



# REPORT

OF THE

**Comptroller & Auditor General of India  
for the year 1969-70**

**Government of Haryana**



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## PREFATORY REMARKS

This Audit Report is prepared both in Hindi and English for submission to the Governor under Article 151 of the Constitution. It mainly relates to matters arising from the Appropriation Accounts for 1969-70 together with other points arising from audit of the financial transactions of the Government of Haryana. It also includes—

- (i) certain points of interest arising from the Finance Accounts for 1969-70 and
- (ii) matters relating to certain statutory and autonomous bodies, the accounts of which are audited by the Indian Audit and Accounts Department.

2. The financial irregularities, losses, etc., commented upon in the Report relate to cases which came to the notice of Audit during 1969-70 as well as those which had come to notice in earlier years but could not be dealt with in the previous Audit Reports; matters relating to the period subsequent to 1969-70 have also been included, wherever considered necessary.

3. The points brought out in this Report are those which have come to notice during the course of test audit of the accounts of the Departments. They are not intended to convey or to be understood as conveying any general reflection on the financial administration by the Departments/Authorities concerned.



CHAPTER I  
GENERAL

**1. Budget and actuals**

The budget estimates and actuals of revenue receipts, expenditure met from revenue and the net revenue surplus/ deficit for 1969-70 with corresponding figures for 1968-69 are given below :—

Year	Budget	Actual	Variation		
			Amount	Per-centage	
(In crores of rupees)					
<i>Revenue receipts</i>					
1968-69	.. 69.66	78.61	+8.95	13	
1969-70	.. 78.34	84.95	+6.61	8	
<i>Expenditure met from revenue</i>					
1968-69	.. 71.70	67.70	—4.00	6	
1969-70	.. 79.79	80.34	+0.55	1	
<i>Revenue surplus (+)/deficit (—)</i>					
1968-69	.. —2.04	+10.91			
1969-70	.. —1.45	+4.61			

The original budget anticipated deficit of Rs. 1.45 crores on revenue account; the year, however, ended with revenue surplus of Rs. 4.61 crores.

The estimates of revenue receipts and expenditure shown above do not take into account revenue from additional taxation levied and supplementary grants for expenditure obtained during the course of these years. If they are also taken into account the position would be as follows :—

Year	Additional taxation	Supplemen- tary grants	Total revised Budget	
			Receipts*	Expenditure
(In crores of rupees)				
1968-69	.. 0.29	2.40	69.95	74.10
1969-70	.. 0.75	5.45	79.09	85.24

\*Figures under this column exclude amounts in the revised budget estimates prepared after taking into account more collections than originally anticipated.

## 2. Revenue receipts

(a) The revenue receipts in 1969-70 (Rs. 84.95 crores) were Rs. 6.34 crores more than in 1968-69 (Rs. 78.61 crores) as below :—

	Actuals		Increase
	1968-69	1969-70	
	(In crores of rupees)		
(i) Revenue raised by the State Government—			
(a) Taxes, duties and other principal heads of revenue ..	34.72	37.70	2.98
(b) Other receipts, such as water rates, rents of buildings, etc...	28.56	29.66	1.10
(ii) Receipts from Central Government			
(a) State's share of divisible Central taxes .. ..	8.74	10.16	1.42
(b) Grants-in-aid .. ..	6.59	7.43	0.84
Total ..	78.61	84.95	6.34

The receipts of Rs. 17.59 crores from Central Government in 1969-70 were 21 per cent of the total receipts of the State for the year. The corresponding receipts from Central Government in 1968-69 were Rs. 15.33 crores (24 per cent). The increase during 1969-70 was mainly due to increase in the State's share of the proceeds of divisible taxes.

The increase of Rs. 4.09 crores in the revenue raised by Government during 1969-70 occurred mainly under :—

Head of Account	Increase (Rs. crores)	Remarks
Sales tax	1.35	Mainly due to enhanced rate of tax on certain commodities, increase in business activities and rise in prices.

Other taxes and duties ..	1·58	Mainly due to increase in the fee payable under the Electricity Rules and Cinematography Act, passenger tax and surcharge on immovable properties.
Road and Water Transport Schemes ..	0·73	Mainly due to additional routes having been taken over by the State transport and increased services on the existing routes.

(b) *Taxation Changes during the year*—Surcharge of 50 per cent on land revenue and property tax for development of Kurukshetra was continued for one more year. Sales tax on cotton yarn was reduced from 3 per cent to 1 per cent and on ready-made garments and mono-block pumping sets from 10 per cent to 6 per cent. Token tax on buses was increased from Rs. 3,000 to Rs. 4,200 per bus per year (expected yield : Rs. 13 lakhs). During the year sale tax on foodgrains, kerosene oil and medicines was enhanced and expected to yield Rs. 29·50 lakhs. Purchase tax on paddy and passenger tax were also increased (expected yield : Rs. 32·50 lakhs).

(c) *Arrears in collection of revenue and other receipts*—According to information furnished by some Departments the arrears at the end of March 1970 in collection of some of the more important revenue and other receipts were Rs. 0·24 crore as shown below :—

Department	Amount outstanding (Rs. crores)	Nature of revenue and other receipts
Revenue ..	0·20	Land revenue : Rs. 0·06 crore ; <i>Abiana</i> and betterment charges; Rs. 0·14 crore.
Police ..	0·02	Recoveries for additional (punitive) police posts located in disturbed areas.
Chief Electrical Inspector	0·02	Electricity duty and inspection fees.

Information about the extent of arrears is awaited from the following Departments (September 1970) :—

1. Excise and Taxation.
2. Agriculture.
3. Public Works.
4. Housing.

### 3. Expenditure on revenue account

During 1969-70 the expenditure on revenue account (Rs. 80·34 crores) increased by Rs. 12·64 crores (19 per cent) over that in 1968-69 (Rs. 67·70 crores). Increase occurred mainly under :—

	Expenditure		Increase
	1968-69	1969-70	
	(In crores of rupees)		
Administrative services ..	6·46	7·78	1·32
	Mainly due to grant of enhanced dearness allowance and revision of pay scales of Government employees.		
Social and developmental services—			
Education .. ..	14·12	16·40	2·28
	Mainly due to revision of pay scales, grant of enhanced dearness allowance and taking up of certain new Plan schemes.		
Health services			
(Medical and public health) ..	3·97	5·51	1·54
	Mainly due to provision for more expenditure on Plan schemes, revision of pay scales and enhancement of dearness allowance.		
Multi-purpose river schemes, irrigation etc. .. ..	7·59	8·73	1·14
	Mainly due to adjustment of more interest charges, more expenditure on maintenance and repair charges of canals, revision of pay scales and enhancement of dearness allowance.		
Public Works (including roads) and schemes of miscellaneous public improvements .. ..	2·21	3·44	1·23
	Mainly due to construction of more buildings and roads, revision of pay scales and enhancement of dearness allowance.		
Miscellaneous .. ..	5·19	7·36	2·17
	Mainly due to increased expenditure in drought/flood affected areas on construction of link roads and dewatering operations in certain areas (Rs. 1·29 crores), receipt of debit from Punjab on account of shareable liability of past years, introduction of old age pension schemes (Rs. 0·70 crore), etc.		

Expenditure on social and developmental services constituted 38 per cent of the total expenditure on revenue account.

#### 4. Expenditure outside the revenue account

(a) The expenditure recorded outside the revenue account includes, besides capital expenditure, amounts disbursed by Government as loans and advances.

The following table compares the expenditure on capital account during 1968-69 and 1969-70 with the provision of funds :—

Year	Budget	Actual	Variation		
			Amount	Percentage	
	(In crores of rupees)				
1968-69	.. ..	2.58	6.67	+4.09	159
1969-70	.. ..	6.73	5.33	-1.40	21

The figures shown above under the column 'Budget' are the original budget estimates. Supplementary grants of Rs. 2.13 crores and Rs. 2.18 crores were subsequently obtained during 1968-69 and 1969-70 respectively.

(b) An analysis of expenditure outside the revenue account during 1968-69 and 1969-70 with progressive outlay up to 1969-70 is given below :—

	During 1968-69	(In crores of rupees)	
		During 1969-70	Progressive outlay upto 1969-70*
I. Capital expenditure on—			
(i) Social and developmental services—			
(a) Industrial and economic development .. ..	1.18	1.58	7.19
(b) Agricultural improvement and research .. ..	0.14	0.20	1.13
(ii) Multi-purpose river schemes and irrigation works, etc.—			
(a) Multi-purpose river schemes	1.84	-1.52**	-1.12
(b) Irrigation works (Commercial) .. ..	3.84	3.99	31.64
(iii) Public Works and schemes of miscellaneous public improvements .. ..	0.83	2.10	3.79

\*The figures in this column take into account the progressive capital expenditure so far allocated to the State of Haryana.

\*\*Minus expenditure is due to excess of receipts over expenditure.

(iv) Transport and communications, road and water transport schemes .. .. .	0.58	1.03	5.21
(v) Miscellaneous—			
(a) Schemes of Government trading .. .. .	-1.74	-2.33**	-2.57
(b) Other miscellaneous expenditure .. .. .	..	0.28	1.23
II. Loans and advances (net—, i.e., after taking recoveries into account) .. .. .	10.32	8.63	46.99
Total ..	16.99	13.96	93.49

The sources from which expenditure outside the revenue account was met during 1968-69, 1969-70 and upto 1969-70 are shown below :—

	(In crores of rupees)		
	During 1968-69	During 1969-70	Progressive upto 1969-70*
I. Net additions to—			
(i) Market loans (permanent debt) .. .. .	3.03	5.52	11.38
(ii) Loans from Central Government .. .. .	4.31	-5.81	1,47.40
(iii) Loans from other sources ..	0.44	0.91	5.95
(iv) Unfunded debt .. .. .	0.43	1.62	4.84
II. Other capital receipts— (Mainly excess of deposits etc., received by Government over repayment on that account)	3.16	7.74	38.52
III. Increase (—) decrease (+) in cash balance and investment of cash balances .. .. .	-5.39	+0.51	-3.07
IV. Revenue surplus .. .. .	10.91	4.61	26.95
GRAND TOTAL ..	16.89	15.10	2,31.97

The difference of Rs. 1.14 crores between the total expenditure and the total resources represents amount adjusted under "Miscellaneous Government Account" (Rs. 0.06 crore taken as receipt) and "Inter-State Settlement" (Rs. 1.20 crores paid).

\*\*Minus expenditure is due to excess of receipts over expenditure.

\*The figures in this column take into account the progressive capital expenditure so far allocated to the State of Haryana. During 1969-70 Rs. 0.76 crore (credit) and Rs. 0.94 crore (debit) were allocated against items II and III above, respectively.



### 5. Loans and advances by Government

(a) Budget estimates and actuals of loans and advances by Government and recoveries thereof during 1968-69 and 1969-70 are given below :—

Year	Budget	Actual	Variation	
			Amount	Percentage
(In crores of rupees)				
<i>Disbursements</i>				
1968-69 .. ..	16.70	16.68	—0.02	0.1
1969-70 .. ..	16.24	14.71	—1.53	9
<i>Recoveries</i>				
1968-69 .. ..	7.16	6.36	—0.80	11
1969-70 .. ..	10.40	6.08	—4.32	42
<i>Net outgo</i>				
1968-69 .. ..	9.54	10.32		
1969-70 .. ..	5.84	8.63		

The budget estimates of disbursements shown above do not include supplementary grants of Rs. 0.48 crore and Rs. 0.01 crore subsequently obtained during 1968-69 and 1969-70 respectively.

(b) Loans and advances given by Government and outstanding at the end of March 1970 were Rs. 46.99\* crores as shown below :—

	(In crores of rupees)	
(i) Loans to Municipal Corporation and Municipalities ..		1.98
(ii) Advances to cultivators .. ..		9.44
(iii) Loans to Panchayati Raj Institutions .. ..		0.32
(iv) Loans to State Electricity Board .. ..		27.28
(v) Loans and Advances to displaced persons .. ..		1.06
(vi) Other loans .. ..		6.91
Total .. ..		46.99

\*This includes amounts adopted *pro forma* on account of allocation of balances of the composite Punjab State outstanding on 31st October 1966. The allocation is provisional.

## 6. Recoveries in arrears

(i) *Loans the detailed accounts of which are maintained by departmental officers*—The departmental officers are required to furnish to Audit by 10th August every year statements of arrears in recovery of loans. Against 102 statements due from seventeen departmental officers, only ten have been received so far (September 1970). According to those statements, recovery of Rs. 1,52.47 lakhs was over-due at the end of March 1970 as shown below :—

Loans	Amount overdue		
	Principal	Interest	Total
Loans under the Land Improvement Act XIX of 1883 (Ordinary) ..	1.81	0.44	2.25
Loans under the Agriculturists Loans Act XII of 1884 (Ordinary) ..	20.06	0.90	20.96
Advances for sinking of percolation wells .. .. .	1.78	1.92	3.70
Loans for purchase of pumping sets	1.34	0.28	1.62
Loans for purchase of tractors ..	1.48	0.21	1.69
Loans for nitrogenous fertilizers ..	21.19	0.97	22.16
Loans under the Co-operative Credit Societies Act, 1912 .. ..	4.47	4.68	9.15
Loans under the Punjab State Aid to Industries Act, 1935 ..	16.46	7.57	24.03
Loans under Low Income Housing Scheme .. .. .	15.31	36.32	51.63
Loans under Middle Income Housing Scheme .. .. .	2.07	6.51	8.58
Other loans and advances ..	4.85	1.85	6.70
Total ..	90.82	61.65	1,52.47

(ii) *Loans the detailed accounts of which are maintained in the Audit Office*—At the end of March 1970 recovery of Rs. 16.20 Lakhs—principal Rs. 5.62 lakhs and interest Rs. 10.58 lakhs—was overdue from municipalities. Of that, recovery of Rs. 2.34 lakhs (principal Rs. 1.33 lakhs and interest Rs. 1.01 lakhs) was overdue for more than three years.

## 7. Public debt and other obligations

(a) In 1969-70 the outstanding public debt increased by Rs. 0.62 crore as shown below :—

	Debt		Net
	Raised	Discharged	Increase+ decrease—
(In crores of rupees)			
(i) Permanent debt .. ..	5.52	..	+5.52
(ii) Floating debt .. ..	18.82	18.82	..
(iii) Loans from Central Government .. ..	12.07	17.88	—5.81
(iv) Loans from autonomous bodies	1.16	0.25	+0.91
Total Public debt ..	37.57	36.95	+0.62

During the year a loan of Rs. 5.52 crores bearing 5 $\frac{3}{4}$  per cent interest was raised by Government at  $\frac{1}{2}$  per cent discount and was realised in cash. This is redeemable at par in 1981.

The outstanding public debt was Rs. 1,64.73 crores at the end of March 1970 as follows :—

	Balance on 1st April 1969	Net Increase(+) decrease(—) (during the year)	Balance on 31st March 1970
(In crores of rupees)			
(i) Open market loans .. ..	5.86	+5.52	11.38
(ii) Loans from the Central Government .. ..	1,53.21	—5.81	1,47.40†
(iii) Loans from autonomous bodies	5.04*	+0.91	5.95†
Total ..	1,64.11	+0.62	1,64.73

Under the Punjab Re-organisation Act, the public debt of the composite State of Punjab (attributable to loans raised by issue of Government securities) outstanding on 31st October 1966 became the debt of the State of Punjab and the State of Haryana is to pay to the State of Punjab its share of the amount due from time to time for servicing and repayment of that debt.

\*Includes Rs. 0.52 crore adopted *pro forma* in 1968-69 on allocation of share of loans of composite Punjab State outstanding on 31st October 1966.

†These include amounts adopted *pro forma* on account of allocation of balances of the composite Punjab State outstanding on 31st October 1966. The allocation is provisional.

During 1968-69 Rs. 0.69 crore were paid to Punjab Government as State's share towards debt liability. No loan matured during 1969-70.

(b) *Other debt and obligations*—In addition to public debt, the unfunded debt (comprising mainly the provident fund balances of Government servants) and balances at the credit of earmarked funds as also certain deposits to the extent they have not been invested separately, constitute liabilities of Government. Taking the public debt and these liabilities together, the debt position of Government at the end of March 1969 and 1970 was as under :—

	Total debt on 31st March	
	1969	1970
	(In crores of rupees)	
Public debt .. .. .	1,64.11	1,64.73
Unfunded debt .. .. .	3.22	4.84*
Depreciation reserves and other earmarked funds	27.03	33.07*
Deposits of local funds and civil deposits ..	6.68	7.83*
Total ..	2,01.04	2,10.47

(c) *Ways and means advances, overdrafts and short-term loans*—Under an agreement with the Reserve Bank of India, Government of Haryana has to maintain with the Bank a minimum balance of Rs. 15 lakhs on all days. When the balance falls below the agreed minimum, the deficiency is made good by the Bank by giving ordinary and special ways and means advance according to limits fixed by it from time to time (Rs. 45 lakhs as ordinary and Rs. 90 lakhs as special ways and means advance) or by selling Government of India treasury bills held by State Government. If, even thereafter Government is not able to maintain the minimum balance, the Bank allows overdrafts.

Ways and means advances and overdrafts obtained by Government during 1968-69 and 1969-70 and interest paid therefor are given below :—

	Amount obtained and repaid during		Interest paid during	
	1968-69	1969-70	1968-69	1969-70
	(In lakhs of rupees)			
Ways and means advances .. .. .	11,32.00	10,90.00	4.72	2.23
Overdrafts .. .. .	8,16.20	3,92.27	0.91	0.51
Temporary loans from private Banks ..	..	4,00.00	..	9.30

\*These include amounts adopted *pro forma* on account of allocation of balances of the composite Punjab State outstanding on 31st October 1966. The allocation is provisional.

### 8. Service of debt

The table below shows the net burden (on revenue) of interest charges on debt and other obligations during 1968-69 and 1969-70 :—

	1968-69	1969-70
	(In crores of rupees)	
(1) Interest paid on debt and other obligations ..	8.11	8.60
(2) <i>Deduct</i> —		
(i) Interest realised on loans and advances given by Government .. .. .	4.89	4.87
(ii) Interest realised on investment of cash balance .. .. .	0.17	0.28
(iii) Interest credited to revenue by debit to projects, etc., in the capital section ..	0.37	0.14
(3) Net amount of interest charges .. .. .	2.68	3.31
Percentage of gross interest to total revenue receipts .. .. .	10.32	10.12
Percentage of net interest to total revenue receipts	3.41	3.89

There were in addition receipts and adjustments totalling Rs. 4.83 crores as interest received from commercial departments etc. Government also received Rs. 19.84 lakhs as dividend on investments in commercial undertakings.

### 9. Amortisation arrangements

The following arrangements are continuing for amortisation of loans raised in the open market and loans received from Central Government :—

#### *Open market loans*

(i) *Depreciation funds*—A sum equal to 1½ per cent of open market loans is set apart to form a depreciation fund for purchasing securities of the loans for cancellation.

(ii) *Sinking fund*—In addition to the annual contribution to the respective depreciation funds, an annual contribution (at rates decided by Government from time to time) is made to a general sinking fund for amortisation of loans.

The balance in these funds at the commencement and close of the year are given below :—

Name of fund	Balance on 1st April 1969	Addition	Withdrawal	Balance on 31st March 1970
				(In lakhs of rupees)
Depreciation funds ..	51·95	21·43	..	73·38*
Sinking fund ..	2,81·82	1,20·16	..	4,01·98*
Total ..	3,33·77	1,41·59	..	4,75·36

Out of the total balance in the sinking fund Rs. 13·47 lakhs were invested at the end of March 1969 in securities of Government of India.

#### *Loans from Central Government*

The balance of loans from Central Government at the end of 1969-70 was Rs. 1,47·40 crores. Government has made amortisation arrangements for repayment of certain of those loans as shown below :—

Sinking fund	Balance on 1st April 1969	Addition	Withdrawal	Balance on 31st March 1970
				(In lakhs of rupees)
1. Loans received for Bhakra Nangal Pro- ject .. ..	19,22·72	6,10·74	..	25,33·46
2. Loans received out of consolidated open market borrowings by Government of India .. ..	52·41	13·07	..	65·48
Total ..	19,75·13	6,23·81	..	25,98·94

Out of the balance in these sinking funds Rs. 2,14·87 lakhs and Rs. 52·70 lakhs respectively were invested (at the end of March 1970) in the securities of Government of India and other State Governments.

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\*These include amounts adopted *pro forma* on account of allocation of balance of the composite Punjab State outstanding on 31st October 1966. The allocation is provisional.

### 10. Guarantees given by Government to State Corporations, local bodies and other institutions

Government has given guarantees to third parties for repayment of loans, bonds and payment of interest thereon, payment of share capital and payment of dividend thereon, cash credits etc. on behalf of Government companies, joint stock companies and corporations. Brief particulars of the guarantees are given below (further details are given in statement no. 6 of Finance Accounts 1969-70) :—

In whose favour guarantee given	Maximum amount guaranteed	Amount guaranteed outstanding on 31st March 1970
	(In crores of rupees)	
Statutory corporations and boards .. .. .	19.95	14.93
Co-operative banks .. .. .	37.74	22.72
Co-operative societies .. .. .	8.25	5.97
Local bodies .. .. .	1.08	0.79
Private Companies .. .. .	1.07	0.42
Total .. .. .	68.09	44.83

These guarantees constitute a contingent liability on the Consolidated Fund of the State.

### 11. Investments of Government

In 1969-70 Government invested Rs. 1.58 crores in commercial and industrial undertakings (Rs. 1.25 lakhs), co-operative institutions (Rs. 1,47.03 lakhs) and other miscellaneous undertakings (Rs. 10 lakhs). Besides, Rs. 13.76 lakhs were invested in Haryana Ware-housing Corporation (Rs. 3.00 lakhs) and Haryana Agro-Industries Corporation (Rs. 10.76 lakhs).

The total investment of Government in the share capital and debentures of different concerns at the end of 1968-69 and 1969-70 was Rs. 5.64 crores and Rs. 7.91 crores. The dividend and interest received therefrom was

Rs. 2.11 lakhs (0.37 per cent) and Rs. 19.84 lakhs (2.51 per cent) respectively. Further details are given below :—

	1968-69			1969-70		
	Number of concerns	Investment	Dividend/interest received	Number of concerns	Investment	Dividend/interest received
	(In lakhs of rupees)					
(i) Government companies .. ..	6	1,30.10	..	7	1,94.73	1.61
(ii) Joint-stock companies and partnerships .. ..	16	69.10	1.54	17	70.35	2.62
(iii) Co-operative institutions .. ..	876	3,64.34	0.57	876	5,16.37	15.61
(iv) Other miscellaneous undertakings .. ..	..	..	..	1	10.00	..
Total .. ..	898	5,63.54	2.11	901	7,91.45	19.84

## 12. Grants-in-aid

During 1969-70 Rs. 3,47.23 lakhs were paid as grants to local bodies and other institutions (excluding *zila parishads* and *panchayat samitis*). The financial rules of Government require that certificate of proper utilisation of grants by the grantees should be sent by the departmental officers to the Accountant General within 18 months from the date of sanction of grants.

The certificates for Rs. 3,06.60 lakhs (406 cases) paid between 1956-57 and 1968-69 (upto September 1968) have not been furnished to Audit (August 1970). The Departments with heavy outstandings and the years in which the grants were paid are mentioned in Appendix I. Certificates for Rs. 21.20 lakhs (149 cases) were awaited for more than three years.

89 per cent of the certificates are due from the following Departments:—

Department	Number of certificates	Amount (in lakhs of rupees)
Education .. ..	125	82.05
Medical and Health		
(a) Medical .. ..	45	3.62
(b) Public Health .. ..	20	6.59
Local Government .. ..	59	16.68
Social Welfare .. ..	26	3.13
Sports .. ..	27	0.90
Public Relation .. ..	25	0.30
Industries .. ..	18	10.22
Agriculture .. ..	15	1,47.96
Total .. ..	360	2,71.45



### 13. Democratic decentralisation

Rs. 73.49 lakhs were paid as grants to *panchayati raj* institutions viz., *zila parishads* and *panchayat samitis*, in 1969-70. Audit of accounts of those bodies is conducted by the Examiner, Local Fund Accounts, an officer of the State Government. Utilisation certificates, required to be sent to the Audit Office within 18 months from the date of sanction of grants had not been received (upto August 1970) for Rs. 3,59.04 lakhs (1,322 cases) paid as grants during 1961-62 to 1968-69 (upto September 1968). Of these, 975 certificates for Rs. 1,97.40 lakhs were awaited for more than three years.

It was mentioned in paragraph 13 of Audit Report 1970 that the accounts maintained by the *panchayat samitis* and *zila parishads* did not show expenditure scheme-wise and grant-wise. The Examiner, Local Fund Accounts, could not, therefore, ascertain whether:—

- (i) the expenditure was incurred on the schemes and for the purposes for which the grants had been paid, and
- (ii) there was any unspent balance and, if so, whether that had been spent in subsequent years or adjusted against the grants paid during subsequent years.

Government stated in May 1968 that the accounts would be reconstituted to enable the Examiner, Local Fund Accounts to issue separate utilisation certificates scheme-wise and grant-wise but this has not been done so far (October 1970).

### 14. Unspent balance of grants paid to local bodies etc.

The total amount of unspent balance on 31st March 1970 was being ascertained (September 1970) by the Examiner. According to information furnished by him, Rs. 1,44.57 lakhs remained unutilised on 31st March 1969 out of grants given to local bodies to the end of March 1969. Year-wise analysis of the unspent balances is given below :—

Department which paid the grants	Unspent amounts on 31st March 1969 and how long unspent					
	For more than 10 years	More than 5 but less than 10 years	More than 3 but less than 5 years	Less than 3 years	Total	
					(In lakhs of rupees)	
Education .. .. .	..	0.13	..	..	0.13	
Health .. .. .	..	0.25	0.09	0.35	3.77	
Local Self Government ..	..	0.21	0.28	0.15	1.37	
Miscellaneous departments—						
Communication Board, Sanitary Board, etc. ..	..	2.77	42.67	30.12	63.74	1,39.30
Total .. .. .	..	3.23	43.17	30.62	67.55	1,44.57

Out of the above unspent balances, Rs. 0·19 lakh were refunded by the local bodies during 1969-70.

The unspent balances include Rs. 17·37 lakhs deposited by the local bodies with the Public Works Department for execution of works; the accounts of expenditure out of these deposits have not been rendered by the Public Works Department to the local bodies (August 1970).

It was also intimated by the Examiner, Local Fund Accounts that Rs. 0·15 lakh were utilised in twelve cases without Government sanction after expiry of the prescribed periods; these cases are yet to be regularised by Government.

### 15. Financial results of irrigation schemes

The table below compares the net return in 1969-70 from the irrigation projects of which capital and revenue accounts are kept :—

	Productive	Unproductive
Number of projects .. .. .	Three	Two
Progressive capital outlay (in lakhs of rupees) ..	16,81·88	1,25·05
Total revenue receipts (in lakhs of rupees) ..	1,38·36	0·39
Direct working expenses (in lakhs of rupees) ..	1,26·23	..
Net revenue before charging interest on capital (in lakhs of rupees) .. .. .	12·13	+0·39
Return as percentage of outlay .. .. .	+0·73%	+0·31%
Interest on capital (in lakhs of rupees) .. .. .	80·25	4·47
Net profit (+)/ loss(—) after meeting interest on capital (in lakhs of rupees) .. .. .	—68·12	—4·08
Net return (+)/ deficit (—) (after meeting interest) as percentage of capital outlay .. .. .	—4·05	—3·26

## CHAPTER II

### APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

#### 16. Summary

The following table compares the expenditure during 1969-70 with the total of voted grants and charged appropriations for that year :—

		Total grants/ appropriations	Actual expenditure	Saving	Percent- age of saving
(In crores of rupees)					
Voted—					
Original	1,33·29	1,40·61	1,30·05	10·56	8
Supplementary	7·32*				
Charged—					
Original	61·35	61·67	54·50	7·17	12
Supplementary	0·32				
Total—					
Original	1,94·64	2,02·28	1,84·55	17·73	9
Supplementary	7·64				

The saving of Rs. 17·73 crores was the net result of saving of Rs. 22·33 crores in sixty-two grants/appropriations and excess of Rs. 4·60 crores in fourteen grants/appropriations.

#### 17. Supplementary grants/appropriations

In 1969-70 supplementary provision of Rs. 7·64 crores was obtained under twenty-seven grants and seven appropriations. It would be seen from Appendix II that :—

- (i) in case of two<sup>1</sup> grants the supplementary provision (Rs. 17·19 lakhs), exceeding Rupees one lakh in each case, proved unnecessary as the expenditure did not come up even to the original grant.
- (ii) in four<sup>2</sup> grants and one<sup>2</sup> appropriation the supplementary provision (exceeding Rupees one lakh in each case) proved excessive; against the total supplementary provision of Rs. 81·71 lakhs in these cases, the amount actually utilised was Rs. 23·40 lakhs.

