Shri Azimullah. The Store-keeper who was involved in this suit was also placed under suspension. The Police authorities have not yet returned the Stock Books in spite of reminders. On receipt of the documents the Store Accounts will be prepared and submitted to the Accountant-General, West Bengal.

28. The Store Accounts of the Jail Depot for the years 1956 and 1957 in the revised *pro forma* as approved in Government order No. 895-HJ/4A-6/58, dated 6th April 1960 were furnished to Accountant-General, West Bengal.

As some books and records have been taken away by the Detective Department in connection with the prosecution case instituted against the previous salesman of the Jail Depot, delay in submission of the *Pro forma* Accounts of the Jail Depot for the years 1958 and 1959 cannot be avoided.

30. The Store Accounts of the the Stationery Office for 1958-59 were submitted in part during September 1959 and the same were finally ready for submission on 27th February, 1960 after necessary scrutiny and audit by the local Audit Party.

The delay is due to the fact that the valuation of the closing stock (at the next year's market rate) was not possible for non-receipt of the rates of papers from the D.G., S & D., New Delhi.

No comments.

## Paragraph 55, pages 47-49—

**Debt position of Government :** The debt position of the Government of West Bengal at the end of the year under report is indicated in detail in paragraph 12 on pages 24-26 of the Audit Report on the Finance