\*Includes Rs. 0·25 crore transferred from the Consolidated Fund to the Contingency Fund under the Contingency Fund (Amendment) Act 1969.

<sup>1</sup>Serial numbers 3 and 4 of Appendix II.

<sup>2</sup>Serial numbers 1, 2, 5, 6 and 7 of Appendix II.

(iii) the supplementary provision (exceeding Rupees one lakh in each case) proved substantially inadequate in two grants; the final uncovered excess was Rs. 2,82·30 lakhs.

### 18. Excesses over grants/appropriations

#### *Excess over voted grants/appropriations*

(a) *Voted grants*—The following twelve cases of excess over voted grant require to be regularised under Article 205 of the Constitution :—

(wherever it appears below ‘O’ stands for original grant/appropriation and ‘S’ stands for supplementary grant or appropriation)

Serial no.	Particulars of grant	Total grant	Expenditure	Excess
	Rs.	Rs.	Rs.	Rs.

(i) 1—Land Revenue—

O .. ..	98,25,410	1,00,56,241	1,02,33,862	1,77,621
S	2,30,831			

Excess occurred under “D—Land Records” (expenditure : Rs. 76·61 lakhs; total provision : Rs. 72·30 lakhs). This was partly offset by savings under other group heads. Reasons for the excess are awaited.

(ii) 6—Stamps—

O	3,00,230	3,20,000	3,32,877	12,877
S	19,770			

Excess occurred mainly under “A—Non-Judicial” (expenditure : Rs. 2·79 lakhs; provision : Rs. 2·65 lakhs). Reasons for the excess are awaited.

(iii) 13—Supplies and Disposals—

O	3,24,050	3,24,050	3,52,537	28,487
S	..			

Excess occurred mainly under “A—Purchase organisation” (expenditure : Rs. 3·12 lakhs; provision : Rs. 2·77 lakhs). Reasons for the excess are awaited.

(iv) 27—Irrigation (Works)—

O	2,20,49,050	3,87,10,460	3,96,31,175	9,20,715
S	1,66,61,410			

Excess occurred mainly under (1) “(ii) Miscellaneous Expenditure—Z(4) other charges (Gross Charges)” (expenditure: Rs. 3·52 lakhs; provision: Rs. 2·47 lakhs), (2) “A—Irrigation Works—(b) Unproductive Works (ii) Interest” (expenditure: Rs. 2,16·67 lakhs; provision: Rs. 2,06·00 lakhs) and (3) “(a) Productive Works (i) Working expenses—A-2—Maintenance and Repairs” (expenditure: Rs. 1,37·57 lakhs; provision: Rs. 1,36·16 lakhs). In addition Rs. 1·81

lakhs were also spent without any provision under "A—Irrigation Works—AI (iii) Maintenance and Repairs". Reasons for the excess are awaited.

(v) 28—Charges on Irrigation  
Establishment—

O	1,63,57,510	}	1,63,57,510	1,78,63,103	15,05,593
S	..				

Excess occurred mainly under (i) "Drainage Flood Control and Antiwater Logging Schemes—0-3—Superintending Engineer" (expenditure: Rs. 1.77 lakhs; provision: Rs. 0.69 lakh), (ii) "Open Canals—A—Establishment—A(7) Special Revenue" (expenditure: Rs. 36.89 lakhs; provision: Rs. 31.87 lakhs), (iii) "A-(3)—Superintending Engineer" (expenditure: Rs. 24.50 lakhs; provision: Rs. 11.09 lakhs); and (iv) "Drainage Flood Control and Anti-water Logging Schemes—0-4—Executive" (expenditure: Rs. 11.34 lakhs; provision: Rs. 4.07 lakhs). These were partly offset by saving under other group heads. Reasons for the excess are awaited.

(vi) 29—Public Works—

O	3,11,54,600	}	3,11,54,620	3,22,87,569	11,32,949
S	20				

Excess occurred mainly under (i) "W—Repairs (ordinary and special) W-2—Repairs" (expenditure: Rs. 1,52.62 lakhs; provision: Rs. 1,44.00 lakhs), (ii) "Z—Suspense" (expenditure: Rs. 14.07 lakhs; provision: Rs. 10.00 lakhs), (iii) "W—Repairs (ordinary and special) W-1—Buildings" (expenditure: Rs. 43.34 lakhs; provision: Rs. 36.65 lakhs), (iv) "L—Medical" (expenditure: Rs. 5.45 lakhs; provision: Rs. 3.62 lakhs) and (v) "O—Animal Husbandry" (expenditure: Rs. 4.13 lakhs; provision: Rs. 2.59 lakhs). In addition, Rs. 9.09 lakhs were also spent without any provision under (i) "Transfer of grants for Road Development to the Deposit head subventions from Central Road Fund" (Rs. 6.65 lakhs) and (ii) "Original Works—Buildings—T—Miscellaneous Departments—Tourism" (Rs. 2.44 lakhs). Reasons for the excess are awaited. The excess was partly offset by saving under certain other group heads.

(vii) 30—Charges on Public  
Works Departments,  
Buildings and Roads  
Establishment—

O	86,03,000	}	88,91,590	94,83,262	5,91,672
S	2,88,590				

Excess occurred mainly under (a) "A—Establishment—A-8—Lump sum charges creditable to other Governments—A-8(i) Public Health Circle for works done for Public Works" (expenditure: Rs. 17.93 lakhs; provision: Rs. 15.00

lakhs), (b) "A-1—Chief Engineer" (expenditure: Rs. 7.07 lakhs; provision: Rs. 6.42 lakhs). In addition, Rs. 1.34 lakhs were also spent without any provision under "Grant-in-aid". Reasons for the excess are awaited.

(viii) 33—Famine Relief—

O	89,34,330	}	2,04,34,330	2,17,72,502	13,38,172
S	1,15,00,000				

Excess occurred mainly under "A—Famine Relief—A-2—Gratuitous Relief" (expenditure: Rs. 2,15.57 lakhs; provision: Rs. 1,98.87 lakhs). Reasons for the excess are awaited.

(ix) 34—Pensions and Other Retirement Benefits—

O	96,91,000	}	1,04,41,000	1,35,97,964	31,56,964
S	7,50,000				

Excess occurred mainly under "A—Superannuation and Retired Allowances" (expenditure: Rs. 1,02.85 lakhs; provision: Rs. 69.76 lakhs). The excess was due to adjustment towards the close of the year of the share of Haryana Government for pensionary charges for 1968-69 claimed by Government of Punjab under the Punjab Re-organisation Act 1966.

(x) 35—Privy Purses and Allowances of Indian Rulers—

O	37,860	}	37,860	40,328	2,468
S	..				

Excess occurred under "A—Privy Purses and Allowances of Rulers of Integrated States and their Relatives and Servants (Integrated States)" (expenditure: Rs. 0.40 lakh; provision: Rs. 0.38 lakh). Reasons for the excess are awaited.

(xi) 44—Captial Outlay on Multi-purpose River Schemes—

O	5,30,00,000	}	5,61,12,000	8,11,84,605	2,50,72,605
S	31,12,000				

Excess occurred mainly under "III—Beas Dam Project" (expenditure: Rs. 6,77.42 lakhs; provision: Rs. 3,80.00 lakhs). In addition, Rs. 7.81 lakhs were also spent without any provision under "I—Bhakra Dam". Reasons for the excess are awaited.

(xii) 49—Payments of Commuted value of Pensions—				
O	2,00,000	}	2,00,000	2,71,102
S	..			

Excess occurred under "B—Payments of Commuted value of Pensions" (expenditure: Rs. 2·71 lakhs; provision: Rs. 2·00 lakhs) and was due to adjustment towards the close of the year of the share of Haryana Government for pensionary charges for the year 1968-69 claimed by Government of Punjab under Re-organisation Act 1966 and finalisation of more commutation of pension cases than anticipated.

(b) *Excess over charged appropriation*—In the following case the excess over charged appropriation also requires regularisation:—

Appropriation	Total appropriation	Expenditure	Excess
29—Public Works—			
O	48,000	}	48,000
S	..		
			29,626

Excess occurred under "W—Repairs (ordinary and special)—W-1—Buildings" (expenditure: Rs. 0·78 lakh; provision: Rs. 0·48 lakh). Reasons for the excess are awaited.

(c) In addition to the above, charged expenditure incurred without appropriation under the following also requires regularisation:—

Appropriation	Expenditure	Remarks
Inter State Settlement	1,19,98,735	The expenditure represents share of Haryana State of interest on Market Loans from 1st November 1966 to 31st March 1970 (paid by Punjab Government under section 54(1) of the Punjab Re-organisation Act 1966). No provision had been made for this expenditure as it was not known when Punjab Government would raise the debit.

### 19. Unutilised provision

(a) It would be seen from Appendix III that there were twenty-one cases (with total provision exceeding Rs. one lakh in each case) in which saving exceeded ten per cent of the total grant/appropriation. In eight of them, savings ranged between 21 and 100 per cent.

(b) Major cases of non-utilisation of provision for different groups of Government activity are given below:—

(In crores of rupees)

*Expenditure met from Revenue—*

	Total grant/ appropriation	Saving
Social and Developmental Services ..	33·83	3·06

Saving mainly occurred in the Education, Medical, Public Health, Agriculture, Animal Husbandry and Community Development Departments. The saving was mainly due to vacancies (Rs. 50·80 lakhs), economy measures (Rs. 26·91 lakhs), late/non-implementation/approval of certain schemes (Rs. 29·47 lakhs), less supply of medicines to the Medical department by the Medical Store Depot, Karnal, (Rs. 13·00 lakhs), purchase of less seeds by the Agriculture department (Rs. 10·00 lakhs) and discontinuance of aid to the Community Development department by Government of India for utilising rural manpower (Rs. 2·09 lakhs). Reasons for the balance unutilised provision are awaited.

Other Services .. .. .	31·42	2·18
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Saving occurred mainly in the Excise and Taxation, Stationery and Printing and Transport Departments. The saving was mainly due to bifurcation of depots and formation of new depots of Transport Department (Rs. 41·03 lakhs), non-receipt of paper and stationery from mills/firms (Rs. 8·76 lakhs), non-receipt of bills from printers (Rs. 1·89 lakhs), non-execution of certain works owing to non-finalisation of preliminaries (Rs. 1·64 lakhs) and non-receipt of liquor from U.P. (Rs. 1·52 lakhs). Reasons for the balance unutilised provision are awaited.

*Expenditure outside the Revenue Account—*

State Trading .. .. .	31·48	5·17
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Saving was mainly due to less purchase of fertilisers.

Works .. .. .	16·64	2·21
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Saving mainly occurred under (i) “46—Capital Outlay on Public Works” (Rs. 149·20 lakhs), (ii) “45—Irrigation (Capital)” (Rs. 31·00 lakhs), (iii) “43—Capital Outlay on Industrial and Economic Development” (Rs. 26·00 lakhs). The saving was mainly due to non-implementation of certain works owing to non-finalisation of certain preliminaries (Rs. 19·89 lakhs), non-finalisation of land acquisition proceedings and deferment of decision to establish urban estate at Bahadurgarh (Rs. 16·50 lakhs), cut in Plan ceiling (Rs. 10·95 lakhs) and non-receipt of sanction for opening Text Book Depot at Karnal (Rs. 1·71 lakhs).

Reasons for the balance unutilised provision in most of the other cases are awaited.



## 20. Control over expenditure

The object of control over expenditure in this context is to secure as close an approximation as possible between the actual expenditure and the final grant/appropriation under each sub-head of grant/appropriation; this is secured by :—

- (i) sanctioning reappropriations of funds, from sub-heads of grants/appropriations where saving is anticipated to other sub-heads in the same grant/appropriation where there is need for additional funds,
- (ii) obtaining supplementary grants or appropriations, wherever necessary and
- (iii) surrender of surplus funds under any sub-head as soon as savings can be foreseen.

As will be seen from paragraph 18 above, excess of Rs. 4,60.40 lakhs remained uncovered in fourteen grants/appropriations.

Cases where additional funds provided in the course of the year by supplementary provision proved substantially excessive or inadequate have been mentioned in paragraph 17 above.

## 21. Surrender of anticipated saving

The rules require that unutilised amounts should be surrendered as soon as the possibility of saving is anticipated. Surrenders were, however, made mostly in the last month of the year. Out of Rs. 18.39 crores surrendered, Rs. 18.26 crores (99 per cent) were surrendered only in March 1970. Further Rs. 3.95 crores out of the unutilised amounts remained unsurrendered.

Important instances of defective control over expenditure in individual group heads within the grants/appropriations have been mentioned in the Appropriation Accounts.

## 22. New service

Vote of Legislature or pending that advance from the Contingency Fund is required to be obtained before expenditure can be incurred on a "New service"/"New Instrument of service".

In the following two cases Rs. 26.52 lakhs were spent during 1969-70 without obtaining specific vote of the Legislature or advance from the Contingency Fund though the expenditure constituted "new service."

Serial no.	Department	Particulars	Expenditure (Rs. lakhs)	Remarks
1	Animal Husbandry	Investment in the share capital of the new Haryana Dairy Development Corporation	10.00	Funds for the expenditure were provided by re-appropriation out of savings in the grants which is not permissible.
2	Animal Husbandry	Loans to Haryana Dairy Development Corporation.	16.52	

### 23. Lump sum reserves

In eleven grants Rs. 1.48 crores were included in the total provision as lump sum reserves without specifying the purpose for which they were meant. Such large lump sum budget provision without specifying the purposes for which they are meant, are not in conformity with satisfactory control by the legislature over expenditure. In six cases out of these, Rs. 0.54 crore were ultimately surrendered in March 1970. In other cases, Rs. 0.84 crore were re-appropriated to meet additional expenditure under other group heads within the grant and Rs. 0.10 crore remained unsundered.

### 24. Advances from the Contingency Fund

The object of the Contingency Fund is to enable Government to meet unforeseen expenditure (including expenditure on a 'new service' not contemplated in the annual financial statement) pending authorisation of such expenditure by the Legislature. The *corpus* of the fund was raised to Rs. 1 crore (from Rs. 75 lakhs) in August 1969.

In all forty-four sanctions were issued by Government during 1969-70 for advancing Rs. 1,27.15 lakhs from the Contingency Fund.

(a) Two sanctions (Rs. 0.05 lakh) were subsequently cancelled (one in 1969-70 and the other in 1970-71). Rs. 20 lakhs were sanctioned to meet additional expenditure for State lotteries owing to increase in the number of draws and amount of prizes but the entire expenditure on it was met from the over all saving within the grant itself.

(b) In three cases, advances amounting to Rs. 2.44 lakhs were sanctioned in May 1969, July 1969 and December 1969 but no expenditure was incurred till the issue of sanctions for resumption of the advances to the Contingency Fund in September 1969, October 1969 and March 1970.

(c) In the following cases, the amounts sanctioned proved to be substantially in excess of the actual requirements :—

Serial no.	Head of Account	Purpose for which advance was sanctioned	Amount of advance sanctioned	Amount drawn
(In lakhs of rupees)				
1.	31.—Agriculture	Aerial spray of sugarcane against pyrilla	7.44	5.47
		Development of desert areas of Mohindergarh District.	2.50	1.59

2.	50—Public Works— Original Works— Buildings	Construction of double lock and the sub- Treasury Office build- ing at Tohana.	0·30	0·03
3.	70—Forest	.. Development of Arid Areas of Mohinder- garh District.	2·50	1·40
4.	71—Miscellaneous	Purchase of cars at reserved price offered by the State Trading Corporation for tou- rists.	1·70	1·26
	Publicity Board	.. Construction/beautifi- cation of Haryana State pavillion at Faridabad on the occasion of All India Congress Com- mittee Session.	0·85	0·40
	Publicity	.. Setting of Haryana Kala Sangam for promotion of art and culture of Haryana State.	0·50	0·11
5.	Q—Loans and Ad- vances by the State Government—Loans to Local Funds, Pri- vate Parties, etc.— Advances to Culti- vators.	Aerial Spray on Ameri- can cotton.	3·00	1·58

### EDUCATION

#### 25. Withdrawal of funds in advance of requirements/amounts kept outside Government account

According to financial rules, no money should be drawn from the treasury unless it is required for immediate disbursement. It is also not permissible to draw advances from the treasury to prevent lapse of appropriations.

Government approved in May and August 1969 two schemes, viz., improvement of physical facilities in (i) primary and middle schools and (ii) higher secondary schools at a cost of Rs. 17·12 lakhs and Rs. 2 lakhs respectively. Extension/repair of existing buildings, covering of deficiencies in furniture, equipment, library books and provision of sanitary facilities in the schools were envisaged.

(i) Against the total provision of Rs. 19·12 lakhs, the Department drew Rs. 19·09 lakhs from the treasuries between December 1969 and March 1970. No construction has so far (June 1970) been started or equipment purchased.

(ii) The Director of Public Instruction had issued orders in February 1970 that Rs. 17·12 lakhs should be drawn from the treasuries before 31st March 1970 to avoid lapse of grant.

In his orders of February 1970 (as also those issued in October 1969) the Director of Public Instruction had also instructed that the amounts so drawn from the treasuries be credited in the "Building Fund" (which is a Local Fund Deposit Account). Rs. 19·09 lakhs were, however, credited into the "Building Fund" between December 1969 and March 1970.

The matter was brought to the notice of Government in May 1970; reply is awaited (October 1970).

CHAPTER III  
CIVIL DEPARTMENTS

AGRICULTURE

**26. Strengthening of Agricultural Engineering and Boring Section**

As the then existing Agricultural Engineering Organisation was considered inadequate to cope with minor irrigation, strengthening of Agricultural Engineering and Boring Section was taken up as a technically new Plan scheme from 1967-68. The scheme aimed at :—

- (i) assisting the farmers in boring/sinking of wells and giving them necessary advice ;
- (ii) exploring underground water suitable for irrigation purposes ;
- (iii) designing, quality marking and supplying improved agricultural implements ;
- (iv) arranging raw material for the fabricators ; and
- (v) arranging demonstrations to popularise the use of implements.

Government of India was to provide 50 per cent (grant : 20 per cent; loan : 30 per cent) financial assistance. Against the total revised budget provision of Rs. 48.01 lakhs (for 1967-68 to 1969-70) Rs. 38.13 lakhs (establishment : Rs. 5.68 lakhs; contingencies : Rs. 32.45 lakhs) were spent upto March 1970.

*2. Physical targets and achievements*

Item of work	Targets originally contemplated in the Schedule of New Expenditure for 1967-68	Targets fixed from year to year and achievement						Percentage of achievements during the three years, viz., 1967-68 to 1969-70	
		1967-68		1968-69		1969-70			
		Tar- get	Achi- ve- ment	Tar- get	Achi- ve- ment	Tar- get	Achi- ve- ment		
		For 1967-68		For 1967-71					
(i) Trial bores .. .. .	20	140	6	3	16	7	20	1	26
(ii) Boring of open percolation wells .. .. .	400	3,000	} 800	} 256	} 958	} 502	} 1,650	} 441	} 35
Sinking of tubewells and installation of tubewells	400	2,400							
(iii) Boring by blasting .. .. .	150	600	100	..	100	..	200	..	zero
(iv) Demonstration of seed drills .. .. .	..	..	140	400	500	969	700	463	137
(v) Demonstration of agricultural implements .. .. .	..	..	1,400	4,000	8,000	1,137	7,000	1,260	39
(vi) Quality marking of agricultural implements .. .. .	..	..	..	..	2,275	2,758	5,000	1,192	54
(vii) Developing of tubewells .. .. .	..	..	..	..	200	254	300	262	103

The targets fixed for "trial bores" for each year of operation were lower than the total targets originally contemplated in the schedule of New Expenditure for 1967-68. Besides, the scheme contemplated that 6 lakh agricultural implements would be supplied and 19,200 pumping sets would be installed; but this has not so far (upto September 1970) been taken up. The shortfall was attributed to non-utilisation of equipment in the year of purchase due to late/non-receipt of supplies and many posts (supervisory as well as the field staff) having remained vacant.

3. Between April 1967 and June 1970 the Department undertook eleven "trial bores" ; of those, only two were successful. The Director of Agriculture intimated Government in June 1969 that the selection of sites for exploration purposes was not based upon any geological or geo-physical considerations but instead was based on the recommendations of the Deputy Commissioners. Rs. 0.80 lakh were spent on nine unsuccessful trial bores.

4. The office of the Agriculture Engineer, Haryana, was shifted from Chandigarh to Nilokheri on 9th January 1968 but was brought back to Chandigarh by 20th February 1968. Again, it was shifted in April 1969 to Karnal where it functioned upto July 1969 and shifted back to Chandigarh. These shiftings entailed expenditure of about Rs. 3,000 on travelling allowance, transportation charges, etc.

5. (a) An advance payment of Rs. 1,20,000, being 20 per cent cost of a medium direct rotary rig, was made to the Heavy Engineering Corporation Ltd., Ranchi, in September 1967. The balance payment of 80 per cent of the cost of this rig was payable against presentation of despatch documents through bankers in case of delivery through the railways or, alternatively, against *proforma* invoice before the goods were despatched from the Corporation's works/godowns in case of local delivery or despatch by road. The Department called for the *proforma* invoice from the Corporation and drew Rs. 4,98,000 (Rs. 4,80,000 for 80 per cent of the cost of the rig and Rs. 18,000 for Central sales tax) on 28th March 1969 and converted it into a bank draft. The bank draft was passed on to the Corporation in August 1969. The rig is yet to be supplied (September 1970).

(b) Rs. 3.40 lakhs and Rs. 4.61 lakhs were drawn to meet the cost of some other rigs in March 1968 and March 1970 but the amounts were actually paid in December 1968 and June 1970 respectively. The amounts had in the mean while been converted into bank drafts.

6. Three jeeps (cost : Rs. 0.56 lakh) were purchased in March 1969 for use by three assistant agriculture engineers to be appointed in 1969-70. Only one of them was placed in position in March 1969. Another post was filled up in June 1970 while the third post is lying vacant (October 1970).

7. In September 1969 the Department decided to transfer the trial boring work of this Scheme alongwith the machinery (Cost : Rs. 9.46 lakhs) to the Irrigation Department. The State Government intimated in November 1970 that actually machines worth Rs. 99,805 have only been transferred to the Irrigation Department and one Rig machine costing Rs. 6.18 lakhs remained to be transferred because its receipt from the Heavy Engineering Corporation Ranchi was still awaited.

## 27. Training and education of farmers

Training and education of farmers in efficient handling of scarce inputs secured at great cost was started in Rohtak district in 1967-68 and in Gurgaon district in 1968-69. Covering all the sections of the farm family through institutional and non-institutional training was envisaged. Government of India was to provide cent per cent financial assistance. Upto March 1970 Rs. 5.27 lakhs (pay and allowances : Rs. 0.99 lakh; contingencies : Rs. 4.28 lakhs) were spent against the administrative approval of Rs. 9.85 lakhs.

The following points were noticed :—

(a) *Short-fall in achievement of targets*—The targets fixed, achievements and percentages of shortfall during 1967-68 to 1969-70 are shown below:—

	1967-68		1968-69		1969-70		Per-centage of short-fall during the three years
	Tar-get	Achi-vement	Tar-get	Achi-vement	Tar-get	Achi-vement	
<i>A—Institutional Training</i>							
1. Short courses of 7 to 15 days for farmers ..	10	Nil	20	2	20	26	44
<i>B—Non-Institutional Training</i>							
2. Production-cum-demonstration training camps spread over 10 blocks each of the duration of 1-2 days ..	400	Nil	600	213	800	1,473	6
3. Demonstration-cum-discussion groups for farmers ..	200	Nil	200	Nil	200	328	45

Part of the scheme relating to training of farm women was not at all adopted and that relating to training of young farmers, though scheduled to be undertaken, was not taken up.

(b) *Failure to place the staff in position*—The scheme comprised holding institutional training courses, demonstration camps etc. for farmers. The staff was brought in position between January and March 1969 only, though the scheme was started in Rohtak district in March 1968 and in Gurgaon district in November 1968.

(c) *Irregular drawal of funds*—Contrary to the rules, Rs. 54,776 were drawn in March 1968 from Rohtak treasury though not required for immediate payment. In one case the money drawn (Rs. 23,370) was refunded in August 1968 as the purchase of pick-up van with trailer for which it was drawn did not materialise.

(d) *Purchase of vehicles*—The scheme provided for purchase of a station wagon and one pick-up van with trailer during 1967-68 for Rohtak centre. Rs. 23,060 were drawn from the treasury in March 1968 for purchase of one tempo viking-four wheeler, instead of the station wagon in anticipation of sanction. The tempo was received in May 1968. In August 1969 Government termed the purchase of the tempo-viking as waste. Government asked the Director of Agriculture in April 1970 to obtain the explanation of the Officers. Further developments are awaited (October 1970).

(e) *Idle machines*—A projector with ancillary equipment each for Rohtak and Gurgaon districts purchased for Rs. 20,394 between March—June 1968 was not put to use (April 1970) as operators for handling the projectors were not provided for under the scheme.

An expert of the Agriculture Ministry of Government of India reported in July 1968 that equipment valued about Rs. 1.26 lakhs was lying in the open exposed to weather. The Department intimated in November 1970 that the equipment has since been removed and kept under shed.

(f) *Distribution of transistorised radio sets*—The non-institutional form of training envisaged supply of one transistorised radio set to each farmers' discussion group at the subsidised price of Rs. 35. Sale proceeds were to be credited to a revolving fund and were to be utilized for purchasing more sets.

650 transistorised radio sets were received from Government of India between June and October 1969 but only 332 sets were distributed upto October 1970. Revolving Fund account is yet to be opened and Rs. 11,620 representing the sale proceeds of 332 sets are lying in the cash chest with the Department (October 1970).

(g) *Payment of honorarium and refreshment charges*—The scheme also envisaged :—

- (i) Payment of honorarium at Rs. 5 per mensem to the group leader for correspondence and other miscellaneous expenses.
- (ii) Refreshment charges of Re. 1 per head per day to those attending the production-cum-demonstration camps.

Rs. 4,353 and Rs. 64,000 were drawn by both the centres upto March 1970 to meet such expenditure. Regular accounts and other records in support of these disbursements are still (October 1970) not ready.

## 28. Seed farms

The Central team on Agricultural Production Programme reported in 1963-64 that cultivation of seed multiplication farms through tenants had not proved satisfactory and, therefore, recommended abolition of tenancy system in vogue in the State. Purity of foundation seed was considered to be vital for stepping up agricultural production; it was felt that high quality foundation seed could be produced only at Government seed farm for supply to registered growers for further multiplication. The Department decided in June 1966 to abolish the tenancy system in some farms and switch over to direct cultivation. Eleven farms in five districts (area of about 1,020 acres) were proposed to be brought under direct cultivation from 1966-67; it was actually implemented in 1967-68.



It was envisaged that these farms would be run on commercial lines yielding income of Rs. 8.66 lakhs in 1967-68 and Rs. 9.57 lakhs in 1968-69 against anticipated expenditure of Rs. 5.20 lakhs and Rs. 5.45 lakhs respectively.

A review of the farms conducted in October 1969 revealed the following:—

(a) (i) Over-all production of all types of seeds (excluding those unfit for use) was only 5 per cent and 28 per cent of what was estimated to be produced in 1967-68 and 1968-69 respectively while the expenditure (establishment: Rs. 2.93 lakhs; contingencies: Rs. 7.64 lakhs) incurred was 96 per cent and 102 per cent in 1967-68 and 1968-69 respectively. Total produce including that disposed of as unfit for use as seeds was 15 per cent and 40 per cent of anticipated yield for 1967-68 and 1968-69, respectively as detailed below:—

		1967-68			1968-69		
		Esti- mated produc- tion	Actual produc- tion	Percen- tage	Esti- mated produc- tion	Actual produc- tion	Percen- tage
		(in tons)			(in tons)		
Sugar- cane	(i) fit seed	600	..	..	675	132	20
	(ii) after adding un- fit seed	..	..	..	..	181	27
Oil-seeds	(i) fit seed	12	..	..	15	2	13
	(ii) after adding un- fit seed ..	..	14	117	..	13	87
Food- grains	(i) fit seed	1,144	80	7	1,284	407	32
	(ii) after adding un- fit seed	..	232	20	..	577	45
Cotton	(i) fit seed	30	18	60	34	19	56
	(ii) after adding un- fit seed	..	26	87	..	23	68
Total	(i) fit seed	1,786	98	5	2,008	560	28
	(ii) after adding un- fit seed	..	272	15	..	794	40

(b) *Working results of the farms*—Profit and loss accounts for 1968-69 had not been prepared by the Department even though these were required to be prepared and checked by 30th June 1969. Working results after taking into account the total expenditure including depreciation and interest and the

total receipts of ten farms (the accounts of one farm were not produced), as supplied by the farm authorities, show that there was loss of Rs. 1.02 lakhs in 1967-68 (two farms, however, showed profit of Rs. 0.21 lakh). Although there was a net profit of Rs. 0.88 lakh in 1968-69, two farms incurred loss of Rs. 0.26 lakh during that year.

The loss was mainly attributed by the Department to inadequate arrangements for water supply and purchase of costly seeds of high yielding varieties requiring heavy doses of fertilisers. The available irrigation facility at one farm was not utilised fully as the tubewell remained out of order for a full year, *i.e.*, December 1966 to December 1967. The Administrative Officer Agriculture, Co-operative and Animal Husbandry Departments, Hissar had reported to Government in October 1967 on the block seed farms in Hissar zone that whereas privately owned farms showed large profits, Government farms were incurring losses even though all facilities were available in such farms.

(c) In seed farm, Hansi, theft of 70 quintals of wheat grain (valued: Rs. 7,350) took place on the 26th July 1967. Thereafter, the Department conducted internal check of the stores as a result of which shortages worth Rs. 17,949 came to notice. The then store-keeper of the farm was held responsible for the shortages worth Rs. 7,444.

The Department intimated in November 1970 that Police had since declared this theft case as a case of embezzlement. The store-keeper was dismissed from service on 15th September 1969 but a civil suit for the recovery of Rs. 7,444, as advised by the State Legal Remembrancer, is still (October 1970) to be filed. Action to fix responsibility for the balance shortages Rs. 10,505 is still (October 1970) to be completed.

(d) *Working of tractors*—Check of the log books of tractors revealed the following :—

- (i) Most of the tractors (five) remained idle for 10 to 15 months.
- (ii) Facility for use of tractors from the date of purchase was available for 9,640 days both during 1967-68 and 1968-69. They were, however, utilised for 4,039 days only, *i.e.*, only 42 per cent.
- (iii) Government orders provide that tractors, when not required on the farms, should be given on hire in the surrounding areas. In only one case (Kishanpur farm) a tractor was hired out fetching Rs. 1,032.
- (iv) Repair charges of tractors during 1967-69 in 10 farms (in one case for one year only) were Rs. 0.35 lakh, while the tractors plied for 3,057 working days (*i.e.*, Rs. 11.5 per tractor per working day). The Deputy Director, Agriculture, Karnal, had stated in October 1967 that the tractors purchased were defective.
- (v) Three tractors were at Hansi farm, and no driver had been appointed on a regular basis. One driver was employed on casual temporary basis. The tractors were surplus and lying idle.
- (vi) No norms for consumption of petrol, oil lubricants etc. on tractors had been fixed. Expenditure on these during 1967-69 in eight farms was Rs. 0.77 lakh.

(e) *Crop registers*—Condition of the crop and estimated yield of the crop before harvesting had not been recorded (except in Kohlawas and Hansi farms) in the crop registers (required under the rules) to guard against the possibility of pilferage of the produce. In Kohlawas the actual yield varied from 61 per cent to 70 per cent of the estimated yield while in Hansi it varied from 67 per cent to 87 per cent. Reasons for the shortfall as given by the Department were lack of proper irrigation facilities, inadequate rains and other natural calamities like blowing of dry winds etc. No corrective action has been taken by the Department (October 1970).

## 29. Aerial spraying of cotton

To eradicate pests damaging crops, spraying of insecticides/pesticides on American cotton crops by means of helicopters or fixed-wing planes was launched in the State during 1968-69 (estimated cost : Rs. 15.80 lakhs). During 1968-69 50 per cent of the cost of pesticides and operational charges was payable by Government of India as subsidy while the remaining 50 per cent and the cost of flagging and deflagging the area were recoverable from the cultivators in advance.

2. The following points were noticed :—

- (i) The success and efficiency of aerial spraying depends largely on the size of the blocks—the larger the blocks, the quicker and more efficient are the operations. The blocks in Haryana were of relatively small size and accordingly the Department could offer compact blocks of 10 acres only against blocks of 40/20 acres considered as minimum by tendering firms. The originally targetted area of 25,000 acres (75,000 acres on three sprayings) had, for this reason, to be reduced to 13,000 acres (39,000 acres on three sprayings). Actually, only 0.05 lakh acres (only 6 and 12 per cent of the original and revised targets respectively) were sprayed and only once. The area thus sprayed included strips of land (exact area not known) not required to be sprayed. Shortfall in achievement was attributed to failure of the contracting firm to carry out spraying as scheduled.
- (ii) Against an estimated advance recovery of Rs. 4.29 lakhs from the cultivators upto September 1968, only Rs. 0.79 lakh were recovered, at the end of August 1968, out of that Rs. 0.51 lakh have become refundable to them due to non-spraying of their cotton crops.
- (iii) Actual expenditure incurred during 1968-69 was Rs. 11.04 lakhs. This included Rs. 8.19 lakhs spent on purchase of pesticides after the spraying operations were suspended.
- (iv) Levy of penalty, as provided in the agreement, for failure of the firm to carry out spraying operations over 34,500 acres out of the total agreed area of 39,000 acres was referred to arbitration in December 1968. An award of Rs. 1.72 lakhs as damages for the area not sprayed plus interest at the rate of 12 per cent per annum was given by the arbitrators in April 1969 in favour of the Department. It has, however, not so far (October 1970) been enforced.

3. The scheme was also continued in 1969-70 during which the subsidy payable by Government of India was 25 per cent and 50 per cent of the cost of pesticides and operational charges respectively. The balance was to be treated as loan to the cultivators recoverable in two instalments—one due before 31st December 1969 and the other before 30th June 1970. In 1969-70 also, against the original estimated area of 19,000 acres (0.57 lakh acres on three sprayings subsequently reduced to 0.38 lakh acres, *i.e.*, 19,000 acres to be sprayed twice), only 0.15 lakh acres (27 and 40 per cent of the original and revised targets respectively) were sprayed and only once. Shortfall in achievement was attributed by the Department to lack of confidence by the farmers in aerial spraying arrangements, because of delayed/poor booking of the area, withdrawal of helicopter for some days by the company and diversion to other jobs of the departmental staff.

4. The following points were also noticed:—

- (a) Rs. 2.07 lakhs were treated as loan to cultivators. This amount included 75 per cent of the cost of pesticides valued at Rs. 1.53 lakhs estimated to be spent during the year. Actual expenditure on pesticides was, however, Rs. 2.26 lakhs. The excessive consumption of pesticides would thus entail loss of Rs. 0.54 lakh (75 per cent of Rs. 0.73 lakh) by way of short claim for recovery from the cultivators.
- (b) The amount treated as loan to cultivators was to be recovered after preparing borrowers' files and handing them to the Tehsildars immediately after completion of the operations. The files were, however, prepared in August-September 1969 and handed over to the Tehsildars in April 1970. The terms and conditions of loan awaited approval of Government (October 1970).

### 30. Intensive agricultural areas programme for cotton

To meet the shortage of long and extra long staple cotton in the country and to save foreign exchange, intensive agricultural area programme for cotton was started in 1963 in fourteen blocks of Hissar district. From 1967-68 a block of Jind district was added to the programme.

Development of long staple cotton was also introduced during 1967-68 in five blocks of Karnal district and one block of Jind district. There were, however, adjustments/transfers of various blocks from the intensive agricultural areas programme on cotton during 1967-68 reducing the number of blocks in the scheme to eight, with a corresponding increase of blocks in the scheme for "Development of Long Staple Cotton" to thirteen.

Rs. 7.65 lakhs (administrative expenses : Rs. 4.69 lakhs; contingencies : Rs. 2.96 lakhs) were spent between 1967-68 and 1968-69 against the estimated expenditure of Rs. 14.09 lakhs.

A review of the scheme conducted in February 1970 revealed:—

(i) While production of cotton (1,94,500 bales) in 1967-68 was almost equal to the target for that year, production in 1968-69 was 19,200 bales less than that of the last year although, according to the phased programme of increasing coverage, the additional area covered in 1968-69 was 32,000 acres (against 9,000 acres targetted).

(ii) Use of inputs, *viz.*, improved seeds, fertilisers and insecticides which were essential ingredients for increasing production, showed shortfall. In the case of improved seeds, the Department arranged supply to cover only 72,000 acres against the target of 1,69,000 acres while the cultivators themselves arranged supply of seeds to cover 1,35,000 acres against 1,13,000 acres required of them in 1968-69. The achievements *vis-a-vis* targets about use of inputs and the shortfall were as under:—

	Intensive agricultural areas programme on cotton		Percent- age of shortfall	Develop- ment of long staple		Percent- age of shortfall
	Target	Achieve- ment		Target	Achieve- ment	
	(coverage in thousand acres)			(coverage in thousand acres)		
(a) Improved seeds						
(i) Departmental supply ..	102	22		67	50	
(ii) Individual efforts	68	78		45	57	
Total ..	170	100	41	112	107	4
(b) Fertilisers ..	170	71	58	112	31 (estima- ted)	72
(c) Plant protection	170	96	44	112	35	69

Compared to the targets fixed for the use of inputs, achievements fell short by 4 per cent to 72 per cent for long staple cotton while shortfall varied from 41 per cent to 58 per cent in intensive agricultural areas programme on cotton.

(iii) Expenditure on establishment (excluding contingencies) on the intensive agricultural area programme for cotton was Rs. 1.51 lakhs during 1967-68, while it was Rs. 1.53 lakhs during 1968-69. The blocks covered by the programme were, however, reduced from fifteen to eight in 1968-69. It was also observed that the staff employed in the directorate was not reduced.

### 31. Purchase of hybrid maize seed

Under the hybrid varieties programme, the Department purchased for distribution 256 quintals of hybrid maize seed for Kharif 1967, 1,075 quintals for Kharif 1968 and 448 quintals for Kharif 1969 at Rs. 200 per quintal. Of these, 1087 quintals were sold upto April 1970. 692 quintals (23 quintals purchased for Kharif 1967, 589 quintals for Kharif 1968 and 80 quintals for Kharif 1969) are still (October 1970) lying unsold. The Department could not sell 375 quintals costing Rs. 0.94 lakh as the seed was damaged or below the prescribed standard of germination and, therefore, not re-certified for sale. It also remained unsold for human consumption or even as cattle-feed because it was treated with poisonous chemicals. The amount spent on storage, re-certification and transportation from the depots to the place where the laboratory is situated could not be known.

The balance of 317 quintals of unsold seed (9 quintals purchased for Kharif 1967, 228 quintals for Kharif 1968 and 80 quintals for Kharif 1969) was stated to have been sent for re-certification for Kharif 1970; the germination report is awaited (October 1970).

## ANIMAL HUSBANDRY

### 32. Establishment of intensive cattle development blocks

The scheme was planned as a comprehensive multi-pronged project for increasing milk production around Delhi and serving the Delhi Milk Supply Scheme. It included programme for breeding, veterinary aid, development of feeds and fodders, dairy extension etc. It was a Centrally sponsored scheme with 100 per cent assistance from Central Government (grant : 75 per cent and loan : 25 per cent) and was started in 1967-68.

Rs. 35.33 lakhs (establishment : Rs. 15.15 lakhs; contingencies : Rs.20.18 lakhs) were spent from 1967-68 to 1969-70 against the original budget provision of Rs. 56.00 lakhs (establishment : Rs. 23.11 lakhs; contingencies : Rs. 32.89 lakhs) and revised to Rs. 37.94 lakhs (establishment: Rs. 17.57 lakhs; contingencies : Rs. 20.37 lakhs).

A review conducted in April 1970 revealed the following:—

(i) The targets, as laid down by Government of India, were changed by State Government in some cases while in some other cases (incentives to farmers to produce fodder seed and planting material, popularising of mineral supplement and setting up of small feed mixing plants) under feed and fodder

development the targets were not fixed. The targets fixed by State Government and achievements are shown below:—

Name of item	Targets laid down by the Government of India for the first three years	Targets fixed by State Government and achievements						
		1967-68	1968-69			1969-70		
			Target	Achievement	Percentage of achievement	Target	Achievement	Percentage of achievement
<i>(i) Calf subsidy</i>								
Karnal	1,000	No targets were fixed nor were there any achievements during this year	6	Nil	Nil	300	38	13
Gurgaon	1,000		5	Nil	Nil	50	16	32
<i>(ii) Demonstration of fodder cultivation (number of plots of <math>\frac{1}{4}</math> acre each)</i>								
Karnal	900		40	31	78	100	182	182
Gurgaon	650		20	10	50	280	67	24
<i>(iii) Subsidy for construction of silo towers</i>								
Karnal	50		3	Nil	Nil	15	7	47
Gurgaon	90		2	Nil	Nil	12	Nil	Nil
<i>(iv) Subsidy for augmenting irrigation facilities</i>								
<i>Karnal</i>								
Pumping sets	35		2	Nil	Nil	10	Nil	Nil
Persian wells	55		Nil	Nil	Nil	10	Nil	Nil
<i>Gurgaon</i>								
Pumping sets	35		2	Nil	Nil	12	Nil	Nil
Persian wells	55		Nil	Nil	Nil	Nil	Nil	Nil

(Collective targets from 1967-68 to 1969-70)

(v) Formation  
of village  
co-operative  
societies to  
organise  
milk collection

Karnal	60	46	34	84
Gurgaon	40	50	27	54

Government of India had envisaged that there would be 1,000 selected calves during the first three years at each of the project centres and had proposed to subsidise their rearing. The other activities related to feed and fodder development which were provided to assure balanced feed and nutritive fodder to animals. In respect of items (i) to (iv) above, the percentage of achievement with reference to the targets fixed by Government of India during the first three years was 3·8, 23·7, 14 and 'nil' in Karnal block and 1·6, 12, 'nil' and 'nil' in Gurgaon block. Government of India, while emphasising the need for economy, had asked State Government to ensure that the progress of the scheme did not suffer for want of funds. The shortfalls were attributed mainly to non-posting of staff to organise the activities and non-finalisation of rules for grant of subsidy for augmenting irrigation facilities and calf rearing.

(ii) Between 1967-68 and 1969-70 Rs. 5·60 lakhs were paid as grants to the *panchayat samitis* for construction of stockmen centres at the rate of Rs. 5,000 per stockmen centre. These centres aimed at providing essential breeding facilities and veterinary aid. The terms of grant-in-aid contemplated generally that an equal amount would be contributed by the *panchayats*. Utilisation certificates due upto September 1970 for Rs. 2·81 lakhs had not been obtained by the Department.

(iii) After introduction of the project, the average yield of milk at Karnal has gone down by 10 per cent in the case of cows (from 2·5 kilograms to 2·27 kilograms) and 21 per cent in the case of buffaloes (from 4·3 kilograms to 3·39 kilograms). Further, there was also a drop in the procurement of milk. Against a daily collection of about 3,400 kilograms of milk prior to commencement of the scheme, the actual average procurement in 1968-69 was 410 kilograms. In 1969-70 it was 4,000 kilograms.

(iv) Artificial insemination work was regularly introduced at Karnal only from August 1969 (about 2 years after commencement of the project).

### 33. Intensive poultry development blocks

For developing poultry breeding on scientific lines and providing marketing facilities to private poultry breeders, setting up of 20 intensive poultry



developmt blocks and 4 marketing centres (estimated cost : Rs. 9.89 lakhs) was planned, phased as follows:—

Year	
1967-68	Opening of 5 intensive poultry development blocks.
1968-69 and 1969-70	Opening of 5 intensive poultry development blocks, two marketing centres and supply of 6,000 day-old chicks on 50 per cent subsidised rates.
1970-71	Opening of 5 intensive poultry development blocks and supply of 4,000 day-old chicks on 50 per cent subsidised rates.

Five intensive poultry development blocks were set up in 1967-68 at Beri, Gohana, Jind, Ballabgarh and Dadri. No new blocks were set up in 1968-69 and subsequent years. Rs. 0.33 lakh and Rs. 0.28 lakh were spent on those blocks during 1967-68 and 1968-69 respectively.

A review of those blocks conducted in January 1970 disclosed the following:—

(i) Except for the number of units to be established, no targets were initially fixed.

The targets for 1967-68 were fixed in January 1968 and those for 1968-69 in October 1968; that too, was done only by the Poultry Development Officer.

Performance *vis-a-vis* targets so fixed was very low during both the years as indicated below:—

	1967-68		1968-69	
	Target	Achievement	Target	Achievement
1. Vaccination—				
(a) F.I.R.D. .. ..	15,000	..	15,000	4,550
(b) Ranikhet .. ..	15,000	379	16,000	5,879
(c) Fowl Pox .. ..	15,000	357	16,000	5,839
2. Debeaking .. ..	15,000	49	8,000	6,608
3. Culling .. ..	15,000	79	5,100	4,064
4. Persons to be contacted for technical guidance ..	30,000	90	5,000	3,244
5. Persons to be trained ..	500	19	500	162
6. Sale of poultry feed (in quintals) .. ..	No target	fixed	4,000	110
7. New Poultry Units to be started .. ..	250	..	175	54
8. Eggs belonging to public to be hatched .. ..	No target	fixed	15,000	2,976

(ii) Three out of five blocks had not got the necessary hatching equipment (incubators); hatching of eggs belonging to private breeders/public could not thus be undertaken (October 1970).

(iii) No marketing centres were set up; the marketing aspect, it was decided (October 1967), would be left to the Agro-Industries Corporation.

Besides the above five intensive poultry development blocks, the following other units have been in existence:—

- (1) Government poultry farm, Ambala.
- (2) Poultry extension centres, Shahbad, Rohtak and Faridabad.
- (3) Poultry-cum-piggery units, Thanesar, Nilokheri, Rai and Badshahpur.
- (4) Poultry service centres, Naraingarh, Nuh, Ferozepur Jhirka, Jagadhri and Karnal.

Government poultry farm, Ambala, and poultry extension centre, Shahbad, are under the Department while the remaining units are controlled by the Development Department through the *panchayat samitis*.

It was noticed that:—

- (a) The working results of Government poultry farm, Ambala, for 1967-68 and 1968-69 and that of poultry extension centre, Shahbad, for 1968-69 showed loss of Rs. 0.19 lakh. This loss excludes rent/depreciation of the building and equipment in use at those units.
- (b) The target of 60 eggs per 100 layers was prescribed for the poultry farm, Ambala (January 1970). Actual production was 48.8 eggs per 100 layers in 1968-69 and 41.3 eggs per 100 layers in 1969-70 (upto December 1969). Low production of eggs was attributed to poor quality of poultry feed supplied by the Haryana Agro-Industries Corporation.
- (c) In January 1970 it was decided that to run the Ambala farm profitably, 70 per cent of the eggs laid must be hatched. During 1968-69 on an average only 51 per cent of the eggs laid were hatched. One reason for this was the large number of infertile eggs laid which was as high as 46.75 per cent in certain months of 1968-69 for which information was available.
- (d) The working of the other units in 1967-68 and 1968-69 had also been poor as compared to the targets fixed as indicated below:—

	1967-68		1968-69	
	Target	Achievement	Target	Achievement
1. Persons to be trained	600	30	950	245
2. New poultry units to be started	300	63	475	153

3. Sale of poultry feed (in quintals) ..	Target	not	fixed	6,000	2,916
4. Eggs of public to be hatched ..	Target	not	fixed	18,000	1,437

### 34. Pig breeding farm

To raise the pig breeding stock for increasing meat production and also to improve the economic condition of those engaged in pig breeding, a pig breeding section was opened in the Government live-stock farm, Hissar during 1956-57.

Between 1957-58 and 1968-69 only 3,066 piglets were born against 10,440 anticipated, the short-fall ranging between 50 and 81 per cent. Out of 3,066 piglets born during 1957-69, 1,150 died within six months of their birth. In 1958-59 to 1960-61, 1962-63 and 1965-66 to 1966-67, the mortality rate exceeded the norm of 35 per cent and was between 37 and 69 per cent.

Between 1958-59 and 1964-65 387 swine intended for disposal were maintained in the farm and Rs. 0.30 lakh were spent on their feeding charges.

In order to avoid retrogression in fertility, the scheme envisaged that boars and sows would be issued to the breeders in units of one boar and four sows. It was, however, noticed that 599 boars with 613 sows and 162 boars with 137 sows were sold to 169 breeders and 70 non-breeders respectively from 1959-60 to 1968-69. Thus more boars were sold than sows. Sale to non-breeders might not have furthered the purposes of the scheme.

Upto March 1969 Rs. 4.28 lakhs were spent. The achievement of physical targets during 1956-61 showed a shortfall of 78 per cent although the expenditure incurred during the corresponding period was Rs. 0.27 lakh against the estimate provision of Rs. 0.11 lakh. No targets were fixed from 1961-62 onwards.

The total expenditure over income (including that by sale of surplus pigs) during 1958-69 was Rs. 1.89 lakhs.

### 35. Wild and stray cattle catching operation

One wild and two stray cattle catching parties for rounding up cattle causing heavy damage to standing crops in the rural areas, besides being nuisance to the traffic in cities and towns were inherited by Haryana (from Punjab) on its formation on 1st November 1966. To strengthen these operations another party was sanctioned during 1967-68 which came into position in 1968-69. From 1969-70 it was decided to entrust catching stray cattle to local district veterinary officers and to retain only one party for catching wild cattle.

Rs. 1.12 lakhs (including Rs. 0.16 lakh capital expenditure) were spent between 1967-68 and 1968-69.

A review conducted in January 1970 disclosed the following:—

(i) One thousand animals were estimated to be rounded by each party during a year.

The number of cattle actually caught was as follows:—

Year	Number of parties deployed	Number of cattle which should have been caught	Number of cattle actually caught			Shortfall per cent
			Wild	Stray	Total	
1966-67 (November 1966 to March 1967)	3	1,250	143	726	869	31
1967-68 .. ..	3	3,000	191	1,603	1,794	40
1968-69 .. ..	4	4,000	242	1,878	2,120	47

(ii) The scheme emphasised removal of the menace of wild and stray cattle roaming about in rural areas and thus help in increased production. No stray cattle was caught in rural areas upto 1968-69.

(iii) The party retained for catching wild cattle caught 770 cattle during 1969-70, of which only 170 were wild cattle.

## INDUSTRIES

### 36. Industrial estates

In Haryana fifteen industrial estates were set up during the Second/Third Five Year Plans. Of those, six industrial estates costing Rs. 46.82 lakhs and having 148 sheds were in the urban sector while nine such estates costing Rs. 11.74 lakhs having 76 sheds were in rural areas. Those industrial estates, got constructed through the Public Works Department, were intended to stimulate industrial activity in the State by making available, on a rental basis, factory accommodation and other basic common amenities to small entrepreneurs. Certain irregularities relating to these estates at Nilokheri, Hissar, Narnaul and Mohindergarh were mentioned in paragraphs 25, 22, 25 and 27 of Audit Report 1965 (composite Punjab), 1968 and 1969 respectively.

Some details of all the estates (August 1969) are given below—

	Industrial estates	
	Rural	Urban
(i) Number of estates .. ..	9	6
(ii) Number of sheds constructed .. ..	76	148
(iii) Number of sheds allotted to industrial units .. ..	25	131
(iv) Number of sheds in which units have started production .. ..	8	74
(v) Percentage of utilisation of sheds for industrial production .. ..	32	56

No sheds were used for industrial production in six rural industrial estates. Percentage of utilisation in urban industrial estates ranged from 20 to 81. The poor use of the estates in general and rural industrial estates in particular was attributable to various factors, mainly (i) scarcity of water and non-availability of power or irregularity in its supply, (ii) scarcity of skilled labour, remoteness of the area and non-availability of raw material and (iii) lack of industrial climate and basic amenities.

The following points were also noticed :—

(a) Much of the land acquired was not actually utilised for the industrial estates; in three industrial estates in Karnal and Hissar districts, 52 to 76 per cent of the land was surplus. In Pinjore where 5.46 acres were donated by the *panchayat*, only 0.82 acre has been utilised.

The prospects of utilisation of surplus land in these estates for industrial expansion were bleak in view of meagre industrial activity existing there.

(b) Out of six industrial estates in Hissar and Karnal, establishment of three took 4 years 6 months, 4 years 4 months and 4 years 1 month from the approval of the proposal to the stage the estates were handed over to the Industries department. For the other three, the time taken was from 2 years 1 month to 2 years 10 months.

(c) Recovery of Rs. 6.67 lakhs towards rent for occupied sheds of the estates in Karnal and Hissar alone was in arrears (February 1970). The arrears dated back to 1962-64 and were attributed mainly to non-finalisation of the proposal for disposal of sheds on hire-purchase; reasons therefor are awaited (October 1970).

(d) In the same two districts, the loss of rent of various sheds remaining un-occupied was Rs. 1.96 lakhs (March 1970).

### 37. Grant of loan to a firm

In February 1951 Rs. 50,000 were paid to a firm as loan under the State Aid to Industries Act 1935. Under the terms of the loan the borrower had offered its building and machines of a mill as security. The loan was to be repaid in seven annual instalments beginning from 1st January 1952. Interest was at the rate of 4½ per cent per annum. For continued default in repayment of the principal and in payment of interest the Department filed a civil suit against the firm in July 1953. In October 1954 the Court ordered attachment of borrower's property which was auctioned in September 1965 fetching Rs. 11,500 (net). Rs. 3,715 were recovered from other property of the borrowers. Rs. 34,785 as principal and Rs. 38,060 as interest remain to be recovered. The Department spent Rs. 4,140 and Rs. 1,469 on pay and allowances of a Chowkidar (employed for watching safety of the borrowers' property) and advertisement and legal expenses respectively.

Other points noticed were :—

(a) The Department had paid the loan to the firm on 8th February 1951 disregarding the advice of the Legal Remembrancer.

(b) Under the Punjab State Aid to Industries Act 1935, the accounts of the firm were required to be got audited by the Department at least once a year. This was not done.

- (c) The Department was declared as custodian of the property in 1954. The proprietors of the firm were, however, allowed to stay within the premises of the mill even after this date which facilitated the removal of bulk of the machines by them one by one as reported by the Deputy Director (Development). Execution proceedings of the court attachment order were completed in September 1965 after being kept pending more than once on the request of the firm. The Department itself gave a bid for the building (Rs. 1,000) and machines (Rs. 4,000) in January 1959 but the bid was cancelled because it failed to deposit in cash the required commission of the court auctioneer and percentage of the auction money. Ultimately in September 1965 the property was auctioned for Rs. 12,000 (gross) to a relative of the borrowers who subsequently disposed it of for Rs. 45,000.
- (d) In December 1958 the borrowers had filed affidavits permitting adjustment of their rehabilitation claims, duly verified by the Union Ministry of Rehabilitation for Rs. 45,400, against the decretal amount of Rs. 68,000. The reasons for not adjusting these claims are not known.

### 38. Calendering plant at Hansi

For providing common facility service for finishing cotton handloom goods in June 1964 a calendering plant costing Rs. 0.91 lakh was shifted from Panipat to Hansi. The plant was installed in March 1965 (the expenditure on installation was Rs. 6,000). It started working in May 1965. As the plant was running at loss, a proposal was mooted in September 1965 to lease it to an association or co-operative society. The plant was ultimately closed down in March 1967. The running expenses between May 1965 and March 1967 were Rs. 18,241 against income of Rs. 2,996.

In January 1968, a private concern offered, in the first instance, to purchase the plant for Rs. 0.80 lakh and also furnish a Bank guarantee for Rs. 0.10 lakh but subsequently withdrew its offer before executing the agreement. In August 1969 Government ordered its disposal by public auction above the assessed value of Rs. 30,000 and fixation of responsibility for recurring loss to Government by the continued running of this plant and for not sending a proposal for its disposal earlier.

The plant is still (October 1970) awaiting disposal. In the mean time, Rs. 12,523 (establishment : Rs. 6,000; rent : Rs. 4,000; maintenance of plant: Rs. 1,829 and miscellaneous : Rs. 694) have been spent after closure of the plant.

## TECHNICAL EDUCATION

### 39. Junior Technical Schools

In order to produce educated skilled workmen of higher order needed for jobs arising out of rapid and large scale industrial development in second and successive Plan periods, Government of India formulated in 1958 a scheme for establishment of junior technical schools. The scheme aimed at diverting students, who had completed elementary education upto eighth standard,

from academic type of education in secondary schools to one which was specially designed to condition them for different productive occupations of a technical nature by providing a three year integrated curriculum of general education, technical education and workshop training. The scheme further contemplated that in view of the fairly extensive training in drawing and workshop undergone by a student in the technical school, it might even be possible to reduce the duration of polytechnic course from three to two years in case he joined it after passing out of junior technical school.

In 1959-60 a junior technical school was established at Gurgaon. A second technical school was opened in the campus of the Polytechnic, Nilokheri, in July 1965 as a pilot project to provide terminal education to boys between ages of 13 and 16 and to facilitate adjustment of boys coming out of this course into polytechnics for further training at diploma level. The three-year academic course was divided into two parts of two years' and one year's duration each. The pilot project further envisaged admission to the three-year diploma course in a polytechnic of students who had passed part I examination of junior technical school.

The Department intimated in September 1969 that the All India Council for Technical Education had conducted a review of the scheme in May 1968 and recommended close co-ordination between the Ministry of Labour, Ministry of Education and the corresponding departments in the State in implementation of the scheme, especially in view of the difficulty in securing apprenticeship places in industry for students of the junior technical schools. This difficulty was reported to have arisen as the Indian Apprenticeship Act administered by Government of India does not recognise junior technical schools. (The Department stated in May 1970 that the matter about co-ordination and enforcement of Apprenticeship Act was being still processed).

A review of the two schools revealed the following :—

(I) *Junior Technical School, Gurgaon*

(i) Enrolment in the school, started in 1959-60 with an intake capacity of 60 students, decreased from 35 students (58 per cent of capacity) to 26 students (43 per cent) from 1963-64 to 1967-68. Intake capacity was reduced to 30 from 1968-69. However, the actual number of students in that year was only 5 (17 per cent of the reduced intake). The school was closed at the end of 1968-69 session.

The continuous decrease in the enrolment was attributed (in 1967) by the Department to (a) failure to get the certificate awarded by a junior technical school equated to the certificate awarded by an industrial training institute; (b) inability of most of the students to compete for admission into polytechnics due to their calibre being low and (c) the fact that the three years course in junior technical school (after middle standard) made a student academically equivalent to a matriculation standard, whereas in general education a student spending 11 years in school got a higher secondary certificate.

(ii) Due to non-maintenance of accounts of library books, furniture, stores etc. embezzlements and shortages of Rs. 28,767 were alleged to have been

committed by the store-keeper who was suspended in August 1966; the case was stated to be with the court (July 1970).

(iii) Though the school was to close in May 1969, it was wound up only in May 1970.

(iv) Rs. 12.97 lakhs (revenue expenditure: Rs. 8.26 lakhs; capital expenditure: Rs. 4.71 lakhs) were spent on the school upto April 1969. Rs. 19,306 were spent on staff, including the Principal, who were retained upto 1st May 1970. Government stated in July 1970 that the staff was retained after the close of the school for winding up process.

## (II) Junior Technical School, Nilokheri

(i) It was opened in July 1965 although the Department was aware of the situation in the junior technical school at Gurgaon and no decision had been taken on the reference made in 1963 to Government of India to equate certificates awarded to students of junior technical schools to those awarded to students of industrial training institutes.

(ii) The school was designed for an intake capacity of 60 students. This was reduced to 30 students from 1968-69. Except for the first year of admission, enrolment (leaving the drop-outs in the same year) in the school in subsequent years was small. While between 1966-67 and 1967-68 14 and 24 students were enrolled (24 per cent and 40 per cent of the intake capacity) respectively, in 1968-69 and 1969-70 14 and 12 students were enrolled being 47 per cent and 53 per cent respectively of the reduced intake capacity. Poor response to the courses in the school was attributed by the Department, *inter alia*, to the fact that the University did not recognise Part I examination of the junior technical schools as equivalent to matriculation standard.

(iii) Upto the end of February 1970 Rs. 3.53 lakhs (revenue expenditure : Rs. 3.10 lakhs; capital expenditure : Rs. 0.43 lakh) were spent on the school.

## HARYANA STATE LOTTERIES

### 40. Haryana State lotteries

For mobilising additional resources for development plans, lottery was introduced in September 1968. Net income in 1968-69 and 1969-70 was Rs. 1,90.72 lakhs as shown below :—

	(in lakhs of rupees)
Gross collection .. .. .	3,90.62
<i>Expenditure</i>	
(i) Printing and Stationery and miscellaneous ..	1,41.94
(ii) Prize money .. .. .	57.96
Net income .. .. .	1,90.72



A test check of the accounts of lotteries disclosed the following :—

The over-all percentage of net income (*i.e.*, after setting off expenditure against gross income) to gross income in 1968-69 was 56·58. This came down to 46·33 per cent during 1969-70 although the percentage of prizes went up to 17·19 per cent in 1969-70 as against 7·54 per cent in 1968-69.

The percentage of expenditure (excluding prizes) to gross receipts ranged between 40 and 61.

The total tickets printed for sale for thirteen draws conducted upto 31st March 1970 were 4,45·78 lakhs (cost of printing : Rs. 8·16 lakhs); of that 55·15 lakh tickets (cost of printing : Rs. 1·01 lakhs approximately) remained unsold. In one of the draws, the percentage of unsold tickets to the total number of tickets was 39.

The amount of forfeited prizes for the above draws was Rs. 4·69 lakhs.

### MEDICAL

#### 41. Delay in operation of X-ray plants

X-ray plants (cost : Rs. 0·42 lakh and Rs. 0·51 lakh) purchased in March 1968 and January 1969 for Civil Hospital, Fatehabad, and Employees State Insurance Hospital, Faridabad, were installed only in March 1969 and February 1970. At Fatehabad installation of the plant was delayed due to non-provision of the three-phase-connection (upto March 1969). After installation the plant was not put to use for another two months due to non-availability of three-phase four-wire meter. Installation of the plant at Faridabad was delayed because of some adjustments which had to be made in the room accommodating it.

In Civil Hospital, Gurgaon, an X-ray plant costing Rs. 0·52 lakh purchased in March 1968 was installed in December 1968. The plant could be commissioned only in May 1969 due to the delay in removal of some defects by the firm and non-receipt of some components. The old X-ray plant dismantled in July 1968 for installation in Civil dispensary, Hodel, has not been installed so far (October 1970). The Department intimated in June 1970 that accommodation was being constructed and transporting of the machine was in hand.

A new X-ray plant costing Rs. 0·47 lakh was installed at Civil Hospital, Rewari, in February 1969 and the old X-ray plant, decided to be shifted to Public Health Centre, Bawal, has not so far been installed at Bawal (October 1970).

### GENERAL

#### 42. Misappropriation<sup>s</sup> and defalcations etc.

One hundred and eightyfour cases of misappropriations (Rs. 14·02 lakhs) were pending finalisation at the end of March 1970 as shown in Appendices IV and V. Of them, eightyfive cases (Rs. 3·81 lakhs) were pending for more than five years. The Departments of Irrigation, Buildings and Roads, Transport

and Agriculture account for 77 per cent of the total number of pending cases. An analysis of cases pending in those four departments is given below :—

Reason	Irrigation		Buildings and Roads		Transport		Agriculture	
	No. Amount		No. Amount		No. Amount		No. Amount	
		Rs.		Rs.		Rs.		Rs.
Pending for want of recovery .. ..	..	..	9	31,917	12	16,266	9	23,635
Pending for finalisation of departmental enquiry .. ..	62	2,39,917	35	2,15,506	3	3,897	1	1,482
Pending in court .. ..	..	..	..	..	4	18,195	6	1,51,319
Total .. ..	62	2,39,917	44	2,47,423	19	38,358	16	1,76,436

#### 43. Writes-off of losses, revenue, etc.

In 32,001 cases, losses due to theft, fire, etc., irrecoverable revenue, duties, advances etc., were written off or revenue remitted or claims to revenue abandoned during the year. Details are given in Appendix VI.

CHAPTER IV  
WORKS EXPENDITURE  
IRRIGATION

**44. Banarsi distributary**

The 19·86 mile Banarsi distributary (estimated cost: Rs. 68·35 lakhs) was proposed in 1961, to irrigate 37,385 acres of land; annual revenue of Rs. 4·38 lakhs was anticipated. The distributary was planned as a flow-cum-lift channel taking off from the Gurgaon canal. In January 1962, 344 acres were acquired for construction of the distributary. Rs. 6·80 lakhs (acquisition of land : Rs. 2·90 lakhs; construction of an aqueduct : Rs. 2·50 lakhs; pumping sets: Rs. 1·20 lakhs and excavation of distributary in certain reaches : Rs. 0·20 lakh) were spent upto June 1969. The distributary expected to be completed by the end of 1967-68 is still (July 1970) incomplete. The following contributed to its non-completion:—

- (i) In October 1968 the Superintending Engineer, Gurgaon Canal Circle, recommended that the system of canals should not be built. Briefly, the reasons advanced were that in the lower reaches the distributary and its minors ran across the flow of Landoha *nallah*. Thus the irrigation channels would obstruct the floods carried by the *nallah* and, in turn, may often be damaged. In the upper reaches the distributary passed through land already cultivated from wells (where the owners objected to its construction) and then over saline lands unfit for cultivation. The Chief Engineer agreed with this in December 1968.
- (ii) In January 1969 the then Superintending Engineer, however, proposed that the scheme should be completed because Landoha *nallah* did not bring sufficient water every year and during any year when it does not flow the local people face drought conditions.
- (iii) In July 1969 the Superintending Engineer again proposed that this work be taken up in two phases the first phase covering the distributaries and minors upto the point where there was not much effect because of flooding by Landoha *nallah*, to cost Rs. 13·15 lakhs, and the second phase covering the remaining work to cost Rs. 11 lakhs to be taken up after canalising Landoha *nallah* and providing necessary drainage works. These proposals were not accepted. In November 1969 the Chief Engineer explained that one reason therefor was that fears had been expressed that unless Landoha *nallah* is treated properly, the channel in the terrain would get damaged.
- (iv) In August and November 1969 the Chief Engineer gave another reason for not agreeing to further work on Banarsi distributary, namely, that the Gurgaon canal which fed this distributary needed 1,600 cusecs but it was unlikely that more than 600 cusecs

would be available for the next 4 or 5 years (actually during 1968-69 only 250 cusecs were available). The Department had, however, already made channels for discharge greater than 600 cusecs. He decided that no further additions would be made to Banarsi distributary until there was assurance of adequate water supply at its head.

In December 1969 he decided, however, that the work from R.D. 0—9000 might be taken up. In May 1970 the Chief Engineer intimated that this portion of the distributary, when completed, was expected to utilize some supplies out of the available 600 cusecs against the requirement of 1,600 cusecs for the existing distributaries/channels under the Gurgaon canal system. The scheme to control Landoha *nallah* was stated to be under preparation (November 1970). Expenditure from June 1969 to March 1970 was Rs. 6 lakhs.

The following points were also noticed :—

- (a) Material and work executed worth Rs. 15,000 were damaged by flooding of the Landoha *nallah* in 1967.
- (b) Land was acquired in January 1962 but excavation work was started only in March 1967.

#### 45. Narwana branch Karnal link channel

Construction of this channel off-taking from Sirsa branch at the point of outfall of Narwana branch into it (forming a unit of the Western Jamuna canal feeder project) was taken up in May 1961 against project estimate of Rs. 86·54 lakhs framed in 1957 which remained unsanctioned, *inter alia*, on the ground that surplus water assumed to be available in Sirhind feeder could be obtained only after supplies to Pakistan were cut and some storage was created over the rivers Ravi and Beas and Sutlej-Beas link completed and in the pre-Sutlej-Beas link period when Sirhind feeder was proposed to be run only for 4 months in a year water available in it would suffice for the requirements of water and extension of irrigation to new areas in Bhakra and Sirhind canals and, thus, it would not be possible to spare water for this link channel. The work, suspended in May 1962, was restarted in April 1963 against a revised estimate of Rs. 1,98 lakhs framed in May 1963 (sanctioned in December 1963) and completed in April 1966 at a cost of Rs. 2,03·40 lakhs. The link channel expected to be completed by 1964-65 was designed to carry 2,700 cusecs of water for feeding the Western Jamuna canal (775 cusecs) and Gurgaon canal projects (1600 cusecs) and supplying 325 cusecs to Delhi Administration for supplementing water supply to Delhi.

A review of the scheme conducted in April-May 1970 revealed that according to the departmental instructions, the working head of this channel should have been 1·5 feet lower than the full supply level of the feeding channels so that it could draw its own full supply. The full supply level at the head regulator of this channel was, however, designed to be kept at 823·22 feet as against the full supply level of 821·07 feet in Sirsa branch and 820·98 feet at the tail of Narwana branch *i.e.*, 2·15 feet and 2·24 feet higher than the feeding channels respectively. The channel could, therefore, run with only 600 cusecs and 1,000 cusecs of water before and after its desilting (cost : Rs. 13,791), respectively.

In this connection, the Executive Engineer, Pehowa Division, had, *inter alia*, observed in November 1968 that there had been some mistake in designing. The Superintending Engineer observed in March 1969 that the channel, which was constructed at pre-Sutlej Beas link stage, should, in fact, have been constructed as component to Ravi-Beas complex because the entire water of Sutlej river stood already allocated to Bhakra areas which were also not getting their due share from Gobind Sagar.

At the time of preparation of the project estimate in 1957 it was assumed that 2700 cusecs of water would be available as surplus from Sirhind feeder but Government of India did not agree with this view. In May 1969 the Chief Engineer also intimated that this channel was to run with its full designed capacity only when additional water became available with the construction of Beas-Sutlej link scheduled for completion by December 1972. Till Beas waters were available, the link perforce had to run with supplies less than its full capacity. Running of the channel with lesser supplies over a number of years had resulted in silting up of the link, which was expected to be cleared by the higher discharges into the channel when the Beas-Sutlej link project is completed.

The matter was reported to the Government in June 1970; action taken has not so far (October 1970) been intimated.

#### 46. Lift Irrigation, Dadri

Mention was made in paragraph 47 of Audit Report 1966 of the composite Punjab State of the expenditure incurred upto March 1965 (Rs. 10.84 lakhs) on diverting waters of drain no. 8, in anticipation of sanction of the project estimate and also without complete technical examination. Consequent on a suggestion of the Technical Committee for an integrated irrigation system, the Director, Irrigation and Power Research Institute, Amritsar, submitted an alternative proposal in May 1965, envisaging construction of four channels to:—

- (i) irrigate 15,519 acres of land through flow irrigation and an additional area of 12,999 acres through lifts. Revenue expected to be earned was Rs. 2.00 lakhs per annum;
- (ii) charge the brackish sub-soil water of the area with sweet water; and
- (iii) avoid floods in drain no. 8 and reclamation of 30 square miles of land under waters of Bhindawas and Jahazgarh lakes.

This scheme (estimated cost : Rs. 46.69 lakhs) was not accepted as a flood relief scheme (because of construction of diversion drain no. 8). It was also felt that very little flow irrigation was possible and the area proposed to be so irrigated was already served by Dadri flow and Rewari lift irrigation schemes. Another scheme was formulated for irrigation of 1,06,000 acres at an estimated cost of Rs. 1.16 crores. This was also rejected by the Technical Committee in May 1966. Government, too, considered this proposal as economically unjustifiable because of the high lifts required and directed that additional expenditure to be incurred for utilising the works already executed should be the minimum possible. No scheme has so far been approved by Government (September 1970). Meanwhile Rs. 14.24 lakhs have been spent

on construction of channels upto December 1969; of that Rs. 3.40 lakhs were spent after March 1965. The Executive Engineer observed in August 1968 that the condition of earthwork was deplorable and the channels would have to be dug afresh if they were to be utilised.

In August 1969 the Chief Engineer recommended return of land measuring 347 acres, acquired for the channels (estimated compensation Rs. 8.46 lakhs including interest Rs. 0.48 lakh), after levelling at the cost of Government. Payment of rent to the landowners for the land was also recommended (due to uncertain future of the scheme). In December 1969 Government wanted that the scheme might be re-examined in the light of the following alternatives:—

- (a) The land, on which channels were dug, should be returned to its owners by withdrawing the notifications issued in 1964 under the Land Acquisition Act and they be persuaded to accept the land in its present state, without filling and levelling, rent for the period the land was in Government occupation being paid to them.
- (b) The scheme should be reviewed in such a way that the least additional expenditure was incurred to give maximum benefit to the people.

The Chief Engineer intimated in September 1970 that the question of returning land to the land-owners did not arise because the department would utilise the works already executed for another scheme proposed to be undertaken by them.

#### 47. Guhla Reclamation Scheme

Consequent on a decision taken by Government in October 1963, a scheme to reclaim 25,000 acres of *thar* and alkaline land in Guhla tract was taken up by a Division (work ultimately transferred to Pehowa Division in October 1966) in November 1963. The scheme envisaged construction of a main reclamation channel (expected to run for 7 to 10 years) of 1,000 cusecs capacity at Jalbera regulator site of the Markanda river with minor channels running parallel to the channels of the existing Markanda distributary system. The project estimate of the scheme for Rs. 58.96 lakhs was framed by the Director, Irrigation and Research Institute, Amritsar, in July 1965. An anticipatory sanction for expenditure upto Rs. 4 lakhs was accorded by Government in March 1964.

After Rs. 9.12 lakhs (including undischarged liability of Rs. 0.04 lakh) were spent the work was suspended in March 1965. The project estimate still (October 1970) remains to be sanctioned.

The Superintending Engineer reported in August 1967 that, as per report of an enquiry committee appointed by Government, work already done was in such a state that it could not be utilised for extending irrigation without incurring heavy expenditure for completing the work. In September 1968 the Superintending Engineer observed that technical feasibility of the scheme was doubtful because—

- (a) sufficient discharge was not available in Markanda river to meet the requirements of reclamation channels;

- (b) the supplies of Markanda river could not be utilised without providing regulation gates and silt-excluding devices at Jalbera regulator. With installation of those devices, expenditure (now estimated cost Rs. 100 lakhs) on the scheme was not considered commensurate with the benefits likely to accrue; and
- (c) the entire area proposed for reclamation was already within the irrigation boundary of Markanda distributary system.

He further observed that :—

- (i) against the total quantity of 4,42.33 lakh cubic feet of earthwork shown as excavated and paid for, actual quantity assessed in February 1966 was 2,40.96 lakh cubic feet, resulting in excess payment of Rs. 3.85 lakhs;
- (ii) Rs. 6.93 lakhs were paid without executing proper work orders with the contractors;
- (iii) Rs. 8.54 lakhs were spent without sanction of detailed estimates;
- (iv) anticipatory sanction for Rs. 4 lakhs accorded by Government was exceeded without proper authority;
- (v) two measurement books were missing;
- (vi) shortages/excesses of stock and tools and plant articles could not be worked out in the absence of the book balances, as certain records were not available at the time of transfer of the scheme to Pehowa Division.

The Superintending Engineer further recommended that no further work should be executed.

The case was reported to the Department in March 1968. The Chief Engineer intimated in August 1970 that Government has since decided to drop the scheme and return the land to the owners and that action was being taken to call for the explanation of the persons at fault. Further developments are awaited (October 1970).

#### 48. Dadri irrigation scheme

Dadri area depended mainly on rainfall for irrigation. The Bhakra Control Board decided in August 1951 that 249 cusecs of water out of the share of erstwhile Pepsu State from Sirsa branch of Western Jamuna canal should be diverted from the tail of Kharak Khurd minor canal to this area. This scheme taken up in February 1954 at an estimated cost of Rs. 46.47 lakhs envisaged construction of Dadri and Bond distributaries with minors for irrigation facilities to a commandable cultivable area of 90,700 acres. It anticipated revenue of Rs. 17.18 lakhs in 1961-62 and Rs. 17.71 lakhs per annum from 1962-63. The scheme was expected to be completed by 1955-56 and the capital expenditure was to be recovered in full by the end of the 6th year of operation (1961-62) when irrigation would have developed to 62 per cent intensity.

The work was, however, completed in 1961-62 at a cost of Rs. 69.83 lakhs against the original estimate of Rs. 46.47 lakhs (subsequently revised to Rs. 76.17 lakhs). The upward revision of the estimate was necessitated, *inter alia*, by the following:—

- (a) The inner slopes of channels were constructed according to the designed section of lined channels. Water was, however, allowed to flow during two *khari* seasons without lining the channels or compacting the earthwork. This caused the inner slopes to slip into the bed, thus, damaging the channels. Impact of winds, storms, rain and tress-passing by carts and stray cattle had also contributed to the damages. Reconditioning of the banks of those channels had, therefore, to be done at an estimated additional cost of Rs. 1.61 lakhs before lining them (exact expenditure not available).
- (b) Maintenance charges increased to Rs. 0.71 lakh (upto March 1959) against the estimated provision of Rs. 0.40 lakh because of abnormal increase in the number of breaches caused due to running of water in unlined channels.
- (c) Earthwork of digging the main channels was completed in 1955. The compaction and lining work required to be done simultaneously with the earthwork was, however, taken up after two years after constructing pilot channels at a cost of Rs. 1.74 lakhs, to carry water for the purpose (not provided in the original estimate).
- (d) Rs. 0.94 lakh more were spent on the staff of a sub-division which had to be continued due to delay in completion of lining work.
- (e) Original provision of Rs. 12.09 lakhs for remodelling branches of Western Jamuna canal had to be revised to Rs. 23.48 lakhs to provide for certain omissions in the original estimate and also to make certain changes in specifications.

Against the total commandable cultivable area of 96,478 acres from 1961-62 to 1963-64 and 90,729 acres from 1964-65 to 1968-69, the area actually irrigated ranged from 25,188 acres to 38,291 acres. The area irrigated during 1968-69 was 25,188 acres, the lowest in the eight years under review.

Against the estimated total revenue of Rs. 1,41.20 lakhs (subsequently revised to Rs. 85.14 lakhs), total revenue actually realised from 1961-62 to 1968-69 was only Rs. 17.24 lakhs.

The shortfall in revenue was attributed by the Executive Engineer in February 1970 to the tract being primarily sandy and uneven, which led to more absorption losses than anticipated, the villagers not excavating water courses and those who owned a number of separate plots taking their turn for water to irrigate only one plot and not irrigating the others.

#### 49. Bhindawas lift irrigation

For utilising the waters of Bhindawas lake which is fed from flood waters of drain no. 8, an emergent short-term (5 years) lift irrigation scheme was undertaken in March 1966 by Haryana Western Jamuna Canal Division against



a sanctioned project estimate of Rs. 3.09 lakhs. The lift irrigation expected to be completed before June 1966 was to provide non-perennial irrigation facilities to 4,000 acres of commandable cultivable area situated on the high plateau on the right side of Jhajjar sub-branch of Western Jamuna Canal and to make available the area covered by the lake for cultivation of *rabi* crops by de-watering it before the *rabi* season. 32,100 feet long lift channel was contemplated to run for 90 days in a year with water discharge of 50 cusecs.

In April 1966 the Superintending Engineer reported that the original project estimate was not based on actual survey and no alignment of the channel was marked on the contour plan.

In January 1968 the Chief Engineer decided that non-perennial irrigation should continue for an indefinite period instead of 5 years originally contemplated. The scheme was, thus, revised and sanction to the revised project estimate for Rs. 4.64 lakhs was accorded by Government in April 1968. The revised estimate envisaged irrigation facilities to 6,800 acres of commandable cultivable area and provision of two lifts, instead of 4,000 acres of commandable cultivable area and one lift of 25 feet provided in the original project estimate.

In January 1970 the Superintending Engineer, while submitting the second revised project estimate for Rs. 5.37 lakhs which contemplated supply of 14 cusecs of water from Jhajjar sub-branch into Bhindawas lake for providing perennial irrigation to the areas on the right side of Jhajjar sub-branch, stated that—

- (i) no regular record of the supplies available in this lake during the past years was available either with the Irrigation Department or the Civil Department;
- (ii) the question of securing supplies of 50 cusecs for 90 days (as contemplated in the original estimate) did not arise at all because only 10 cusecs of water supply would be available for 75 days.

The Chief Engineer/Government had, however, already, observed in June 1969 that it was not the intention of Government to provide water for this scheme from the Western Jamuna canal system, already suffering from shortage of water during *Rabi* season. Water from the Western Jamuna canal could be supplied only through Jhajjar sub-branch, the capacity of which was already insufficient to cope with the requirements of Rewari lift irrigation, the first stage of which had already been commissioned.

Although two pumps each of 5 cusecs capacity had been installed at site in December 1968 and the channel had also been constructed in 1968-69, lift irrigation has not so far been started (October 1970) because Bhindawas lake was not an assured source of water supply. The total expenditure incurred on the scheme upto March 1970 was Rs. 4.75 lakhs on works.

## 50. Indri drain

To increase the discharge capacity of the existing Indri drain (constructed between 1957 and 1961 at a cost of Rs. 7.94 lakhs) from 2 cusecs to 4 cusecs and thus to enable it to cater the spills of Sarausti, Chautang and Rakshi *nadies*

into the river Yamuna, remodelling the existing Indri drain was undertaken in October 1962 (estimated cost : Rs. 55.59 lakhs). Upto December 1969 Rs. 39.68 lakhs were spent on it.

A review conducted in May 1970 revealed the following :—

- (i) Five syphons out of those originally constructed for the Indri drain (prior to its remodelling) had to be dismantled being useless. Expenditure of Rs. 40,000 (approximate) initially incurred on these syphons proved infructuous.
- (ii) The alignment from mile 10 to 18 of the existing Indri drain was changed while remodelling in order to facilitate construction of a new syphon. The expenditure of Rs. 0.48 lakh already incurred on construction of this abandoned alignment became unfruitful.
- (iii) When the Indri drain was first constructed, the beneficiaries were to pay 12½ per cent of the cost to the Department. No portion of the amount recoverable on this account (Rs. 0.99 lakh) has yet been recovered (September 1970).
- (iv) For remodelling the Indri drain, a submersible bridge was completed on 5th July 1968 (at mile 77 of the drain) at a cost of Rs. 0.11 lakh. The bridge collapsed on 7th August 1968 reportedly due to lack of curtain wall up-stream and down-stream of the bridge which could take care of the scour and absence of control points up-stream and down-stream of the site whereby the designed slope of the bed of the drain could be maintained.
- (v) The work has not yet been completed (November 1970).

### 51. Earthwork

In Kaithal Drainage Division, the work of reconditioning the left bank of Sarswati drain from R. D. 50 to 75 was entrusted to eight contractors on work orders between February 1963 and February 1965 at rates ranging from Rs. 26 to Rs. 35 per thousand cu. ft. Against 93.41 lakh cu. ft. of earth work, the contractors executed 75.88 lakh cu. ft. and then abandoned the work. Between December 1966 and March 1969 their claims were finalised at reduced rates ranging from Rs. 19.14 to Rs. 31.02 per thousand cu. ft. as provided for in the work orders.

For the remaining quantity of earthwork, the Executive Engineer did not invite tenders but got it executed by some other contractors at rates ranging from Rs. 28 to Rs. 34.50 per thousand cu. ft. worked out by adding to the original rates, *viz.*, Rs. 26 to 35 per thousand cu. ft. the amount saved by payments having been made at reduced rates to the previous contractors. Thus the saving of Rs. 0.24 lakh effected from the original contractors was paid to the latter contractors. In January 1970 the Superintending Engineer held that the benefit of deductions made from the first set of agencies could not be given to the second agency.

In another reach of the drain a contractor left the work incomplete and was paid at reduced rate of Rs. 24.50 per thousand cu. ft. in March 1966 against the full rate of Rs. 26 per thousand cu. ft. Subsequently, the

rate of Rs. 38 per thousand cu. ft. was approved by the Superintending Engineer in April 1967 for the balance quantity of work. In the final bill paid in March 1969 the rate of the original contractor, who had already got the last running payment at the reduced rate, was increased by the Executive Engineer to Rs. 26 per thousand cu. ft. for 40,382 cu. ft. and Rs. 38 per thousand cu. ft. for 3·10 lakh cu. ft. of earthwork. This resulted in extra payment of Rs. 4,246.

The Chief Engineer intimated in March 1970 that action to fix responsibility for the loss was being taken.

### 52. Construction of a bund

With a view to reclaiming the ravined tracts of Sikanderpur and Nathupur villages, construction of a *bund* to store the rain water was undertaken by the Deputy Commissioner, Gurgaon, in February 1959 at an estimated cost of Rs. 0·60 lakh. Twenty per cent of the cost of the *bund* (Rs. 0·12 lakh) was to be contributed by the beneficiaries in kind or cash. The stored water, when released after the rainy season, was expected to help in sowing crops over 905 acres of land.

The *bund* was partially completed at a cost of Rs. 48,046 out of Government funds in 1961. Rs. 2,500 only were contributed by the village *panchayat* in cash. For the balance contribution the Block Development and Panchayat Officer conveyed (in 1961) inability of the *panchayat* to pay its share. Only in March 1969 a proposal was moved to take up the remaining work departmentally; final action is still awaited (October 1970) and the *bund*, transferred in August 1967 to the Gaunchi Division, Faridabad, is lying incomplete.

### 53. Payment for work not done

In July 1966 earthwork and its compaction up to mile 21 of Balsmand minor in Fatehbad Division, Hissar, was allotted to a co-operative labour and construction society on work-order basis. For compaction work the Superintending Engineer issued instructions in November 1966 according to which its dry bulk density was to be checked cent per cent by the Sub-Divisional Officer and 25 per cent by the Executive Engineer.

On receipt of a complaint from a private individual in July 1967, the Department found that the check of dry bulk density was carried out by neither the Sub-Divisional Officer nor the Executive Engineer and Rs. 0·20 lakh representing cost of 11·45 lakh cubic feet compaction of earthwork actually not done had been paid in March 1967. It was also found that the Sectional Officer had interpolated entries in the measurement book relating to earthwork and inflated figures by 9·19 lakh cubic feet resulting in further overpayment of Rs. 0·17 lakh to that society. Security deposit of Rs. 2,585 of the society with the Department was proposed to be adjusted against the total overpayment of Rs. 0·37 lakh. The society had obtained awards for payment of Rs. 10,246 to it by the Department in 15 other arbitration cases. At the request of the Department, the arbitrator, however, put a condition in every award that the payment due to the society would be adjusted against this overpayment. The society has filed an appeal in the court against this condition imposed by the arbitrator.

The matter was reported to the Department in January 1968. The Superintending Engineer intimated in May 1970 that action against the persons at fault was under consideration. Further developments are still (October 1970) awaited.

#### **54. Nugatory expenditure**

As a result of departmental enquiry an engineer suspended in May 1956 was dismissed from service in October 1961. From May 1956 to October 1961 the enquiry proceedings were conducted for only one year and seven months.

The orders of dismissal were quashed by High Court in August 1963 on the ground that copies of previous statements of witnesses were not supplied to the officer. He was, accordingly, reinstated in September 1963 but again suspended on the same day to face fresh enquiry on earlier charges. Between September 1963 and November 1966 the enquiry was entrusted to three different Inquiry Officers one after the other, without any progress. The officer was reinstated in January 1966 without prejudice to final decision as a result of departmental enquiry pending against him. The fourth enquiry officer appointed in December 1966 submitted his report in May 1968; action on it was completed in April 1969 and the engineer punished by way of stoppage of one increment without future effect.

For the first spell of suspension (seven years and four months) the engineer was paid full pay and allowances (Rs. 0.52 lakh); for the second spell (two years and four months) he was paid 95 per cent thereof (Rs. 0.19 lakh). The entire period of suspension has been treated as duty for all purposes.

#### **55. Excess payment to a contractor**

In Gaunchi Division, Faridabad, earthwork in R.D. 225 to 230 of Gurgaon canal was allotted to a contractor in August 1966 at Rs. 28.74 per thousand cu. ft. The work order executed with the contractor required payment to be made for the quantity of earthwork determined on the basis of cross sections. 41.66 lakh cu. ft. of earthwork measured by a Sectional Officer in March 1967 was approved by the Executive Engineer and payment to the contractor was made for 40.33 lakh cu. ft. earthwork in January 1968 and thereafter no work was done. In May 1968 fresh cross sections observed by another Sectional Officer and a Sub-Divisional Officer showed that the total quantity of earthwork done was 34.32 lakh cu. ft. only. For excess measurement of 6.01 lakh cu. ft. of earthwork Rs. 0.17 lakh were overpaid.

The matter was reported to the Department in June 1969. The Department intimated in April 1970 that the circumstances in which fresh cross sections were observed at a later stage when the pre-determined quantity already existed on record were being investigated.

### **BUILDINGS AND ROADS**

#### **56. Use of Government funds**

The estimates for construction of two roads in Rohtak district sanctioned as famine relief works in January 1969 provided for construction of a cement

godown (estimated cost : Rs. 20,000) and a quarter for Road Inspector (estimated cost : Rs. 19,000). Against this provision the Executive Engineer, Gurgaon Construction Division, constructed between February and June 1969 a residential bungalow for use by the Executive Engineer at Gurgaon at a cost of Rs. 40,025. Technical sanction for construction of a cement godown and Road Inspectors' quarter at Gurgaon was accorded by the Superintending Engineer in February 1970. The entire expenditure on construction of the bungalow was debited to the estimate of the roads.

The matter was reported to the Department in March 1970; the Chief Engineer intimated in November 1970 that the irregularity was intended to be regularised by the issue of a revised administrative approval providing for the construction of an Executive Engineer's residence at Gurgaon and getting a separate estimate technically sanctioned for this purpose.

### 57. Overpayment to contractors

In Karnal Provincial Division contractors were overpaid as mentioned below:—

- (a) Earthwork in miles 8, 9 and 10 of Karnal-Kachhwa road was allotted to two labour and construction societies in October 1968 (estimated cost : Rs. 36,500). The work was left incomplete after excavation of 15,24,906 cu. ft. of earthwork for which Rs. 32,018 were paid in February 1969. On re-measurement in June 1969 to assess the quantity of earthwork yet to be completed, a Sectional Officer found that against 15,24,906 cu. ft. of earthwork paid for, actual quantity excavated was only 8,47,722 cu. ft. The Executive Engineer, Vigilance, confirmed, after re-check (September 1969) the Sectional Officer's measurement. Thus, Rs. 0.15 lakh were paid in excess for 6,77,184 cu. ft. The Division had Rs. 1,587 as security furnished by the societies.

The Chief Engineer intimated in July 1970 that the matter had been referred to the Special Enquiry Agency for further probe and a report from the latter was awaited.

- (b) Earthwork in miles 4 and 5 of Karnal-Meerut road (estimated cost : Rs. 50,000) was allotted to two labour and construction societies (one of them being one of the mentioned above) in December 1968 to be completed within six months. After executing 11,29,536 cu. ft. of earthwork, the societies abandoned the work. In July 1969, the Executive Engineer stated that the work done was incomplete and sub-standard in-as-much as dressing and *dori*-cutting of earthwork was not done. Thus, the societies were overpaid Rs. 2,287 ; in addition Rs. 4,564 are recoverable for the remaining work got done departmentally at the risk and cost of the societies under the terms of the contracts.

In July 1970 the Chief Engineer intimated that action to recover the overpayment from the societies was being taken with the help of Registrar Co-operative Societies, Haryana.

### 58. Extra expenditure

In 1966-67 Ambala Provincial Division proposed construction of additional staff quarters and two residences—one for the Head of the Department and the other for the lecturers in the Government Polytechnic, Ambala, at an estimated cost of Rs. 0.54 lakh. In January 1967 tenders were invited specifying maximum time limit of six months for completion of the works. The lowest tender of a contractor at 15 per cent above the common schedule of rates was accepted in February 1967. No *Nishan Dehi* could be given to contractor to enable him to start the construction because the lay-out of the buildings was not approved by the Chief Engineer up to October 1967. The contractor refused to undertake the work as the time limit of six months had expired. In December 1967 fresh tenders were invited and the two works were re-allotted at 30 and 29.80 per cent above the common schedule of rates, resulting in extra expenditure of Rs. 0.13 lakh.

The matter was reported to Government in March 1970; reply is awaited (October 1970).

## PUBLIC HEALTH

### 59. Water supply to a village

Work of providing water supply to village Ding (estimated cost: Rs. 0.71 lakh) was executed in 1961 by Public Health Division, Sirsa, under the National Water Supply Scheme sponsored by Government of India.

Rs. 0.82 lakh were spent on construction and Rs. 0.12 lakh on repair and maintenance on this work from 1962-63 to 1968-69. The work was to be fed from Sirsa major distributary. As the water discharge in Sirsa major was not sufficient for the required supply of 0.2 cusec of water, the Superintending Engineer, Bhakra Line, Hissar, proposed (December 1961) to meet the requirements from Kusumati minor which also did not materialise because of certain technical difficulties.

In August 1964 the Department decided to take water from an outlet on rotation basis with other villages and for that purpose a pipe outlet was fixed on Sirsa branch by the Irrigation Department. Up to September 1967 the *warabandi* (turns for irrigation) could not be decided and the pipe outlet was subsequently dismantled by the Irrigation Department. In March 1970 the Executive Engineer reported that the work could not be commissioned due to non-availability of water from the Irrigation authorities.

The matter was brought to the notice of Government in October 1969; the Chief Engineer intimated in October 1970 that the water required to feed this scheme would be taken from another outlet got fixed on Mochiwala minor by the Irrigation department and the scheme will be commissioned soon after *wara-bandi* was announced by the Deputy Collector who had been approached for the purpose.

### 60. Excessive issue of materials

In Public Health Division, Bhiwani, the work of providing water in group A-1 villages of Bhiwani tehsil (estimated cost : Rs. 55.98 lakhs) was allotted between September 1965 and May 1967 to several contractors on labour rates. Materials required for use on the work were supplied by the Division.

In July 1969 the Executive Engineer reported to the Superintending Engineer that the final bills of eighteen contractors (amount : Rs. 3,752) who had completed their works between April 1966 and October 1967 could not be finalised because materials (cost: Rs. 0.89 lakh), issued in excess of actual requirements or provision in the estimates, remained unaccounted for.

The matter was brought to the notice of the Department in October 1969; final reply is awaited (October 1970).

### 61. Rural water supply

In Rohtak Public Health Division a centrally sponsored scheme was undertaken in October 1965 for improvement of water supply in the area and to provide drinking water to a group of villages in Rohtak and Mohindergarh districts where underground water was brackish. Government of India and State Government were to share 50 and 38 per cent of the cost, the balance of 12 per cent being recoverable from the beneficiaries (5 per cent in cash and 7 per cent in the form of land and labour). Up to February 1968 Rs. 6.67 lakhs were spent.

The site selected in March 1965 for drawal of water was at the tail of a minor canal (under the Irrigation Department) wherefrom one cusec of water was to be supplied. Irrigation Department, however, expressed its inability thrice in 1965 to meet this requirement because water had not reached the tail of the minor and, thus, could not be spared at least for the next two years. Finally, in September 1967 the Irrigation Department agreed to give the outlet of one cusec. It was explained (February 1970) that the outlet was not provided as the Irrigation Department was "demanding Rs. 25,000 for providing additional pumping machinery for the purpose of sanctioning the outlet of one cusec". It was also stated that water at the tail end was stagnant and not of sufficient height. In November 1970, the department intimated that the outlet was provided by the Irrigation Department in March 1970 and the water reached the tank in August 1970.

The following other points were noticed :—

- (i) The scheme was expected to be completed within eighteen months. It was, however, completed after about 27 months for Rs. 6.67 lakhs as against the estimated cost of Rs. 5.54 lakhs (technical sanction was accorded by the Chief Engineer in May 1967).
- (ii) Out of the total beneficiaries' share of Rs. 0.67 lakh, Rs. 0.52 lakh have not been realised so far (October 1970).

CHAPTER V  
STORES AND STOCK ACCOUNTS

**62. Synopsis of important accounts**

A synopsis of the important stores and stock accounts (other than those relating to Government commercial and quasi-commercial departments/undertakings) for 1969-70 is given below :—

Serial no.	Department/Stores	Opening balance	Receipts	Issues	Closing balance
(In lakhs of rupees)					
1	Stamps—				
	Revenue—judicial and non-judicial ..	10,16·74	12,28·78	6,34·28	16,11·24
2	Jails—				
	(a) Raw material ..	3·47	4·94	4·35	4·06
	(b) Manufactured goods	2·79	7·75	7·64	2·90
3	Public Relations—				
	Stores, films and vans etc. .. ..	3·40	4·75	3·23	4·92
4	Police—				
	(a) Clothing and equip- ment .. ..	11·47	10·60	11·37	10·70
	(b) Stationery and other miscellaneous articles	2·53	2·00	2·07	2·46
5	Irrigation—				
	(a) Bhakra Canals—				
	Building materials, timber, fuel, lubri- cants, paints, electri- cal goods, etc. ..	35·76	13·49	15·75	33·50
	(b) Other than Bhakra Canals—				
	Cement, iron, bricks and miscellaneous stores etc. ..	1,35·32	2,76·56	3,07·20	1,04·68



6	Buildings and Roads—				
	Iron, cement, bricks,				
	stone, timber, pipes				
	etc. .. ..	51.05	2,16.55	2,13.80	53.80
7	Public Health—				
	Iron, cement, bricks,				
	stone, timber, pipes				
	etc. .. ..	83.65	1,74.51	1,77.24	80.92

The stores accounts of Medical, Printing and Stationery, Education, Animal Husbandry, Agriculture and Industrial Training Departments for 1969-70 have not been received (September 1970).

### 63. Minus balances in stock registers

A *minus* balance in the stock register shows the possibility of inaccuracies in the stock account. Unless the *minus* balances are reconciled and adjusted, the correctness of the stock account cannot be ensured. There were large *minus* balances at the end of March 1970 as shown below :—

Serial no.	Department	Number of divisions and the amount of <i>minus</i> balance at the end of March 1970	
		Number of divisions	Amount (Rs. lakhs)
1	Irrigation other than Bhakra Canals .. ..	10	21.73
2	Buildings and Roads .. ..	7	11.13
3	Public Health .. ..	1	0.21

### 64. Reserve limit of stock

According to the rules of the Public Works Department, the value of stores held in stock by a division should not exceed the limit prescribed by Government for that purpose. Of fifty-nine divisions holding stock, the ceiling limits were not prescribed for twenty-seven divisions during 1969-70.

### 65. Non-completion of half yearly stock registers

The rules require that the stock registers in Public Works divisions should be closed at the end of each half year and reviewed by the Divisional Officer to see that the stock consists only of serviceable and necessary articles and that the stores are priced at the prevailing market rates. The registers have not, however, been closed in a large number of divisions for the past several years although, to expedite clearance of the arrears, Government had been granting relaxation from time to time in exhibiting the value of stores in the

stock registers. The arrears in completion of these registers at the end of March 1970 and the preceding two years are shown below :—

Serial no.	Department	Number of half-yearly registers in arrears at the end of			Number of divisions in which the arrears existed in 1969-70	Earliest year to which the arrears on 31st March 1970 pertain	Period up to which relaxation in the pricing of stock returns was allowed
		1967-68	1968-69	1969-70			
1.	Irrigation						
	(a) Bhakra Canals	16	12	19	5	March 1967	September 1963
	(b) Other than Bhakra Canals	146	125	133	20	September 1956	March 1950
2.	Buildings and Roads	108	70	73	17	September 1964	March 1961
3.	Public Health	110	81	125	7	March 1951	March 1961

#### 66. Physical verification of stores

The stores are required to be physically verified periodically by responsible officers independent of the stock-holders. The results of physical verification of stores during 1969-70 were not intimated to Audit by fifty divisions as shown below (out of the total number of fifty-nine divisions)—

1.	Irrigation						
	(a) Bhakra Canals	..	..	..	..	..	2
	(b) Other than Bhakra Canals				..	..	27
2.	Buildings and Roads	..	..	..	..	..	16
3.	Public Health	..	..	..	..	..	5

#### MEDICAL

#### 67. Idle machines

In the Employees' State Insurance Hospital, Yamunanagar, X-ray equipment, operation theatre equipment and surgical instruments were purchased between January and June 1969 at a cost of Rs. 0.79 lakh, Rs. 0.78 lakh and Rs. 0.12 lakh respectively. The operation theatre equipment and surgical instruments were actually utilised from August 1970. The X-ray equipment was, however, still (October 1970) to be put to use mainly for want of electric connection. While the X-ray equipment still remains to be commissioned, a radiographer was employed in May 1969 and paid Rs. 5,170 up to September 1970 as pay and allowances.

A gas cooking range (cost : Rs. 4,000) was purchased in March 1969 for the hospital kitchen. Another cooking range (value : Rs. 4,000) and *chapati* gas heater (Value : Rs. 3,000) ordered in October 1968 for the hospital kitchen were also received in August 1970. These are still (October 1970) lying unused for want of gas facilities in the town.

### IRRIGATION

#### 68. Shortage of slack coal

In the stock registers of a Division at Narwana, there was a balance of 5,400 tonnes of slack coal on January 1964. At the time of change of incumbency of the Sectional Officer incharge in February 1964 the quantity of coal was measured and shortage of 780 tonnes of coal was discovered. Rs. 0.47 lakh being the value of the coal found short was placed under the suspense head in January 1964 pending recovery from the official at fault. In May 1966 a 'show cause notice' was prepared but not actually served due to the fact that the official had already been convicted in another case and dismissed. In September 1969 the conviction orders of the official were set aside by the High Court on appeal and he was re-instated. In May 1970 the Executive Engineer, again requested the Superintending Engineer to issue the 'show cause notice'; no action has been taken to recover the amount so far (October 1970). the action  
for

#### 69. Delay in investigation and fixing responsibility for shortages and loss of stores

In the following three cases, there has been delay in investigation of shortages and loss of stores etc., valued Rs. 0.57 lakh :—

### IRRIGATION

Name of the Division, amount of shortage/loss	Remarks
(a) Mechanical Drainage Division, Karnal ; Rs. 30,480.	Tools and plant worth Rs. 7,688 and Rs. 22,792 were not handed over by a Sectional Officer at the time of making over charge in Karnal and Kaithal Sub-Divisions in June 1967 and April 1968 respectively. The matter was reported to the Superintending Engineer in July 1969. Final action taken is awaited (October 1970).

### BUILDINGS AND ROADS

(b) Karnal Provincial Division; Rs. 11,086.	Stock articles worth Rs. 21,140 were found short at the time of handing over charge by a Sectional Officer in July 1968. Out of those, articles worth Rs. 10,054 have since been traced in October 1968. The balance shortages (Rs. 11,086) await further action (October 1970).
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(c) Gurgaon Provincial  
Division; Rs. 15,019.

Stock and tools and plant worth Rs. 14,054 were found short at the time of handing over charge by a Sectional Officer in April 1968. Further shortages worth Rs. 965 were noticed by a Sub-Divisional Engineer during physical verification of stores in June 1968. Those shortages were reported to the Department in May 1969.

## PUBLIC HEALTH

### 70. Defective machines

In Gurgaon Public Health Division two turbine pumps with a capacity of 3,000 gallons per hour at a total head of 150 ft. were purchased, through the Controller of Stores, in July 1967 for supply of water in a group of villages. Rs. 18,373 (90 per cent of the cost) were paid in the same month on production of railway receipt. The Sub-Divisional Officer reported to the firm in September 1967 that the pumps installed in the presence of the firm's representative did not work due to some manufacturing defects.

In October 1967 the firm removed the defects and made good the deficiencies. In November 1967 the Department informed the firm that while one pump gave a discharge of 3,000 gallons per hour at 20 ft. head (instead of 150 ft. head as specified in the purchase order), the other did not work at all. The Controller of Stores asked the firm to replace the defective pumps. The firm replaced the pumps in June 1969, but the working test (after complete arrangements) could only be performed in June 1970 in the presence of the representative of the firm but were found unsuitable. The Department intimated (December 1969) that the pumps (given as replacement) require a prime mover with a capacity greater than 7.5 B.H.P. mentioned in the contract. The two turbine pumps could not, therefore, be commissioned for about three years (October 1970).

The matter was reported to the Department in December 1968; final outcome of the efforts made to put the turbine pumps in working order is still awaited (October 1970).

## CHAPTER VI

### RECEIPTS

#### 71. Sales tax receipts

The test audit conducted from September 1969 to August 1970 revealed underassessment and evasion etc. of tax of Rs. 2,17,870 as indicated below:—

#### 72. Underassessment of tax

##### (i) Central Sales Tax Act, 1956

##### (a) Short levy of tax due to non-inclusion of freight charges in turnover and acceptance of 'C' forms for lesser amount

A dealer did not include freight charges amounting to Rs. 92,199 in his gross turnover for the assessment years 1962-63 to 1965-66, as required under section 2(h) of the Central Sales Tax Act 1956. This resulted in short assessment of tax of Rs. 5,717. Further, there was a difference of Rs. 17,085 between the value of goods actually sold and the value shown in 'C' forms furnished by the dealer, involving a tax effect of Rs. 1,367.

These omissions were brought to the notice of the department in June 1969 and the case is stated to have been referred to the Excise and Taxation Commissioner for taking *suo motu* action. Further report is awaited (October 1970).

##### (b) Levy of tax at lower rate resulting in short assessment of Rs. 2,131

Under the Central Sales Tax Act, all inter-State sales, which are not supported by declarations in the prescribed form are taxable at the rate of ten per cent. Inter-State sales of cement valued at Rs. 26,643 made by a dealer to Electricity Board during the year 1963-64 were taxed at two per cent even though these were not supported by prescribed declarations. This resulted in underassessment of tax to the extent of Rs. 2,131. The short assessment was pointed out in September 1966. The Deputy Excise and Taxation Commissioner intimated in August 1970 that the case has been referred to the Excise and Taxation Commissioner for *suo motu* action. Further developments are awaited (October 1970).

##### (ii) Punjab General Sales Tax Act, 1948

##### (a) Underassessment of Sales Tax

The rate of sales tax on glass-ware, glazed-ware and china-ware, including crockery, was enhanced from 6 to 8 per cent with effect from 1st September 1966. It was, however, noticed in two districts that the sales of glass-ware were being taxed at the rate of 6 per cent instead of 8 per cent, thus, resulting in underassessment of tax to the tune of Rs. 15,943 in 12 cases.

These cases have been re-opened for revising the assessments. Report of recovery is awaited (October 1970).

**(b) Local body/private institution treated as Government departments**

A dealer sold goods worth Rs. 98,429 to a certain local body and a private college during 1964-65 and 1965-66. The assessing authority treated these sales as having been made to Government departments on the authority of declaration forms furnished by the purchasers and assessed the tax at concessional rate of 2 per cent instead of at the general rate of 6 per cent resulting in underassessment of tax of Rs. 3,937. On this being pointed out (June 1969) the case has been referred to the Excise and Taxation Commissioner for *suo motu* action.

In October 1970, the Government intimated that an additional demand of Rs.14,791 had been created against the dealer in August 1970. Action taken to recover the additional demand from the dealer is awaited (October 1970).

**(c) Evasion of Purchase tax—Rs. 3,493**

Purchases of oil seeds effected during the years 1960-61 and 1961-62, were to be taxed at 2 per cent. In the case of two dealers, tax of Rs. 3,493 was not levied on *sarson* valuing Rs. 1,74,641 purchased during these years. This was pointed out to the department in September 1964. The Excise and Taxation Officer intimated in August 1970 that the cases had been referred for *suo motu* action. Further report is awaited (August 1970).

**(d) Non-levy of tax of Rs. 18,623 on stone-metal supplied to Railway Department**

A contractor supplied stone metal valued at Rs. 3,60,378 to the Railways during the period August 1965 to March 1966. The details of supply were furnished to the Excise and Taxation department by the Finance Department in March 1967. The contractor had neither been registered as a dealer under the Punjab General Sales Tax Act 1948 nor was the supply subjected to tax. The omission was pointed out in November 1969, when the Excise and Taxation Officer initiated action in the matter. In July 1970 the Excise and Taxation Officer intimated that assessment of the contractor had been framed and an additional demand of Rs. 19,900 created.

**73. Unauthorised remission of revenue**

The State Government by a notification of the 5th August 1954, under section 5 of the Punjab General Sales Tax Act 1948 (as amended by Act XIX of 1952), amended the schedule of tax-free goods, to render liable to tax the sale of edible oils, produced from *sarson*, *toria* and *til* by mechanical process, or, which, when produced by *kohlus* run by animal or human agency, was sold by dealers other than the owners of such *kohlus*. The notification was, however, held invalid by the Punjab High Court in November 1963 as the amending Act of 1952 was neither reserved for the consideration of the President nor received his consent as required under the Essential Goods (Declaration and Regulation of Tax on Sale or Purchase) Act, 1952 of Parliament passed under Article 286(3) of the Constitution of India as it stood prior to its amendment in 1956. While dismissing the appeal filed by the State Government against the decision of the Punjab High Court, it was however held by

the Supreme Court in August 1967 that the notification of the State Government of the 5th August 1954 held good from 11th September 1956 onwards, when Article 286(3) of the Constitution of India was itself amended.

In pursuance of the judgment of the Supreme Court, the Excise and Taxation Commissioner issued orders in January 1968 that tax on the sale of edible oils might be levied from the 11th September 1956 onwards, subject to conditions laid down in the Punjab General Sales Tax Act, 1948 as amended from time to time, excepting for sales between 22nd November 1963 to 7th March 1965. For sales made between 22nd November 1963 and 7th March 1965, it was held by the department that though the tax was legally chargeable it was not to be recovered from the dealers, because of a Press Note issued by the State Government on 22nd November 1963 announcing that no sales tax was chargeable on edible oils as long as the decision of High Court held good.

It was noticed that a dealer running an oil mill had continued to recover tax on inter-State sales during 1963-64 and 1964-65 at the concessional rate of 2 per cent against declarations in form 'C' collected from the purchasing dealers. The orders of the department of January 1968 not to recover tax on sales made between 22nd November 1963 and the 7th March 1965 deprived the Government of a revenue of Rs. 1,43,039 which amount was recovered by the dealer from his customers as sales tax on behalf of the Government and was, thus, legally payable by him to the Government.

The case was referred to the Excise and Taxation Commissioner in June 1968 and in July 1969, the Government decided that where the dealers had charged tax from purchasers between 22nd November 1963 and the 7th March 1965, such tax must be realised from them. The Government intimated in July 1970 that Rs. 89,702 relating to the period from 1960-61 to 1963-64 have been recovered from the dealer. Final outcome of the recovery of the balance of Rs. 53,337 relating to the year 1964-65, is (October 1970) awaited.

In another similar case, a demand of Rs. 3,108 against a dealer for the assessment year 1962-63 was deleted in October 1967 and Rs. 3,013 already deposited by him were refunded in November 1968. The inadmissible refund of Rs. 3,013 and non-realisation of tax of Rs. 3,108 was pointed out in October 1969. The case was stated to have been referred to revisional authority for *suo motu* action in November 1969. Further report is (October 1970) awaited.

#### **74. Unauthorised refund of Rs. 7,645**

The Excise and Taxation Commissioner clarified in 1964 that rice polish and rice bran were separate and distinct articles; whereas the former was taxable, the latter was exempt under item 15 of Schedule B to Punjab General Sales Tax, Act 1948.

A dealer claimed deduction of Rs. 1,28,202 for the assessment year 1963-64 on account of sale of rice polish as a tax free item under section 5(2) (a) (i) of the Act. The claim was, however, disallowed by the assessing authority in

March 1965 on the ground that the item exempted from levy of tax was rice bran and not rice polish. The dealer preferred an appeal against the orders of the assessing authority. The appellate authority upheld (August 1965) the decision of the assessing authority but remanded the case for making *de novo* assessment as the turnover included sales of rice polish made outside the State which had not been considered while making the original assessment. The remanded authority treated (May 1968) rice polish as a tax-free item and exempted the sales thereof from levy of sales tax, resulting in unauthorised refund of Rs. 7,645.

This was reported to the department in January 1970. The case has been referred (March 1970) to the Excise and Taxation Commissioner for taking *suo motu* action.

#### 75. Omission to recover sales tax of Rs. 4,807

As a result of acceptance of revision petition by the Excise and Taxation Commissioner in February 1966, a contractor became entitled to a refund of Rs. 8,877 on account of tax already deposited, in March 1965. In his application of December 1966, the contractor specifically requested that out of this refund, Rs. 4,807 may be adjusted as tax due from him in respect of his other concerns. No action was taken on this application. He again applied for the refund in May 1967 but this time, he did not mention about the adjustment of Rs. 4,807 and the entire amount of Rs. 8,877 was refunded to the contractor in June 1967. The non-realisation of demand of Rs. 4,807 was pointed out in November 1969. The assessing authority initiated action for recovery in April 1970. The State Government intimated in October 1970 that Rs. 1,691 and Rs. 3,116 were deposited by the dealer in May 1970 and June 1970 respectively.

#### 76. Arrears in assessment and collection of sales tax

(a) **Arrears in assessments**—The progress of assessment of sales tax during the years 1968-69 and 1969-70 was as under:—

Year	Total number of assessment cases	Number of assessments completed			Number of assessments pending at the end of the year
		Out of current	out of arrears	Total	
1968-69	49,013*	26,054	10,360	36,414	12,599* (26 per cent)
1969-70	53,560	26,275	9,894	36,169	17,391 (32 per cent)

\*Discrepancy of 164 cases is due to incorrect figures supplied last year by one of the Excise and Taxation Officers.



The following is the year-wise break-up of the outstanding cases:—

Year					Cases pending assessment at the end of	
					March 1969	March 1970
1961-62	..	..	..	..	2	2
1962-63	..	..	..	..	4	4
1963-64	..	..	..	..	4	4
1964-65	..	..	..	..	31	5
1965-66	..	..	..	..	187	42
1966-67	..	..	..	..	2,092	377
1967-68	..	..	..	..	10,115	2,501
1968-69	..	..	..	..	..	14,456
Number of cases in which year-wise break-up not given by the department					164	..
Total					12,599	17,391

The approximate amount of tax involved in these cases could not be ascertained.

(b) **Arrears in collection**—The sales tax assessed but not realised in 255 cases amounted to Rs. 35.62 lakhs at the end of 1969-70.

The following is the year-wise break-up of the amount outstanding for recovery:—

Period				Outstanding on 31st March 1970	
				(In lakhs of rupees)	
Up to	1960-61	..	..	..	1.90
	1961-62	..	..	..	0.86
	1962-63	..	..	..	0.56
	1963-64	..	..	..	0.12
	1964-65	..	..	..	0.34
	1965-66	..	..	..	0.83
	1966-67	..	..	..	3.69
	1967-68	..	..	..	3.41
	1968-69	..	..	..	4.67
	1969-70	..	..	..	19.24
Total					35.62

(ii) The position regarding the recovery of outstanding revenue as reported by the department was as follows:—

Particulars	Outstanding on	
	31st March 1969	31st March 1970
	(In lakhs of rupees)	
Collection stayed by:—		
(a) Appellate authorities .. ..	4.66	1.22
(b) Revisional authorities .. ..	..	0.33
(c) Supreme Court, High Court and Civil Courts .. ..	12.56	26.48
(d) Government .. ..	0.08	1.26
Total ..	17.30	29.29

(3) **Abandonment of claims**—During 1969-70, sales tax aggregating Rs. 0.17 lakh was written off/remitted in 4 cases due to non-availability of adequate movable or immovable property.

**CHAPTER VII**  
**GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES**

**SECTION A—GENERAL**

77. This chapter deals with the results of the audit of—

- (i) Statutory Corporations/Boards,
- (ii) Government Companies,
- (iii) Government Commercial/Quasi-Commercial Departmental Undertakings, and
- (iv) Investments and guarantees by the State Government.

**SECTION B—STATUTORY CORPORATIONS AND BOARDS**

**78. Statutory Corporations**

As on 31st March 1970, there were two Statutory Corporations in the State. Government investments in the share capital of the Corporations was Rs. 54.38 lakhs as detailed below:—

	(In lakhs of rupees)
(i) Haryana State Warehousing Corporation .. ..	13.05
(ii) Haryana Financial Corporation .. ..	41.33

The accounts of the Haryana State Warehousing Corporation for the years ending 31st March 1968 to 31st March 1970 have not been prepared so far (July 1970). The working results of the Haryana Financial Corporation for the year 1969-70 are indicated in Appendix VII.

**HARYANA STATE ELECTRICITY BOARD**

**79. General**

The accounts of the Board for 1969-70 duly certified together with the Audit Report thereon have been separately forwarded to the State Government (16th September 1970) for being laid before the State Legislature in terms of Section 69(5) of the Electricity Supply (Act) 1948.

**80. Power supply and utilisation**

Out of 1,071 million K.W.H. generated and/or obtained from Bhakra Management Board during 1969-70, only 799 million K.W.H. were actually sold. Loss in transmission and distribution was thus 25 per cent which exceeded the ceiling of 20 per cent prescribed by the Board.

The assets of the Board include Thermal Power Station at Faridabad and 1/3rd share of the Indraprastha Station of the Delhi Electric Supply Undertaking. Though the Board is bearing 1/3rd share of the expenditure of the Indraprastha Station New Delhi, the agreement in this regard has not been finalised so far (August 1970) with the Delhi Electric Supply Undertaking.

The Thermal Power Station at Faridabad has a generating capacity of 131.40 million K.W.H. Against this, only 11.80 million K.W.H. of energy was generated during 1969-70.

### 81. Other points of interest

(a) Stores/materials worth Rs. 80.65 lakhs were drawn during April 1968 and December 1969 by the subordinates-in-charge of the works in 11 Divisions but proper accounts showing the receipts and issues of such stores/materials to various works, have not so far (October 1970) been maintained, as required under the Rules.

(b) Amounts aggregating Rs. 1.29 crores pertaining to 11 Divisions were due from various suppliers on account of penalty charges for delayed supplies as per terms of contracts, but the same have not been recovered so far (August 1970).

(c) Materials worth Rs. 32.48 lakhs received in 4 Divisions during 1968-69 were found below specifications and the same have also been used on works but no action has been taken against the suppliers for defective supplies.

(d) Property and plant registers showing details of various fixed and other assets have not been maintained nor have their physical verification been carried out since the formation of the Board.

(e) The Board gave 2,116 electric connections in rural areas and energised 49,988 tubewells during 1967-68 to 1969-70. The accounts of the Board did not exhibit the capital expenditure on tubewells and rural connections separately. Hence returns on these activities could not be ascertained separately.

### 82. Purchase of tower material

Two purchase orders placed by the composite Punjab State Electricity Board on a firm in May 1963 and December 1964 for supply of tower material for certain transmission lines included supply of 2,940 tonnes of tower material for three transmission lines now coming under the jurisdiction of the Haryana State Electricity Board.

The following points were noticed by Audit (April 1970) :—

- (a) Both the purchase orders provided for advance payment of 90 per cent of the value of raw material including steel. However, in November 1967 the terms of payment of the purchase order of December 1964 were revised by the Haryana State Electricity Board providing for 100 per cent advance payment against the cost of raw steel purchased by the supplier. The additional 10 per cent payment for cost of steel only under the second purchase

order was not to exceed Rs. 70,000 for which a bank guarantee was furnished by the firm for Rs. 70,000 plus Rs. 2,975 inclusive of interest charge at 8½ per cent for a period of six months.

- (b) The purchase order of May 1963 provided that the firm would furnish security deposit in the form of a bank guarantee for 10 per cent of the contract value for the faithful performance of the contract to be valid up to the period of pendency of the contract. No such provision existed in the second purchase order of December 1964. Though the firm furnished the bank guarantee as stipulated under the first purchase order, due to the failure of the contractor to discharge his obligations the Board issued a notice (April 1969) to the Bank which, however, did not accept the liability on the ground that the original delivery period of the contract had expired. Though formal extensions of delivery periods were given by the Board from time to time, automatically extending the validity period of the contract, the bank did not, however, agree to the automatic extension of the period of guarantee. The Board intimated (July 1970) that they intend to contest this issue with the Bank authorities.
- (c) According to the terms of the purchase orders the advance payments to the contractor were subject to an overall maximum of 50 per cent of the contract price and were to be made against copies of supplier's invoices. The contract price of both the purchase orders pertaining to the area falling under this Board amounted to Rs.35.96 lakhs. As against the maximum permissible advance of Rs.17.98 lakhs to the contractor, the Board's records show an advance of Rs. 27.98 lakhs as having been made to the contractor. The exact circumstances under which such excess advance was paid to the party are yet (October 1970) to be clarified.
- (d) The value of finished material supplied by the firm was only of the order of Rs. 19.13 lakhs against the advance payment of Rs. 27.98 lakhs.
- (e) The material ordered against the first purchase order was required to be supplied commencing from November 1963 and May 1964 to be completed by June 1964 and September 1964 respectively for two different transmission lines. The contractor, however, requested for extension of the delivery period upto March 1968 and June 1968 respectively in respect of the first purchase order which was agreed to by the Board (March 1968) stipulating that failure to complete the supplies even by the extended dates would involve in addition to the penalty leviable by the Board a right to make risk purchase. However, the firm made supplies of the order of Rs.7.59 lakhs by the extended date as against Rs. 16.67 lakhs covered by the first purchase order. The Board, however, invoked the provisions of the risk purchase clause only in July 1969 incurring an

extra expenditure of Rs. 0.62 lakh. In two cases, the Board did not invoke the provisions of risk purchase clause. In one of these cases, the amount of Rs. 0.32 lakh was worked out as recoverable from the firm on the basis adopted for the line for which risk purchase clause was invoked. In the second case, material purchased for another work was diverted though it involved additional expenditure of Rs. 0.25 lakh. The firm was also liable to pay penalty charges amounting to Rs. 3.59 lakhs for the failure to adhere to the revised delivery schedule which was also being referred by the Board to arbitration.

After adjusting all claims payable to the firm, Rs. 14.57 lakhs are still (October 1970) recoverable from the firm. The Board authorities intimated in October 1970 that the case of recovery against the firm was being referred to arbitration.

### 83. Purchase of manila rope

In June 1967, Superintending Engineer T.C.C. Karnal placed orders for the purchase of 7,000 kilograms of Manila Rope on a firm at Rs. 4.39 per kilogram. Ninety per cent payment was made against Railway Receipt and the balance released on receipt of goods in June 1967. The goods were verified and accepted being in accordance with the sample approved by the Superintending Engineer at the time of placing orders. During physical verification conducted in January 1968, it was however detected that the firm had actually supplied Sisal Rope costing Rs. 3.21 per kilogram as quoted by the firm itself. The overpayment amounting to Rs. 8,508 (including overpayment of Central Sales Tax amounting to Rs. 248) could not be realised from the firm as the supply conformed to the approved sample.

In another case, Superintending Engineer, Operation Circle, Karnal issued purchase orders for 3,400 kilograms of Manila Rope at Rs. 5.75 per kilogram on a different firm in August 1967. Purchase order contained provision for 90 per cent advance payment to the Bank against Railway Receipt. In October 1967, a representative of the firm succeeded in personally collecting 90 per cent payment for full quantity ordered though the Railway Receipt was for only 86 kilograms. Even goods covered by this Railway Receipt were yet to be received (June 1970). In November 1967, the firm supplied 3,192 kilograms of Sisal rope instead of Manila Rope. It was however decided (June 1969) to accept the supply at the rate of Rs. 3.18 per kilogram according to the rate contract of the Controller of Stores prevailing at that time as Sisal rope could also be used by the Board. The Board authorities intimated in October 1970 that the suppliers had agreed to refund the excess payment of Rs. 7,924 through adjustment against payments due to them in respect of other Purchase orders and that action in that respect was afoot.

Action taken to fix responsibility for the loss in the first case and for other lapses in the second case was still (October 1970) awaited.

#### 84. Purchase of Conductor

Against two purchase orders placed by the composite Punjab State Electricity Board with a firm, 2,250 kilometers of conductor were to be consigned to Haryana State Electricity Board. The terms of the contracts, *inter-alia*, provided that—

- (i) the material might be inspected by the representative of the Board before despatch or during the course of manufacture;
- (ii) the tests be conducted before stranding and the test reports submitted to the Chief Engineer for approval;
- (iii) hundred per cent payment in respect of the items despatched (including Excise Duty and Sales Tax) be made against Railway Receipt through recognised bank on furnishing Bank Guarantee valid for delivery period and six months thereafter of the value of 10 per cent of the total contract price of the purchase order;
- (iv) each consignee should inspect the material at destination to ensure that it was strictly in conformity with the specifications and terms and conditions stipulated in the purchase order; and
- (v) the company should be responsible to replace free of costs the whole or any part of the material proved defective provided the consignee gave prompt written notice to the supplier.

In November 1967, the Haryana Board waived the provision of inspection of material during manufacture or before its despatch to facilitate timely completion of supplies. Materials worth Rs. 10.35 lakhs (approximately) were received in 10 divisions during December 1967 to January 1968. Out of these, those worth Rs. 7.52 lakhs were accepted and issued to the works by eight divisions without inspection and without obtaining the approval of the Test Certificates. On actual tests got conducted in two divisions, the materials were found to be below specification and those worth Rs. 2.83 lakhs received in these divisions are still (June 1970) lying unutilised since January 1968. The Board decided (June and September 1969) to accept the sub-standard material subject to a recovery of Rs. 0.77 lakh (approximately) from the firm to whom cent per cent advance payment had already been made. The firm refused to pay the penalty, *inter-alia*, on the ground that the Board had already issued satisfactory completion certificates, taken the materials on books and also consumed the same on works. Bank Guarantee furnished by the firm had also lapsed.

#### 85. Purchase of Bird Guard sets

For constructing 132 K. V. double circuit line from Hissar to Sirsa, a Purchase Order (operative upto April 1968) for the supply of complete towers with accessories (including Bird Guard sets) at the rate of Rs. 1,500 per tonne was placed on a firm in December 1964. The firm went on supplying other material but did not supply Bird Guard sets. According to the Executive Engineer, Construction Division No. III, Hissar, the supply of Bird Guard Sets was a losing item for the supplier.

Without resorting to the risk purchase or penalty clause against the firm well in time, the Board placed Purchase Order for the supply of 650 Bird Guard sets at Rs. 57 each (total cost : Rs. 37,050) on another firm in June 1966.

The total weight of 650 Bird Guard sets worked out to 10.931 tonnes which would have cost Rs. 16,396 if they had been supplied by the first firm. The purchase of Bird Guard sets from the second firm, resulted in extra expenditure of Rs. 20,654.

The Board authorities intimated in October 1970 that the case has been referred for arbitration and the question as to why risk purchase clause was not operated in time was being looked into separately.

### **86. Illegal occupation of Board's property**

Under the provisions of the Indian Electricity Act, 1910 a private Electricity Supply Company was taken over by the composite Board in April 1962. Consequent on bifurcation of the composite Board, the assets of this Company formed part of the assets of the Haryana State Electricity Board. These assets included a piece of land measuring 25,228 square yards worth Rs. 0.76 lakh which was occupied after April 1965 by an employee of the Board who started cultivating it and also got the *Girdawari* registered in his favour during 1965 as tenant at will. The official was able to do so as he was permitted to cultivate the land by some local officer of the Board under Grow More Food campaign and *Girdawari* was recorded by the Patwari in his name as tenant at will under Electricity Department without paying any rent. The fact of occupation of the land remained unattended until a complaint was received by the Superintending Engineer and was investigated by him in April 1967. No tangible action to get the possession vacated was taken till March 1968 when the case was taken up with the Deputy Commissioner, Hissar. Finally in June 1970, the Board could get the *Intkal* of the land registered in its favour. The land was still (October 1970) under the occupation of the employee who had been cultivating it since the date of its illegal occupation. The employee had further utilised unauthorisedly a pumping set belonging to the Board upto the end of 1967 and consumed 1,450 units of electricity. In October 1970, the Board authorities intimated that legal action was being taken to seek eviction of the illegal occupant from the piece of land and legal action to effect recovery of the rent for use of land, electricity consumption charges and hire charges of pumping set would be taken after eviction.

### **87. Non recovery of Electricity charges—Rs. 7.30 lakhs**

A firm was given a large supply connection on 23rd February 1963. The firm failed to pay the electricity dues amounting to Rs. 1.55 lakhs for the period from August 1967 to October 1967 but no action to disconnect the premises was taken as required under rules. In December 1967, the Superintending Engineer decided to recover the said arrears in 20 instalments subject to Bank Guarantee to be furnished by the consumer. The firm did not furnish the said guarantee and after paying Rs. 0.40 lakh and Rs. 0.46 lakh again started defaulting in payments. The arrears accumulated to Rs. 3.15 lakhs at the end of March 1968. At this stage, the premises of the firm were temporarily disconnected on 17th May 1968. The Chairman of the Board decided on 24th May 1968 to give connection to the firm on the basis



of verbal surety given by the Managing Director of Haryana State Finance Corporation, which was subsequently to be confirmed in writing. The connection was given on 25th May 1968, but the written surety was not furnished. After reconnection, the firm again started defaulting in payments and the arrears went up to Rs. 6.11 lakhs by the end of November 1968 when the premises of the firm were permanently disconnected in October 1968. Including the surcharge leviable, the total amount recoverable from the firm as on 30th September 1970 stood at Rs. 6.96 lakhs.

The Chief Engineer intimated in September 1970 that the firm had agreed to pay all the outstanding amounts in instalments and an agreement to that effect had been entered into with the firm and that the firm had also paid first instalment of Rs. 60,000 in March 1970.

In another case, a firm defaulted in payment of dues amounting to Rs. 10,932 for the period from May 1967 to November 1967 but its premises were also not disconnected. The arrears against the firm amounted to Rs. 21,065 by the end of December 1967 when its premises were temporarily disconnected followed by permanent disconnection in August 1968. The total amount recoverable from the firm as on 30th November 1969 amounted to Rs. 39,566 excluding Rs. 9,633 on account of electricity duty for which action to effect recovery was being taken separately. The firm had earlier deposited a security of Rs. 3,000 in the form of National Saving Certificates which was released to it in September 1963 for purchasing Punjab State Electricity Board Bonds 1975. The Bonds were not converted to consumers security and were later sold by the firm to some other party at the face value of Rs. 3,000.

The Board has initiated legal action against the consumer which is still (October 1970) pending in the Court.

### 88. Irregularities in stores accounts

Mention was made in paragraph 57 of the Audit Report 1969 and paragraph 75 of the Audit Report 1970 of certain cases of shortages etc., of stores. Further shortages of Rs. 1.00 lakh, as detailed below, have also been noticed which are yet to be investigated and regularised (October 1970):—

	(Rupees in lakhs)		
	1967-68	1968-69	1969-70
Shortages noticed as a result of physical verification	0.01	0.12	0.46
	(one division)	(two divisions)	(four divisions)
Excess drawal of material for works by subordinate officers without making good the shortages .. .. .	..	..	0.19
			(one division)
Non-accountal of materials received .. .. .	..	0.22	..
		(one division)	

(b) Under departmental instructions, a complete list of the broken and missing parts of damaged transformers received from the field in the Transformer Repair Workshop (functioning under the Maintenance and Testing Division, Dhulkote) is required to be prepared and cost of the same recovered from the official(s) from whom they are received in that condition. Various parts worth Rs. 0.49 lakh of such transformers received in the Repair Workshop during 1961-62 to 1967-68 were found missing/broken but action to fix responsibility and recover the loss from the official(s) at fault is still (October 1970) to be taken.

### 89. Outstanding audit objections

28,949 audit objections (Rs. 31.51 crores) raised by the Chief Accounts Officer, Haryana State Electricity Board, were outstanding on 30th September 1970 as against 29,289 objections (Rs. 25.69 crores) outstanding on 30th September 1969. The details are given below :—

Particulars	Year of earliest outstanding objection	Amount (Rs. crores)
(a) Want of sanctions .. .. .	1952-53	28.70
(b) Want of detailed contingent bills .. .. .	1966-67	0.06
(c) Want of payees' receipts .. .. .	1958-59	2.70
(d) Other reasons .. .. .	1968-69	0.05
Total .. .. .		31.51

Position with regard to the outstanding inspection reports issued by Audit is indicated in paragraph 107 of Chapter VIII.

### SECTION C—GOVERNMENT COMPANIES

90. There were six Government Companies in the State as on 31st March 1970. The Government investment in the share capital of the companies as on that date amounted to Rs. 1,59.90 lakhs (without any return there-against) as indicated below :—

(In lakhs of rupees)

1. Haryana State Small Scale Industries and Export Corporation Limited .. .. .	20.00
2. Haryana State Industrial Development Corporation Limited .. .. .	36.25
3. Haryana Agro-Industries Corporation Limited .. .. .	64.63
4. Pig Iron Project, Hissar .. .. .	16.52
*5. Haryana Dairy Development Corporation Limited .. .. .	10.00
*6. Haryana State Minor Irrigation (Tubewells) Corporation Limited .. .. .	12.50

\*These Corporations came into existence during 1969-70.

None of the first four companies the accounts of which had become due by September 1970 had submitted their annual accounts for the year 1969-70 up to October 1970. A synoptic statement of the financial results of the companies, whose accounts for the year 1968-69 were received after finalisation of the last Audit Report, is given in Appendix VIII.

## **AGRO-INDUSTRIES CORPORATION**

### **91. Import of spare parts of tractors through private firms**

In April 1968, the Corporation without inviting any quotations assigned the work of importing, stocking and distributing spare parts of tractors against an import licence endorsed in its name (valid up to 30th January 1969) of the CIF value of Rs. 7 lakhs to a firm 'A' as the Corporation had not, at that time, built up their own proper organisation for the purpose. As per agreement, the firm was to sell spare parts to actual users and pay 10 per cent of the CIF value as commission to the Corporation out of the total admissible margin of 35 per cent on landed cost at the port of entry.

In July 1968, the Board of Directors constituted a Committee and decided that proposals for appointment of private firms for this purpose, should be decided by that Committee. Despite this, the Corporation, in August 1968, again assigned this work to another firm 'B' against another import licence of Rs. 8.57 lakhs on terms of agreement similar to those with firm 'A', without inviting quotations from the open market. On this being pointed out the Corporation conceded (June 1970) that the decision of the Board dated the 31st July 1968 was lost sight of while signing agreement with firm 'B' in August 1968.

In September 1968, quotations were invited in two other cases of import licences in response to which two firms (one of them being firm 'A' referred to above) offered to pay the Corporation a commission at 15 per cent of landed cost out of the total admissible margin of 35 per cent. Compared to this offer, the acceptance of a lower rate of 10 per cent commission on the CIF value (against spare parts costing Rs. 14.47 lakhs imported) from firms 'A' and 'B' without inviting quotations resulted in a loss of revenue of Rs. 72,355 (plus 5 per cent of the amount of difference between the CIF value and landed cost of the spare parts, which could not be ascertained). The loss of revenue will increase further depending upon the extent to which the licences are finally utilised by the two firms.

Both the firms were required to sell spare parts after getting the sale price approved by the Corporation. There was nothing on record to show that the Corporation had ever fixed the sale price of the spare parts. It also remained to be ensured that spare parts were sold by both the firms to the actual users at admissible margin not exceeding 35 per cent of the landed cost.

### **92. Idle machinery**

One machine valuing Rs. 31,863 purchased in September 1968 for Panipat/Nilokheri Workshop and eleven other machines of the total value of Rs. 11,000 acquired during the period June-July 1969 for setting up a Farmers' Service Centre at Gurgaon have been lying idle for about 2 years and 1 year, respectively.

The management stated that machine for Nilokheri had been installed in February 1970. It has, however, not been commissioned as yet (September 1970) as the operator recruited in March 1970 did not join the Corporation. A new operator has been recruited on 25th September 1970. The machines meant for the Gurgaon Farmer's Service Centre have remained un-utilised because the Centre has not come up for want of the land which though acquired had to be relinquished as a result of decision by the court (August 1969) on a writ petition filed by the land owners. The Corporation has not acquired an alternate site so far (June 1970).

#### SECTION—D—GOVERNMENT COMMERCIAL/QUASI-COMMERCIAL DEPARTMENTAL UNDERTAKINGS

**93.** On 31st March 1970, there were eleven departmentally managed Commercial and Quasi-Commercial Undertakings in the State as per Appendix IX. The Haryana Government Cottage Industries Emporium New Delhi came into being in October 1969 with the aim of pushing up the sales of Cottage Industries products. The *pro forma* accounts of these Undertakings are required to be finalised by the departmental authorities by the middle of July each year for incorporation in the State Audit Report. However, none of these Undertakings (except one viz., Provincial Reserve Food Scheme) had submitted the *pro forma* accounts for the year ending 31st March 1970 till the end of July 1970. Financial results of some of the Undertakings for 1968-69 of which *pro forma* accounts were received subsequent to the finalisation of the last Audit Report are given in Appendix X.

#### ANIMAL HUSBANDRY

##### **94. Government Livestock Farm, Hissar**

The farm is intended to breed good quality pedigree bulls, rams, donkey stallions, boars and sows for issue to the village breeders and, thus, upgrade the cattle wealth of the State in particular and the country in general.

*Reorganisation scheme—its targets and achievements*—In order to improve and reorganise the farm so that it may produce larger number of good dual purpose Haryana bulls and high milk yielding cows by undertaking scientific methods of breeding, feeding and management, the Government of India agreed in October 1962 to subsidise a project under the Third Five Year Plan by Rs. 138·56 lakhs (representing 50 per cent share of the non-recurring expenditure alone). The Project scheduled to be completed by end of the Third Five Year Plan period, envisaged, *inter alia*, the division of the farm into three sectors each covering cultivable area of five thousand acres with a foundation stock of 600 Haryana cows of breedable age for producing superior bulls to meet the acute shortage of proven bulls in the country. Later on, considering the growing demand for bulls of mixed breed and urgent demand of milk, it was decided in January 1967 that half of the third sector of the farm should be stocked with Tharparker cows and half with Murrah Buffaloes of breedable age.

By end of the Third Plan period only two sectors could be established and the 3rd sector was spilled over to the Fourth Plan. The establishment of the third farm has been completed except for a part of the staff quarters (June 1970). However as against 600 (300 each of Tharparker cows and Murrah Buffaloes) animals of breedable age required to be stocked in the 3rd sector, 266 breedable animals only (comprising of 99 Tharparker cows, 154 Murrah Buffaloes and 13 Jersey cows) have been maintained. Further, the entire scheme contemplated that 6,000 acres of land would be developed for cultivation and 9,000 acres for irrigated pastures. The Department has stated (July 1970) that due to large areas having been transferred to other State Government Departments and Government of India, the scheme of raising the irrigated pastures had to be abandoned. Out of the total 13,785 acres of land attached with the Farm (June 1970), 6,930 acres have only been put under direct cultivation, 3,066 acres leased on *Batai* and the remaining 3,789 acres are lying as waste (unclaimed : 2,610 acres; covered by roads, *Khals* : 303 acres and buildings : 876 acres).

*Working Results*—The main sources of revenue of the farm are the grains and fodder produce and the rental for the land leased. The grain produce is sold in the market, whereas the fodder is used for feeding the livestock and taken credit for in accounts at the rate fixed by a Fodder Committee monthly. The animals are sold to the *Panchayat Samitis* at concessional rate. Credit for the amount less realised on this account is taken in the Proforma accounts under the head "Subsidy from the Government" and the animals held at the end of each year are evaluated at the prices fixed by the Quinquennial Committee appointed by the Government.

Summarised Proforma accounts of the farm for the years 1966-67 to 1968-69 are tabulated below:—

		(Rupees in lakhs)		
		1966-67	1967-68	1968-69
<i>(i) Revenue—</i>				
(a) Land rental and <i>Batai</i>	..	11.82	11.64	10.23
(b) Excess earnings over expenses of cultivation	.. ..	5.05	4.32	10.15
(c) Miscellaneous receipts	..	0.90	0.97	1.16
Total	..	17.77	16.93	21.54
<i>(ii) Expenditure—</i>				
(a) Excess expenses over earnings of Breeding operations	..	14.91	13.03	22.74
(b) Excess expenses over earnings of non-breeding operations	..	0.45	0.63	0.78

(c) Miscellaneous expenditure on account of office contingencies, pay of officers and staff, Depreciation charges etc.	..	2.50	2.63	3.42
Total	..	17.86	16.29	26.94
(iii) Net Profit (+)/Loss(—)		(—)0.09	(+) 0.64	(—) 5.40
(iv) Liabilities:—				
(a) Government Capital:—				
At the close of year	..	57.96	35.84	36.73
Profit(+)/Loss(—)	.. ..	(—)0.09	(+)0.64	(—)5.40
Total	..	57.87	36.48	31.33
(b) Capital Gain on sale of Agricultural Land	.. ..	29.70	29.70	33.20
(c) Current Liabilities and provisions		4.05	4.36	6.24
Grand Total	..	91.62	70.54	70.77
(v) Assets:—				
1. Fixed Assets (Net)	.. ..	16.87	16.27	17.46
2. Live-stock	.. ..	12.93	16.46	12.41
3. Consumable and non-Consumable stores		13.05	10.26	7.53
4. Sundry Debtors	.. ..	48.48	26.57	32.91
5. Cash (including permanent advance)		00.29	00.98	00.46
Total	..	91.62	70.54	70.77

The department advanced the following reasons for steep deficit during 1968-69:—

- (a) Sale of bulls for breeding purposes is less than the number of the bulls produced therefor.
- (b) A large number of breeding bulls not sold as such have to be castrated and sold at a very low price.
- (c) Return through sale of milk is less than even the direct expenditure incurred on feeding the milch animals except in cases of Sahiwal and Tharparker cows.

The financial position of the farm has been incorrectly stated because of the following reasons:—

- (i) Capital expenditure (Rs. 70 lakhs) incurred by Public Works Department on the buildings of the farm during 1965-66 to 1968-69 was not accounted for.
- (ii) interest on capital, depreciation on building expenditure, direction charges, pensionary charges and the Audit fee were also not provided despite the fact that the Haryana Public Accounts Committee in Paragraph 14 of their first Report had, *inter alia*, reiterated earlier recommendations made by the Public Accounts Committee of the composite Punjab State in paragraph 85 of 18th Report that the financial results should be worked out after taking into account the above elements of expenditure.

After taking into account the above factors except direction charges, pensionary charges and the Audit fee for which figures were not readily available, the working of farm may be deemed to have resulted in losses of Rs. 6.87 lakhs, Rs. 7.25 lakhs and Rs. 14.49 lakhs during 1966-67, 1967-68 and 1968-69 respectively.

*Cultivation*— Details giving the extent to which land was actually utilised by the farm under direct cultivation during the last three years, are indicated below:—

Year	Total cultivable land (In acres)	Acreage actually cultivated only for		Acreage on which both the crops were cultivated
		Kharif crop	Rabi crop	
1967-68 .. ..	6,043	2,302	2,805	936
1968-69 .. ..	6,043	3,109	2,832	102
1969-70 .. ..	6,930	3,037	1,930	1,963

It may be seen from the above that only single crop of either Kharif or Rabi was taken from most of the land under cultivation instead of the double crop.

It was stated that the intensity of cultivation was lower due to shortage of tractor power with the Farm. A test check of the log books of the tractors, however, revealed that they had remained idle for 15,000 hours during the period from October 1968 to September 1969 for want of staff and/or repairs which could not be done promptly due to non-availability of spare parts in the mechanical stores.

*Utilisation of Tractors*—The utilisation position of tractors for the years 1967-68 to 1969-70 is given below :—

Year	Number of tractors	Number of tractor days available @ 25 days per month	Total number of on-field-tractor days	Total number of idle days	Percentage of idle tractor days to total tractor days
1967-68 .. ..	20	6,000	4,533	1,467	24.5
1968-69 .. ..	28 (including 8 added with effect from 1st September 1968)	7,200	5,300	1,900	26.4
1969-70 .. ..	33 (including 5 added with effect from 1st June 1969)	9,600	7,354	2,246	23.4

No minimum/maximum percentage of idle tractor days to total tractor days has been prescribed. In its absence, it was not possible to determine as to what extent the tractors had remained idle due to avoidable reasons.

The following points were also noticed during the course of audit of the accounts of the Farm :—

(i) *Non-lifting of Wheat Bhusa and Karbi from Central State Farm—*

The Farm transferred an area of 11,704 acres of land to the Central State Farm in August 1968 on lease. The draft agreement which has not yet been executed (July 1970) provides that the lessee will pay Re. 1 per acre as lease money and also make available quantity of straw of wheat and gram as also Karbi of Jawar, Maize and Bajra surplus to their requirement to the lessor free of cost.

The Central State Farm accordingly offered 8,000—9,000 quintals of Wheat *Bhusa* in May 1969 and about 8,000 quintals of Karbi of Bajra and Maize in November 1969 of which only 1612 quintals of *Bhusa* was lifted by the Livestock Farm during the period from June to July 1969 and the balance quantity of *Bhusa* was preserved in the form of “Dhar” plastered



with mud. The whole of the *Karbi* of Bajra and Maize was left uncovered inspite of the fact that the Central State Farm made repeated requests to lift it. In July 1970 it was pointed out by the Central State Farm that the unlifted quantity of *Bhusa* and *Karbi* had deteriorated and no longer remained fit for cattle feed.

The non-lifting of balance quantity of Wheat *Bhusa* (6,388 quintals) and *Karbi* (8,000 quintals) has resulted in a loss of Rs. 1.22 lakhs to the State Government.

The Government Progeny Testing and Bull Farm had placed a demand for 4,000 quintals of Wheat *Bhusa* with the Government Livetsock Farm authorities in July 1969 itself but because of not getting any definite reply from the latter, subsequently purchased 4,019 quintals of Wheat *Bhusa* in July 1969 from the open market at a total cost of Rs. 0.42 lakh.

(ii) *Advance Payment for purchase of Rams*—A sum of Rs. 24,900 was paid in November 1963 to the State Trading Corporation for the purchase of Merino Rams from U.S.S.R. The Farm authorities stated in July 1970 that the Rams have not been received so far.

(iii) *Illegal occupation of land on Batai*—2,287 acres of land on *Batai* were leased to 418 tenants who were to get the lease renewed every year. The position in this behalf for the last three years (1967-68 to 1969-70) is given below :—

Year	Total land given on <i>Batai</i>	Total number of tenants	Area under legal occupation	Number of tenants	Area under illegal occupation	Number of illegal occupants (who did not get their lease for land renewed)
	acres		acres		acres	tenants
1967-68 .. ..	2,287	418	2,250	415	37	3
1968-69 .. ..	2,287	418	2,166	400	121	18
1969-70 .. ..	2,236	410	1,040	196	1,196	214

The number of illegal occupants is on the increase year after year.

After the suit filed for eviction against the first three occupants had failed, the department filed a suit under Section 7 of the Punjab Public Premises and Land (Eviction and Rent Recovery) Act 1959 on 24th April 1968 against them for recovery of rent only and the Court ordered a decree in its favour on 31st December 1968 for the recovery of Rs. 9,218, which has since been effected. The State Government ordered in November 1969 to institute the cases for eviction against all the illegal tenants on *Batai*. The department has, however, filed cases against 72 tenants only so far (June 1970). The failure and delay to file the cases has resulted in non-recovery of *Batai* for Kharif 1968, Rabi 1968-69 from 18 tenants and for Kharif 1969 and Rabi 1969-70 from 214 tenants.

(iv) *Write off of shortages of grains*—The permissible percentages of normal shortages of various grains for bulk storage are half of those prescribed for bagged storage. The department has, however, worked out and written off normal shortages of grains worth Rs. 5,248, Rs. 10,557 and Rs. 7,039 for the years 1966-67, 1967-68 and 1968-69 respectively on basis of higher percentages laid down for bagged storage only whereas it had bulk storage capacity of about 4,750 quintals which was made use of to the full extent.

(v) *Idle machinery/equipment*—Machines and equipment worth over Rs. 27,000 purchased by the department during 1961-62 to 1965-66 to meet its requirements, have been lying unutilised (July 1970). The period of purchase and the value of the machinery are indicated below :—

Sl. no.	Machinery/equipment	Number	Period of purchase	Value Rs.
1	Camera .. ..	1	May 1961	1,595
2	Water sprinkling machine ..	1	January 1962	6,073
3	Food Freezer .. ..	1	1964-65	1,625
4	Dial Type Dormant Weigher	1	January 1966	8,721
5	Milk Cooling Plant ..	1	Not known	9,335
Total				27,349

(vi) *Stores Account*—

1. No maximum and minimum limits of stock have been laid down.
2. Physical verification has not been conducted in respect of old spare parts of the value of Rs. 89,726 held in the Central Store (as on 31st March 1969) since the year 1964-65.
3. There are surplus spare parts of the value of Rs. 30,964, unserviceable spare parts of the value of Rs. 4,414 and slow moving spare parts (not moved for over 3 to 4 years) of the value of Rs. 33,179.

(vii) *Sundry Debtors*—The amount outstanding against sundry debtors of the farm on 31st March 1969 was Rs. 32.91 lakhs. Out of this, Rs. 1.17 lakhs related to the period 1945 to 31st March 1965.

The details of the parties against whom the amounts have been outstanding are given below:—

		(In lakhs of rupees)
1. Government departments	.. .. .	4.66
2. Government companies and Corporations	.. .. .	27.11
3. Private concerns	.. .. .	0.84
4. Block Development and Panchayat Officers and District Boards	.. .. .	0.09
5. Government servants	.. .. .	0.09
6. Government Offices and Private Parties in Pakistan	.. .. .	0.12
	Total ..	32.91

(viii) *Seed used as cattle feed*—Seed worth Rs. 16,000 weighing 187 quintals (Barseem : 10 quintals; Hybrid Bajra : 8 quintals; Hybrid maize : 3 quintals; Oat : 26 quintals and Guar : 140 quintals) were shown to have been issued during April 1968 to August 1969 for use as cattle feed. The management has not offered any explanation for issue and use of chemically treated hybrid varieties of Maize and Bajra as cattle feed.

(ix) *Internal Audit*—The farm has neither introduced any system of internal audit nor is there any manual laying down the detailed accounting procedures.

## TRANSPORT

### 95. Haryana Roadways

(a) *General*—Consequent on the re-organisation of the composite Punjab State, the Haryana Roadways came into existence with effect from 1st November 1966. Out of the then existing depots, depots at Ambala and Gurgaon fell to the share of Haryana State because of their situation. Chandigarh depot was also trifurcated and the Haryana State had its own share out of this depot. Subsequently, three more depots were opened at Rohtak, Karnal and Hissar with effect from 1st April 1967, 15th July 1969 and 11th August 1969, respectively. Since the depots at Karnal and Hissar came into existence in the latter part of the year 1969-70, the succeeding paragraphs generally deal with the 4 depots at Gurgaon, Rohtak, Ambala and Chandigarh. The fleet strength of the undertaking at the end of each of the three years from 1967-68 to 1969-70 is as under :—

Year	Total fleet strength	Number of vehicles on Road	Traffic spare	Number of vehicles awaiting repairs
1968 .. .. .	567	535	12	20
1969 .. .. .	639	596	27	16
1970 .. .. .	728	686	18	24

(b) *Working results*—Summarised proforma accounts of the undertaking for the year 1968-69 are tabulated below :—

(In lakhs of rupees)

(i) *Revenue*—

(a) Income from sale of tickets etc. . . . .	4,53.14
(b) Income from sale of buses and unserviceable stores	6.98
(c) Income from miscellaneous sources . . . . .	7.05
Total . . . . .	4,67.17

(ii) *Expenditure*—

(a) Establishment . . . . .	93.29
(b) Contingencies . . . . .	2,07.54
(c) Motor Transport Reserve Fund and Depreciation Reserve Fund . . . . .	41.58
(d) Interest on capital . . . . .	15.82
(e) Direction Charges, Pension contributions and Contributory Provident Fund . . . . .	5.10
(f) Road tax ( <i>proforma adjustment</i> ) . . . . .	11.80
Total . . . . .	3,75.13

(iii) Net profit . . . . . 92.04

(iv) *Liabilities*—

(a) Government capital including profit . . . . .	3,57.79
(b) Motor Transport Reserve Fund . . . . .	3.64
(c) Motor Transport Depreciation Reserve Fund . . . . .	1,02.12
(d) Trades dues and other current liabilities . . . . .	57.31
(e) Passenger tax collected and paid to Excise Department as per contra . . . . .	1,31.74
Total . . . . .	6,52.60

(v) *Assets*—

(a) Fixed assets (original cost) . . . . .	4,21.19
(b) Current assets, loans and advances . . . . .	88.82
(c) Miscellaneous expenditure . . . . .	10.85
(d) Passenger tax collected and paid to the Excise Department as per contra . . . . .	1,31.74
Total . . . . .	6,52.60

The working results of the individual units of the Roadways for the last 3 years are, however, given in Appendix XI. These results indicate the following :—

(i) The percentage of return on capital in the case of Gurgaon depot was the lowest in comparison with other depots even though this depot ranked quite high in so far as the revenue per mile is concerned. Expenditure per mile on the high side seems to have contributed to this low percentage of return on capital. The department has intimated (November 1970) that the expenditure was on the high side due to the vehicles being of old models and certain roads being single and in bad condition resulting in heavy wear and tear of tyres. The percentage of return on capital in respect of Rohtak depot for 1967-68 was also quite low.

(ii) Although the proforma accounts for the year 1969-70 have not been prepared so far, the profit per mile (calculated on the statistics prepared by the department) shown in the case of Gurgaon depot does not compare favourably with other depots.

(c) The following points relating to the maintenance of accounts for 1968-69 were noticed in audit :—

(i) No maximum or minimum reserve limit of stock had been fixed. Stores valued at Rs. 48.48 lakhs and Rs. 54.50 lakhs were in stock at the close of 1967-68 and 1968-69 respectively.

(ii) None of the depots had maintained the Journal and the General Ledger contravening the instructions contained in paragraphs 42 and 43 of the Accounting Procedure. The liabilities were worked out at the end of the year on the basis of day book, unpaid bills, etc. In the absence of these important records, the accuracy of the outstanding liabilities and Sundry Debtors could not be verified. Certain liabilities had to be provided at the instance of audit.

(iii) In accordance with the terms of payment the depots initially paid 98 per cent of the cost of chassis to the manufacturers. The amount of the balance of 2 per cent payable to the manufacturers was not worked out and, thus, included in the cost of buses and bills payable. Similarly, the Vehicle Body Builders were initially paid 95 per cent of the cost of body building. The remaining 5 per cent was neither included in the bills payable nor in the cost of buses.

(iv) The value of the stores consumed was not worked out independently with reference to the actual issues but was arrived at by deducting the closing balances from the opening balances plus receipts thereof.

(v) In Gurgaon depot, the prepaid expenses and advance payments included advances of Rs. 33,422 made to suppliers from 1964-65 to 1967-68 which had not been adjusted (October 1970). A review of these advances revealed that in eight cases, Rs. 8,409 were given

to depot officials for getting the Railway/Goods Receipts released but neither the goods were accounted for nor the Railway/Goods Receipts returned by such officials. In three cases involving Rs. 4,571 double payments had been made to the firms. In other cases, the goods were not received and the matter was stated by the Department (October 1969) to be under correspondence.

- (vi) Again, in Gurgaon depot, the Sundry Debtors included a sum of Rs. 37,969 on account of advertisement charges recoverable for the year 1960-61 onwards. No confirmation of the parties for these debts was available.
- (vii) In Ambala depot, the prepaid expenses included Rs. 38,467 representing proportionate cost of uniforms for the unexpired portion of their fixed period of issue.
- (viii) Each unit of the Department maintains its accounts separately and charges the other units for supplies made, services rendered etc. The accounts of four depots (Gurgaon, Rohtak, Ambala and Chandigarh) showed the amount recoverable in respect of inter-depot adjustments as Rs. 11,15,054 as against Rs. 10,18,085 shown as payable by the depots in the accounts for such inter-departmental adjustments. The difference of Rs. 96,969, without being investigated, was written off as a revenue expenditure, in the consolidated Revenue Accounts of Roadways for 1968-69.

(d) *Dead mileage*—A comparison of the effective mileage with the dead mileage in respect of four depots for the last three years is given below:—

		(miles in lakhs)			
		Ambala	Chandi- garh	Rohtak	Gurgaon
Effective mileage	{	91.89	31.65	61.11	60.67
	1967-68				
	1968-69	99.22	38.72	75.94	75.99
	{	78.15	45.09	60.46	84.57
	1969-70				
Dead mileage	{	2.08	1.30	0.21	1.24
	1967-68				
	1968-69	2.16	1.27	0.34	2.18
	{	1.93	1.60	0.32	3.29
	1969-70				
Percentage of dead mileage to effective mileage	{	2.3	4.1	0.3	2.0
	1967-68				
	1968-69	2.2	3.3	0.4	2.9
	{	2.5	3.5	0.5	3.9
	1969-70				

In Gurgaon depot, the percentage of increase in dead mileage over the increase in effective mileage was 6.14 during 1968-69. This further rose to 12.94 during 1969-70. The increase in this depot is on the high side as compared to other depots. Reasons for the increase in dead mileage in Gurgaon depot were given as breakdowns, road tests, time taken from workshop to bus stand at Delhi and annual passing of the vehicles. These reasons, however, also existed during 1967-68. In Chandigarh depot, this percentage increased from (—)0.42 in 1968-69 to 5.18 in 1969-70.

No norms of dead mileage have been fixed.

(e) *Non-recovery of rent*—Seven private transport companies are occupying one room each at the Gurgaon bus stand since November 1961 (the date on which it was put into commission). Neither any rent for this accommodation is being charged for these rooms nor was any agreement showing the terms and conditions under which the accommodation was provided to the private operators free of rent, shown to Audit. At another depot, for similar accommodation provided, the rent charged from private operators was Rs. 100 per month per room and at this rate the rent that has been foregone worked out to Rs. 70,000 upto 31st March 1970.

(f) *Loss of revenue due to delay in the fabrication of bus bodies*—Two Dodge 206" W.B. Chassis purchased in 1965 through a firm were entrusted to it for the fabrication of deluxe coaches thereon directly by the Provincial Transport Controller without the knowledge of the General Manager of Ambala depot for whom the coaches were required. The department is not aware of the exact date on which the chassis were handed over. The firm had, however, stated in June 1966 that the same were received by them on 27th May 1965. Neither was any agreement executed with the firm nor was any time limit stipulated for the fabrication of the 2 bodies.

The vehicles were delivered after body building by the firm on the 12th February 1966 against 80 per cent payment of Rs. 24,000.

According to the then usual conditions for the fabrication of bus bodies, 14 days were allowed to the body builders for the first body and 5 days extra for each subsequent body. Thus there was a delay of 247 and 242 days for the first and the second vehicles respectively, which was pointed out on 29th August 1966 by the General Manager Ambala to the Provincial Transport Controller. The department had fixed a penalty of Rs. 30 per day for the delay in fabrication of the deluxe bus bodies and on this rate the penalty for the delay would have been Rs. 14,670 in this case.

In March 1966, the firm attributed the delay to the following reasons :—

- (i) Supply of incomplete specifications by the department;
- (ii) Indecisiveness on the part of the department about the layout and shade of painting;
- (iii) Non-availability of rubber seats;
- (iv) Delay in the stage of inspection by the department; and
- (v) Entrustment of body building job purely on trial basis and without any specific time limit.

The matter was examined in the office of the Provincial Transport Controller and the department conceded the contention of the body builder that the delay had occurred due to delay in the finalisation of specifications, discussions about colour scheme, stage to stage inspection and approval of the bus seats by the department. A penalty of Rs. 3,600 only was, therefore, levied on the firm for the delay of two months in the matter of procurement of rubber seats/Aluminium sheets.

(g) *Avoidable payment of interest due to delay in payment of compensation*—A bus from Gurgaon depot met with an accident on the 1st May 1964 in which one man and one woman were killed. An award for the following compensation was pronounced on the 18th December 1965 by the Motor Accident Tribunal Punjab Chandigarh:—

- |                  |  |
|------------------|--|
| 1. Rs. 15,104·50 | in one case (subsequently raised to Rs. 26,486·50 by the appellate court). |
| 2. Rs. 32,104·50 | in the other case.   |

According to the judgement, the department was to deposit the amount with the Court within three months from the date of award failing which it was to carry interest at the rate of 6 per cent per annum from the date of the award to the date of payment. The payment was made only on the 28th August 1968 with the result that the department had to pay interest amounting to Rs. 7,615·70.

In May 1969, the department decided to conduct a regular enquiry and fix responsibility for failure to satisfy the decree of the Court in time which resulted in payment of the above amount of interest. Action taken on the decision of the department to fix responsibility is still (October 1970) awaited.

(h) *Outstanding recovery on account of loss of tickets*—Upto the end of March 1970 Rs. 66,384 were outstanding as recovery from conductors on account of tickets lost by them.

In respect of 2 cases of loss of tickets worth Rs. 6,799 the depot authorities were not even aware of the names of the conductors who lost the tickets. In 15 cases, the recoveries amounting to Rs. 6,885 in instalments have not still (March 1970) been started.

(i) *Surplus stores of Rs. 6·12 lakhs*—Consequent upon switching over to the 'Leyland' make of vehicles from June 1965, the spare parts of earlier makes particularly Dodge, Meadows and Perkins P-6 Engines, became surplus. Though certain parts (out of the surplus one) were disposed of, parts of the value of Rs. 6·12 lakhs (Gurgaon : Rs. 4·95 lakhs; Rohtak : Rs. 1·17 lakhs) are still (October 1970) lying in stores awaiting disposal.

(j) *Mis-appropriation by way of less supply of diesel oil by a company*—Between 1st April 1967 and 3rd August 1968, a company at Hodal, made short supply of High Speed Diesel Oil to the Haryana Roadways. Payments of Rs. 8,000 due to the firm, were withheld and a case under Sections 409 and 420 of the Indian Penal Code was registered against it by the Police (August 1968).

Preliminary findings (September 1968) by the Police revealed connivance of as many as 24 drivers, out of whom 8 were arrested and remaining 16 absconded or left service on discharge. The full extent of the loss has not so far been assessed as the final report of the Police is awaited.

Although the loss occurred mainly due to the connivance of the drivers with the company, it was facilitated by non-observance of accounting rules and procedure of the department in-as-much as the register for issue of diesel oil



was not maintained and checked in accordance with the prescribed rules. These procedural defects have not yet (October 1970) been rectified.

### AGRICULTURE

#### 96. Loss due to excessive procurement of seeds

The department procures seeds for sale to farmers through various sources in various districts at prices fixed by the Department. During the period 1966-67 to 1969-70, the purchase of various seeds in three districts was much in excess of the actual demand with the result that large quantities of seeds had to be sold in auction at rates far lower than the procurement rates. The details of the seeds procured and disposed of by the Department are given below:—

Year	Procurement		Disposed by sale for farmers		Disposed by auction	
	Quantity (in quintals)	Value Rs.	Quantity (in quintals)	Value Rs.	Quantity (in quintals)	Value Rs.
1966-67	1,003.50	1,08,777	849.14	95,102	154.36	12,304
1967-68	815.49	67,447	461.36	39,182	354.13	20,606
1968-69	10,477.92	14,79,979	7,803.80	14,15,286	2610.99	1,31,841
1969-70	500.00	41,600	265.18	25,191	204.08	16,294

The loss sustained by the Department on account of such auction sales amounted to Rs. 1,43,680.

In one district the Department has still (May 1970) a balance stock of 93.87 quintals of seeds procured during 1968-69 and 1969-70.

### PRINTING AND STATIONERY

#### 97. Huge stocks of unsaleable Hindi Text Books

On the division in June 1968 of the Text Books Organisation of the composite State of Punjab amongst the successor States, 5.90 lakh copies of Hindi Work Book No. 1 and 3.40 lakh copies of Hindi Readers I, IV and V, printed during 1962-63 at a cost of Rs. 3.78 lakhs were received as part of Haryana Government's share. These books are still (June 1970) lying unsold in a premises hired from August 1968 at a rent of Rs. 350 per month. The department intimated (October 1970) that only Hindi work Book No.1 was on syllabus.

### SECTION E—INVESTMENTS AND GUARANTEES BY THE STATE GOVERNMENT.

98. The total amount invested by Government in a Central Government Company, 13 private companies and 980 co-operative institutions as on 31st

March 1970 amounted to Rs. 7,19.79 lakhs and the return on these investments received during 1969-70 amounted to Rs. 15.49 lakhs.

## INDUSTRIES

### 99. Investments

The investment of Rs. 1,25.86 lakhs in 13 private concerns included investments worth Rs. 1,03.66 lakhs (9 concerns) inherited from the erstwhile Punjab State, the division of which is yet to be finalised (May 1970).

The Haryana State invested a sum of Rs. 22.20 lakhs after re-organisation (Rs. 8.47 lakhs during 1967-68, Rs. 1.44 lakhs during 1968-69 and Rs. 12.29 lakhs during 1969-70). The non-finalisation of the division of inherited investments had resulted in accumulation of dividend/interest (Rs. 24.96 lakhs) and redemption of shares to the tune of Rs. 6.60 lakhs.

Government advanced Rs. 25 lakhs to the Haryana Financial Corporation as share capital on 9th May 1967 whereas subscription towards this share capital was actually opened with effect from 16th October 1967. Placing of this amount with the Corporation 160 days earlier than the actual date of opening of the subscription, has resulted in undue financial benefit to the Corporation to the tune of Rs. 1.02 lakhs in the shape of interest worked out at the then prevalent rate of 9.3 per cent per annum.

### 100. Other investments

The erstwhile Punjab State made investments of Rs. 428 lakhs in the Government companies and other private institutions. The question regarding bifurcation of these investments was still (May 1970) under correspondence.

## CO-OPERATIVE

### 101. Financial assistance

Government investment in the share capital and debentures of the Co-operative Institutions at the close of the years 1968-69 and 1969-70 was as under :—

Year					Number of Institutions	Amount (In lakhs of rupees)
1968-69	..	..	..	..	925	441.32
1969-70	..	..	..	..	980	5,90.19

The investment made during the year 1969-70 amounted to Rs. 1,51.39 lakhs and the retirement of shares effected during the year by institutions amounted to Rs. 2.52 lakhs only.

The amount of loans and subsidies paid by Government to the various co-operative institutions during the years 1968-69 and 1969-70 stood as under:—

Year	Balance at the end of previous year	Amount of loans disbursed during the year	Repayment during the year	Balance at the end of the year	Grant of subsidies during the year
(In lakhs of rupees)					
1968-69 ..	65.28	85.62	85.96	64.94	21.16
1969-70 ..	64.94	10.21	5.49	69.66	8.24

The amounts of principal and interest overdue as on 31st March 1970 were Rs. 4.47 lakhs and Rs. 5.18 lakhs, respectively.

### 102. Interest and Dividend received by the Government

Interest and Dividend received during the year 1969-70 from 19 institutions amounted to Rs. 12.44 lakhs and Rs. 2.10 lakhs, respectively.

*Undue financial assistance to a State Co-operative Bank*—The Department provides financial assistance to the Co-operative Societies in the form of share capital, loan and subsidy and the payments on these accounts are released through the State/Central Co-operative Banks for making disbursement thereof to the individual Co-operative institutions concerned. Amounts totalling Rs. 8.03 lakhs meant for Co-operative Societies were lying undischarged with a Bank as on 31st March 1970 (Current account: Rs. 1.03 lakhs; fixed deposit : Rs. 7.00 lakhs) and the Bank was deriving undue benefit in the shape of interest thereon.

### 103. Completion of audit

As per provisions of the Co-operative Societies Act, the accounts of co-operative institutions are required to be audited once in each year by auditors (including departmental auditors under the Chief Auditor Co-operative Societies) appointed by the Registrar, Co-operative Societies. As detailed below, 15 26 such accounts remained unaudited upto 30th June 1970 :—

Accounts upto the Co-operative year (beginning July—ending June next)	Number of accounts
1966-67 .. .. .	471
1967-68 .. .. .	516
1968-69 .. .. .	539

#### 104. Embezzlement/Mis-appropriation in Central Co-operative Banks

In three out of the nine Central Co-operative Banks in the State as on 30th June 1969, 24 cases of embezzlement/mis-appropriation involving Rs. 4.99 lakhs during 1968-69 had been reported (ending June 1969) by the departmental auditors.

105. A review of the audited accounts and reports of certain selected societies, conducted during June-July 1970, revealed the following points :—

- (i) In addition to the cases reported in para 97(A)(1) of the Audit Report 1970 further cases of embezzlement/mis-appropriation of Rs. 27.78 lakhs in 517 societies were noticed by the Departmental Auditors.
- (ii) The various irregularities pointed out in the Audit Report 1970, as detailed below, continued to persist :—
  - (a) Non-submission of certificates of utilisation of subsidy assistance;
  - (b) Non-approval of draft Administrative Rules governing the grant of financial assistance to co-operative societies;
  - (c) Non-completion of the godowns by the agricultural co-operative societies with the Government grant made available to them; and
  - (d) continued unprofitable working of the Central Co-operative Stores. During 1968-69, the working of 9 Central Co-operative Stores resulted in a net loss of Rs. 10.25 lakhs.
- (iii) (a) On 30th June 1969, 1431 societies, wherein Government interest was to the extent of Rs. 8.64 lakhs, were in the process of winding up.
  - (b) The State Government invested Rs. 6 lakhs in March 1969 in the share capital of a Cotton Growers and Handloom Weavers Co-operative Society registered in 1963. This society was also brought under winding up process on 31st March 1970.
  - (c) The State Government invested Rs. 20 lakhs each in the share capital of the Haryana Cooperative Sugar Mills Limited Rohtak and Panipat Cooperative Sugar Mills Limited Panipat. During the year ended 30th June 1969, both these sugar mills incurred loss to the extent of Rs. 31.32 lakhs and Rs. 16.90 lakhs respectively. The percentage of recovery of sugar during the year 1968-69 in the Rohtak Mills was only 5.68 as against 7.39 in the Panipat Mills. This percentage was much less than in the preceding two years (8.16 and 8.91 in the case of Panipat Mills and 7.67 and 8.04 in the case of Rohtak Mills).

The working results of the Panipat Co-operative Sugar Mills Limited Panipat for 1968-69 are subject to the following observations :—

- (i) Closing stock of sugar (free quota) at the end of 1968-69 was valued at the higher market rate instead of at cost resulting in overstatement of closing stock by Rs. 3.98 lakhs.
- (ii) The closing stock of stores was exhibited at Rs. 9.66 lakhs as on 30th June 1969, but the physical verification of the stores conduct-

ed in June 1969 after a lapse of four years revealed only the existence of ground balances to the extent of Rs. 4.79 lakhs.

- (iii) The assets (Roads) at the end of 1968-69 included Rs. 1.21 lakhs representing 2,900 tonnes of residual limestone utilised for the repairs of roads during 1967-68 but wrongly capitalised.
- (iv) 1,526.47 quintals of molasses released in October 1968 by the Excise Department for free sale were put to auction on 6th November 1968 and the highest price offered (Rs. 0.16 lakh) was considered very low. This commodity had, however, to be sold in February 1970 for only Rs. 2,800. The Board of Directors of the Society decided (January 1970) that responsibility for this loss should be fixed. Action is yet (July 1970) to be taken in this regard.

*Panipat Co-operative Sugar Mills Limited Panipat*

*Improper purchase resulting in extra expenditure of Rs. 0.20 lakh*—The management invited quotations thrice (July 1968, August 1968 and September 1968) for the purchase of one lakh gunny bags. The Purchase Sub-Committee deferred the purchase of gunny bags on receipt of quotations in July and August 1968 without recording any reasons therefor and ultimately decided on 3rd September 1968 to purchase 50,000 (actual supply 46,000) gunny bags at the rate of Rs. 252 per 100 bags as against the lowest offer of Rs. 230 per 100 bags received in July 1968. Balance 50,000 gunny bags were ordered from the Haryana Co-operative Sugar Mills Rohtak which supplied the same at Rs. 302 per 100 bags (inclusive of excise duty and freight) against Rs. 285 per hundred bags as per the rates received in July 1968. The extra expenditure incurred on the purchase of gunny bags amounted to Rs. 0.20 lakh.

### 106. Guarantees

Government has given guarantees for repayment of loans/bonds and share capital raised by statutory Board/Corporations and Co-operative institutions. The payment of minimum dividend on the share capital of the Haryana State Financial Corporation and interest on loans/bonds raised by the Statutory Board/Corporations and Co-operative institutions have also been guaranteed. Brief particulars of such guarantees, which are in the nature of contingent liabilities of the State Government, as on 31st March 1970, are as under :—

In whose favour guarantee given	Maximum Guarantee-amount guaranteed	amount outstanding as on 31st March 1970
		(In crores of rupees)
Statutory Corporations and Board .. .. .	19.95	14.93
Co-operative Institutions .. .. .	45.99	28.69

Further details are given in statement no. 6 of the Finance Accounts 1969-70.

## CHAPTER VIII

### OUTSTANDING AUDIT OBJECTIONS AND INSPECTION REPORTS

#### 107. Outstanding audit objections

The irregularities and defects noticed in audit are reported to departmental authorities. Periodical reports of outstanding audit objections are also forwarded to the heads of departments for taking necessary steps to expedite their settlement. The financial rules of Government require the departmental officers to attend to the audit objections promptly; the Public Accounts Committee has also been repeatedly stressing the need for quick disposal of the objections.

The number of outstanding audit objections pertaining to the period upto 31st March 1970 awaiting settlement on 30th September 1970 was 13,299 (money value : Rs. 15,83·81 lakhs). The table below shows the number and amount of outstanding objections shown in this Audit Report and the previous Audit Report :—

Audit Report	Number of objections	Amount (In lakhs of rupees)
1970	11,258*	13,94·27*
1971	13,299*	15,83·81*

Year-wise analysis of the audit objections issued upto 31st March 1970 which were not settled upto 30th September 1970 is given below :—

Year of issue	Civil departments		Commercial departments/activities		Total	
	Number of objections	Amount (in lakhs of rupees)	Number of objections	Amount (in lakhs of rupees)	Number of objections	Amount (in lakhs of rupees)
1966-67 and earlier years	2,195	1,18·94	465	24·02	2,660	1,42·96
1967-68	1,094	1,73·96	664	26·68	1,758	2,00·64
1968-69	2,130	4,61·27	297	29·21	2,427	4,90·48
1969-70	6,162	6,71·64	292	78·09	6,454	7,49·73
Total	11,581	14,25·81	1,718	1,58·00	13,299	15,83·81

It will be seen that 2,660 objections (amount : Rs. 1,42·96 lakhs) were over three years old. An analysis of the outstanding objections by the Departments is shown in Appendix XII.

\*These figures exclude information relating to Haryana State Electricity Board which has been incorporated in Chapter VII.

### 108. Want of detailed contingent bills, vouchers and/or payees' stamped receipts (Rs. 7,54·38 lakhs)

Rs. 7,54·38 lakhs include the amount under objection for want of detailed contingent bills etc. This amount under objection represents expenditure incurred from advances on abstract contingent bills for which detailed bills, duly countersigned by the controlling authority, (required to be furnished to Audit within 15 days of the close of the month in which abstract bills are drawn from the treasury) have not been furnished. Delay in furnishing the detailed bills to Audit results in the entire expenditure escaping audit for long.

This amount also includes objections relating to expenditure which could not be admitted in audit owing to non-submission by the disbursing officers of vouchers, supporting accounts and/or stamped receipts of payees. Consequently, it has not been possible to complete audit of that expenditure; non-submission or delay in submission of the records may result in mis-appropriations, unauthorised expenditure etc., remaining undetected for long.

### 109. Outstanding inspection reports

Settlement of 3,618 inspection reports containing 17,194 paragraphs issued upto 31st March 1970 was outstanding at the end of September 1970. Year-wise analysis is given below :—

Year of issue	Civil departments		Commercial departments/activities		Revenue Receipts	
	Number of inspection reports	Number of paragraphs	Number of inspection reports	Number of paragraphs	Number of inspection reports	Number of paragraphs
1966-67 and earlier years	1,779	6,599	332	2,054	14	257
1967-68 .. ..	321	1,376	97	911	5	72
1968-69 .. ..	378	1,940	55	408	2	52
1969-70 .. ..	550	2,820	84	680	1	25
Total .. ..	3,028	12,735	568	4,053	22	406

It would be seen that 2,125 inspection reports containing 8,910 paragraphs were outstanding for over three years.

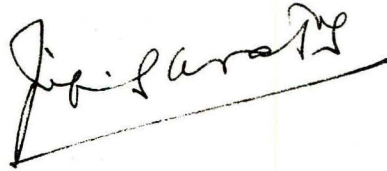
The table below compares the number of outstanding inspection reports/ paragraphs with that shown in the last Audit Report :—

	Audit Report	
	1970	1971
Number of inspection reports outstanding .. ..	3,840	3,618
Number of paragraphs in these reports .. ..	19,202	17,194

The details of departments with comparatively heavy outstanding are given in Appendix XIII.

The number of inspection reports for which even first replies were not received upto 30th September 1970 was 232; in 48 and 96 cases, first replies had not been furnished for over two years and one year, respectively.

Important types of irregularities noticed in local inspections conducted during 1969-70 are briefly given in Appendix XIV.



SIMLA;

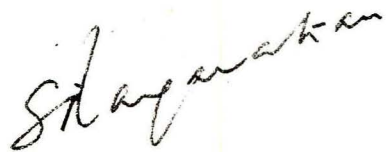
Dated

29<sup>th</sup> Dec 1970

(M. PARTHASARATHY)

Accountant General, Haryana

Countersigned



(S. RANGANATHAN)

NEW DELHI;

Dated

5<sup>th</sup> Jan: 1971

Comptroller and Auditor General of India



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## APPENDICES

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## APPENDIX I

(Reference : paragraph 12, page 14)

### UTILISATION CERTIFICATES OF GRANTS-IN-AID AWAITED AT THE END OF AUGUST 1970

Serial no.	Department	Year	Number of certificates outstanding	Amount (Rs. lakhs)		
1	Education .. ..	1965-66	66	4.58		
		1966-67	21	1.85		
		1967-68	23	19.87		
		1968-69	15	55.75		
			-----	125		
2	Medical and Health				-----	82.05
		(a) Medical .. ..	1965-66	26	1.94	
			1966-67	3	0.07	
			1968-69	16	1.61	
					-----	45
		(b) Health .. ..	1967-68	10	1.58	
			1968-69	10	5.01	
					-----	20
3	Local Government	1964-65 and earlier years	6	3.60		
		1965-66	2	0.71		
		1966-67	2	0.40		
		1967-68	9	1.57		
		1968-69	40	10.40		
					-----	59
					-----	16.68
4	Social Welfare .. ..	1964-65 and earlier years	15	1.91		
		1965-66	3	0.05		
		1966-67	3	0.25		
		1967-68	4	0.47		
		1968-69	1	0.45		
					-----	26
5	Sports .. ..	1964-65 and earlier years	5	0.26		
		1966-67	5	0.17		
		1967-68	17	0.47		
					-----	27
			-----	0.90		
6	Public Relations .. ..	1964-65 and earlier years	8	0.11		
		1965-66	10	0.09		
		1967-68	7	0.10		
					-----	25
			-----	0.30		
7	Industries .. ..	1964-65 and earlier years	4	6.11		
		1966-67	1	0.56		
		1967-68	6	1.69		
		1968-69	7	1.86		
					-----	18
8	Agriculture .. ..	1966-67	2	27.39		
		1967-68	9	81.29		
		1968-69	4	39.28		
					-----	15
			-----	147.96		

## APPENDIX II

(Reference: paragraph 17, page 17)

### CASES IN WHICH SUPPLEMENTARY GRANTS/APPROPRIATIONS PROVED SUBSTANTIALLY EXCESSIVE/INADEQUATE

Serial Number and name no. of grant/appropriation	Original grant/ approp- riation	Supple- mentary grant/ approp- riation	Final grant/ approp- riation	Expen- diture	Saving(—)/ Excess (+)	Percen- tage
--	--	--	---------------------------------------	------------------	-----------------------------	-----------------

(In lakhs of rupees)

I—Cases in which supplementary grants/appropriations proved to be substantially  
excessive

#### *Administrative Services*

1	8—Parliament, State/ Union Territory Le- gislatures ..	19.58	2.16	21.74	20.02	—1.72	8
2	9—General Adminis- tration  <i>Charged</i> ..	9.13	3.44	12.57	9.69	—2.88	22

#### *Social and Developmental Services*

3	18—Public Health	356.13	15.19	371.32	332.44	—38.88	10
4	19—Agriculture ..	342.07	2.00	344.07	296.97	—47.10	14

#### *Transport and Communication*

5	32—Roads and Water Transport Schemes	465.99	67.31	533.30	485.13	—48.17	9
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#### *Miscellaneous*

6	36—Stationery and Printing ..	51.78	7.10	58.88	54.33	—4.55	8
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#### *Other Services*

7	3—Taxes on vehicles	3.55	1.70	5.24	4.25	—0.99	19
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II—Cases in which supplementary grants proved substantially inadequate

#### *Other Services*

1	34—Pensions and Other Retirement Benefits ..	96.91	7.50	104.41	135.98	+31.57	30
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#### *Capital Miscellaneous*

2	Capital Outlay on Multipurpose River Schemes ..	530.00	31.12	561.12	811.85	+250.73	45
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## APPENDIX III

(Reference : paragraph 19, page 21)

### SAVINGS UNDER GRANTS AND APPROPRIATIONS

Serial no.	Number and name of grant/ appropriation	Original/ Supplemen- tary	Total grant/ appro- priation	Expenditure	Saving	Percent- age of saving	
<i>I—Cases of saving of 20 per cent or more of the total grant/Appropriation</i>							
<i>Administrative Services</i>							
1	9—General Administration <i>Charged</i> .. ..	O	9.13	} 12.57	9.69	2.88	
		S	3.44				
						23	
<i>Public Works (including Roads) and Schemes of Miscellaneous Public Improvements</i>							
2	31—Capital Outlay on Pub- lic Works .. ..	O	45.57	45.57	..	45.57	100
<i>Social and Developmental Services</i>							
3	17—Medical  Voted .. ..	O	326.12	326.12	241.05	85.07	26
<i>Capital Miscellaneous</i>							
4	42—Capital Outlay on Schemes of Agricultural Improvement and Research	O	35.76	35.76	27.13	8.63	24
5	46—Capital Outlay on Public Works <i>Charged</i> .. ..	O	3.69	3.69	..	3.69	100
6	47—Capital Outlay on other Works .. ..	O	6.00	6.00	4.11	1.89	32
<i>Other Services</i>							
7	2—State Excise Duties Voted .. ..	O	11.19	11.19	7.48	3.71	33
<i>Other Items</i>							
8	41—Expenditure connected with National Emergency	O	2.78	2.78	..	2.78	100

## II—Cases of saving of 10 per cent or more but within 20 per cent of the total grant

*Social and Developmental Services*

1	18—Public Health	..	O	353·13	}	371·32	332·44	38·88	10
			S	15·19					
2	19—Agriculture	..	O	342·07	}	344·07	296·97	47·10	14
			S	2·00					
3	20—Animal Husbandry	..	O	159·02	}	159·02	134·77	24·25	15
			S	*					
4	22—Industries ..	..	O	94·78	94·78	84·68	10·10	11	
5	23—Community Development Projects, National Extension Services and Local Development Works		O	135·01	135·01	116·89	18·12	13	
6	24—Labour and Employment	..	..	O	116·98	116·98	102·37	14·61	12

*Other Services*

7	3—Taxes on Vehicles	..	O	3·54	}	5·24	4·25	0·99	19
			S	1·70					
8	4—Sales Tax	..	O	28·69	28·69	24·97	3·72	13	
9	38—Miscellaneous	..	O	237·54	}	298·57	250·83	47·74	16
			S	61·03					

*Capital Miscellaneous*

10	43—Capital Outlay on Industrial and Economic Development	..	..	O	188·82	188·82	162·67	26·15	14
11	46—Capital Outlay on Public Works		O	896·78	}	896·78	747·58	149·20	17
			S	*					
12	50—Capital Outlay on Schemes of Government Trading	..	..	O	3147·57	3147·57	2620·62	516·95	16

*Debt Services*

13	0—Public Debt..	..	O	4440·35	4440·35	3695·10	745·25	17
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\* Rs. 10,

## APPENDIX IV

(Reference : paragraph 12, page 47)

### MISAPPROPRIATIONS AND DEFALCATIONS IN WHICH DEPARTMENTAL ACTION AND CRIMINAL PROSECUTION HAVE BEEN COMPLETED BUT RECOVERY WAS PENDING ON 31ST MARCH 1970.

Serial no	Department	Cases pertaining to				Total		
		1964-65 and earlier years		1965-66 to 1969-70		Number	Amount Rs.	
		Number	Amount Rs.	Number	Amount Rs.			
1	Transport	..	..	12	16,266	12	16,266	
2	Buildings and Roads	..	5	21,973	4	9,944	9	31,917
3	Agriculture	..	3	4,192	6	19,443	9	23,635
4	Education	..	6	13,175	1	2,622	7	15,797
5	Food and supplies	..	..	..	6	4,05,524	6	4,05,524
6	Revenue	..	1	687	3	32,600	4	33,287
7	Medical	..	..	..	2	6,040	2	6,040
8	Other departments	..	6	32,582	2	2,593	8	35,175
	Total	..	21	72,609	36	4,95,032	57	5,67,641

APPENDIX V

(Reference: paragraph 42, page 47)

MISAPPROPRIATIONS, DEFALCATIONS, ETC., UNDER DEPARTMENTAL INVESTIGATION OR CRIMINAL PROSECUTION ON 31ST MARCH 1970

Serial no.	Department	Departmental investigation				Criminal prosecution				Grand Total	
		Cases pertaining to				Cases pertaining to					
		1964-65 and earlier years		1965-66 to 1969-70		1964-65 and earlier years		1965-66 to 1969-70			
		Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Rs.		Rs.		Rs.		Rs.		Rs.			
1	Irrigation	32	86,808	30	1,53,109	..	..	..	..	62	2,39,917
2	Buildings and Roads	28	1,60,454	7	55,052	..	..	..	..	35	2,15,506
3	Public Health	..	..	4	75,979	..	..	..	..	4	75,979
4	Transport	..	..	3	3,897	..	..	4	18,195	7	22,092
5	Agriculture	..	..	1	1,482	2	24,952	4	1,26,367	7	1,52,801
6	Education	..	..	..	..	..	..	3	37,175	3	37,175
7	Food and Supplies	..	..	..	..	..	..	2	14,645	2	14,645
8	Industries	1	22,808	..	..	..	..	1	2,310	2	25,118
9	Other departments	..	..	3	34,691	1	13,344	1	3,500	5	51,535
	Total	61	2,70,070	48	3,24,210	3	38,296	15	2,02,192	127	8,34,768



APPENDIX VI

(Reference : paragraph 43, Page 48)

**CASES OF LOSS, THEFT, FIRE, ETC.. IRRECOVERABLE REVENUE,  
DUTIES, ADVANCES, ETC. REMISSIONS OF REVENUE, ETC., WRITTEN  
OFF/WAIVED DURING THE YEAR**

Department	Writes-off of losses, irrecoverable revenue, duties, advances, etc.		Remission of revenue and abandonment of claim to revenue (other than land revenue)	
	Number of cases	Amount Rs.	Number of cases	Amount Rs.
Irrigation ..	..	..	31,142	7,00,246
Food and Supplies ..	663	3,85,058	..	..
Animal Husbandry ..	84	33,862	..	..
Rehabilitation ..	70	87,258	..	..
Police ..	13	16,927	..	..
Revenue ..	6	39,160	..	..
Excise and Taxation	1	250	2	17,740
Forest ..	1	250	1	960
Other departments ..	18	9,726	..	..
Total ..	856	5,72,491	31,145	7,18,946

APPENDIX VII

(Reference : paragraph 78, Page 73)

**FINANCIAL RESULTS OF STATUTORY CORPORATION**

1. Name of the Corporation	..	..	..	..	The Haryana Financial Corporation, Chandigarh.
2. Year of incorporation	..	..	..	..	1967
3. Period of accounts	..	..	..	..	1st April 1969 to 31st March 1970.

(In lakhs of rupees)

4. Total capital invested	..	..	..	..	6,25.20*
5. Profit(+)/Loss(-)	..	..	..	..	+21.37
6. Total interest charged to Profit and Loss account				..	28.01
7. Interest on long term loans	..	..	..	..	28.01
8. Total return on capital invested (5+7)			..	..	49.38
9. Percentage of total return on capital invested	..	..	..	..	7.90

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\*Capital invested represents paid-up capital *plus* long term loans *plus* Free Reserves.

## APPENDIX VIII

(Reference: paragraph 90, page 81)

### FINANCIAL RESULTS OF GOVERNMENT COMPANIES

1. Name of the Company	..	Haryana Agro-In- dustries Corporation	Haryana State Industrial Development Corporation	Haryana State Small Scale Industries and Export Corporation
2. Date of incorporation	..	1967	1967	1967
3. Period of accounts	.. ..	Year ending 30th June 1969	Year ending 31st March 1969 (In lakhs of rupees)	Year ending 30th June 1969
4. Total capital invested*	..	1,12.04	46.88	21.13
5. Profit(+)/Loss(—)	.. ..	(+ )4.03	(+ )0.41	(+ )5.21
6. Total interest and charged to profit and loss account	.. ..	..	1.30	0.03
7. Interest on long term loans	..	..	0.45	..
8. Total return on capital invested (5+7)	.. ..	4.03	0.86	5.21
9. Percentage of total return on capital invested	.. ..	3.60	1.83	24.66
10. Capital employed**	.. ..	1,12.03	46.55	21.13
11. Total return on capital employed (5+6)	.. ..	4.03	1.71	5.24
12. Percentage of total return on capital employed	.. ..	3.60	3.67	24.80

\*Capital invested represents paid-up capital *plus* long term loans *plus* free reserves.

\*\*Capital employed represents net fixed assets *plus* or *minus* working capital.

## APPENDIX IX

(Reference: paragraph 93, page 82)

### **PARTICULARS OF COMMERCIAL/QUASI-COMMERCIAL UNDERTAKINGS**

1. Haryana Government Cottage Industries Emporium New Delhi.
2. Purchase and distribution of Fertilizers.
3. Seed Depots Scheme.
4. Haryana Roadways.
5. Government Live Stock Farm, Hissar.
6. Anti-Rabic Vaccine Institute (B.P. Section) Hissar.
7. Colonization Scheme.
8. Provincial Reserve Food Scheme.
9. Purchase and distribution of Pesticides.
10. Nationalised Text Books Scheme.
11. Typewriters Workshop Scheme.

## APPENDIX X

(Reference : paragraph 93, Page 82)

### FINANCIAL RESULTS OF THE COMMERCIAL/QUASI-COMMERCIAL DEPARTMENTAL UNDERTAKINGS

Serial no.	Name of the concern	Period of accounts	Govern-ment capital	Mean capital excluding interest on capital	Block assets	Cumu-lative depreciation	Turnover	(In lakhs of rupees)	
								Profit (+)/ Loss (-)	Percentage of profit on mean capital
1	Government Live Stock Farm, Hissar.	1st April 1968 to 31st March 1969.	31·33*	36·60	17·46	..	..	-5·40	..
2	Anti-Rabic Vaccine Institute (B. P. Section), Hissar.	1st April 1968 to 31st March 1969.	0·33	0·11	0·07	0·20	0·89	+0·24	218
3	Provincial Reserve Food Scheme	1st April 1969 to 31st March 1970.	..	..	..	..	25,94·14	+48·71	..
4	Haryana Roadways	.. 1st April 1968 to 31st March 1969.	3,57·79	2,63·66	3,19·07	1,02·00	4,67·00	+92·04	34·91

\*This does not take into account Rs. 33·20 lakhs realised by the farm on sale of land. The amount was reduced from the capital instead of treating it as capital gain.

APPENDIX XI

(Reference: paragraph 95, page 91)

**WORKING RESULTS OF THE INDIVIDUAL UNITS OF HARYANA ROADWAYS FOR THE YEARS 1967-68, 1968-69 AND 1969-70.**

Name of the depot	Year of account	Capital as on 31st March	Mean capital as on 31st March	Block assets (Net)	Depreciation (to-date)	Gross revenue	Total expenditure	Net profit	Return on capital (percentage of col. 9 to 4)	Fleet strength on 31st March	Mileage operated per (effective)	Receipt* per mile	Expenditure per mile	Profit per mile
		(In lakhs of rupees)								(In lakhs)		(In paise)		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Ambala	1967-68	71.24	57.64	66.35	43.34	140.67	108.45	32.22	55.9	197	91.89	153	118	35
	1968-69	105.56	69.24	94.47	33.67	158.80	124.65	34.15	49.3	219	99.22	100	126	34
	1969-70£	..	..	..	..	..	..	..	..	125	78.15	168	123	45
Gurgaon	1967-68	89.86	70.90	78.71	22.27	92.73	87.61	5.12	7.2	153	60.67	153	144	9
	1968-69	112.89	87.76	100.83	19.97	124.82	102.73	22.09	25.21	163	75.99	164	135	29
	1969-70£	..	..	..	..	..	..	..	..	190	84.57	167	140	27

Rohtak	..	{ 1967-68	86.93	67.97	79.32	24.95	86.22	75.56	10.66	15.7	143	61.11	141	124	17
		{ 1968-69	107.34	82.26	98.66	27.25	120.82	96.01	24.81	30.2	171	75.94	150	126	33
		{ 1969-70£	..	..	..	..	..	..	..	..	105	60.46	168	135	33
Chandigarh	..	{ 1967-68	29.25	19.63	23.75	20.20	50.61	39.93	10.68	54.4	74	31.65	160	126	34
		{ 1968-69	32.97	24.40	25.11	21.23	62.73	50.77	11.96	49.00	87	38.72	160	131	29
		{ 1969-70£	..	..	..	..	..	..	..	..	91	45.09	169	127	42
Total	..	{ 1967-68	277.28	216.14	248.13	110.76	370.23	311.55	58.68	27.1	567	245.32	151	127	24
		{ 1968-69	358.76	263.66	319.07	102.12	467.17	374.16	93.01	35.3	640	289.87	161	129	32
		{ 1969-70£	..	..	..	..	..	..	..	..	..	..	..	..	..

\*The figures in this column have been calculated on the gross revenue (Traffic and Miscellaneous).

£Figures in respect of columns 11 to 15 have been taken from the statistical data prepared by the department.

Figures of Capital, Block Assets etc. for this year could not be incorporated because the proforma accounts for the year have not been prepared (September 1970).

APPENDIX

(Reference : paragraph

**AUDIT OBJECTIONS ISSUED UPTO 31ST MARCH 1970 BUT NOT**

Serial no.	Department	Want of sanctions to establishment or continuance of establishment	Want of sanctions to miscellaneous and contingent expenditure	Want of detailed contingent bills, vouchers, payees, receipts, stamped acknowledgements or other documents	Recoverable advances not recovered and adjusted within the prescribed period	Want of detailed contingent bills, vouchers, payees, receipts, stamped acknowledgements or other documents		Recoverable advances not recovered and adjusted within the prescribed period		
						Num-ber	Amount (Rs. lakhs)	Num-ber	Amount (Rs. lakhs)	Num-ber
<i>Commercial</i>										
1	Irrigation ..	..	..	..	..	..	..	664	0.79	
2	Transport ..	..	10	0.30	..	..	470	132.47	115	0.16
3	Industries ..	..	..	..	3	0.07	129	4.51	56	0.06
4	Animal Husbandry ..	..	11	0.38	..	..	137	11.43	..	..
5	Jails.. ..	..	..	..	1	0.04	61	5.57	4	(A)
	Total ..	..	21	0.68	4	0.11	797	153.98	839	1.01
<i>Civil</i>										
6	(a) Irrigation ..	..	27	0.49	..	..	1,573	37.16	29	0.03
	(b) Buildings and Roads	9	0.17	..	..	..	2,067	314.07	139	0.31
	(c) Public Health ..	..	..	..	..	..	486	24.91	94	0.09
7	Education including N.C.C.	89	1.76	176	4.82	496	21.34	307	0.53	
8	Public Health ..	..	97	1.33	..	..	436	5.61	114	0.14
9	Medical ..	..	48	2.83	..	..	454	17.44	48	0.09
10	Agriculture ..	..	21	0.34	45	1.12	586	101.05	12	0.02
11	Animal Husbandry ..	..	78	1.19	18	2.19	206	15.48	..	..
12	Police ..	..	..	..	6	1.17	145	1.71	154	0.35
13	Development and Panchayats ..	..	..	..	5	0.07	67	1.77	170	2.27
14	Employment ..	..	34	0.79	13	0.37	87	2.70	89	0.07
15	Jails.. ..	..	22	0.19	1	(C)	51	2.15	126	0.06
16	Excise and Taxation ..	..	..	..	10	0.05	94	0.59	125	0.11
17	Forest ..	..	25	2.21	..	..	37	0.10	70	0.08
18	Finance ..	..	2	0.22	..	..	31	1.49	95	0.11
19	Technical Education ..	..	8	0.33	8	0.22	93	2.69	8	0.01
20	Co-operative ..	..	..	..	9	0.17	38	3.37	16	0.02
21	Other departments ..	..	21	0.52	60	0.75	403	46.77	153	0.42
	Total ..	..	481	12.37	351	10.93	7,350	600.40	1,749	2.72
	GRAND TOTAL ..	..	502	13.05	355	11.04	8,147	754.38	2,588	3.73

(A) Rs. 460 (B) Rs. 15 (C) Rs. 155 (D) Rs. 111 (E) Rs. 101.



XII

107, page 100)

**SETTLED UPTO THE END OF SEPTEMBER 1970**

Want of agreements		Non-recovery of overpayments or amounts disallowed in audit		Other reasons		Total	
Number	Amount (Rs. lakhs)	Number	Amount (Rs. lakhs)	Number	Amount (Rs. lakhs)	Number	Amount (Rs. lakhs)
..	..	..	..	..	..	664	0.79
..	..	..	..	15	0.13	610	133.06
..	..	..	..	17	0.13	205	4.77
..	..	..	..	25	1.96	173	13.77
..	..	..	..	..	..	66	5.61
..	..	..	..	57	2.22	1,718	158.00
31	33.89	..	..	582	110.34	2,242	181.91
84	129.52	..	..	76	198.81	2,375	642.88
30	26.16	..	..	91	212.24	701	263.40
..	..	47	0.02	274	3.14	1,389	31.61
..	..	..	..	38	0.08	685	7.16
..	..	..	..	40	0.29	590	20.65
..	..	..	..	17	0.14	681	102.67
..	..	..	..	16	10.19	318	29.05
..	..	..	..	3	0.52	308	3.75
..	..	3	(B)	11	0.01	256	2.12
..	..	..	..	9	0.02	232	3.95
..	..	..	..	10	0.03	210	2.43
..	..	1	(D)	9	0.03	239	0.78
..	..	..	..	35	0.09	167	2.48
..	..	1	(E)	26	0.97	155	2.80
..	..	..	..	3	0.01	120	3.26
..	..	..	..	53	66.79	116	70.35
..	..	4	0.02	156	6.08	797	54.56
145	189.57	56	0.04	1,449	609.78	11,581	1,425.81
145	189.57	56	0.04	1,506	612.00	13,299	15,83.81

## APPENDIX XIII

(Reference : paragraph 109, Page 102)

### OUTSTANDING INSPECTION REPORTS/PARAGRAPHS

Serial No.	Department	Number of reports and paragraphs therein outstanding for						Total	
		5 years or more		More than 2 years but less than 5 years		2 years or less		Reports	Para- graphs
		Reports	Para- graphs	Reports	Para- graphs	Reports	Para- graphs		
<i>Commercial depart- ments/activities</i>									
1	Agriçulture—								
	(a) Seed ..	29	109	20	137	14	137	63	383
	(b) Fertilizer ..	26	90	21	109	14	66	61	265
2	Industries ..	53	172	2	23	2	8	57	203
3	Food and Supplies	13	39	14	66	7	76	34	181
4	Transport ..	4	5	9	37	15	112	28	154
5	Animal Husbandry	7	11	6	19	11	33	24	63
6	Haryana State Electricity Board	121	953	102	1,187	65	596	288	2,736
<i>Public Works</i>									
7	Irrigation ..	94	225	114	430	89	604	297	1,259
8	Buildings and Roads	53	189	54	230	52	491	159	910
9	Public Health ..	22	54	35	216	30	280	87	550
<i>Civil</i>									
10	Development ..	286	1,523	100	702	71	395	457	2,620
11	Education ..	98	293	140	570	126	529	364	1,392
12	Revenue ..	122	637	60	382	86	392	268	1,411
13	Industries ..	56	109	49	162	60	262	165	533
14	Medical ..	70	167	46	224	44	309	160	700
15	Agriculture ..	32	71	54	216	57	243	143	530
16	Rehabilitation ..	42	57	24	41	29	55	95	153
<i>Revenue Receipts</i>									
17	Excise and Taxation	10	154	9	175	3	77	22	406

## APPENDIX XIV

(Reference : paragraph 109, page 102)

### IMPORTANT IRREGULARITIES NOTICED IN LOCAL AUDIT AND INSPECTION DURING 1969-70

Type of irregularity	Number of offices in which the irregularity was noticed
<i>1. Public Works Offices</i>	
(1) Non-maintenance of register of works by sub-heads ..	38
(2) Improper/non-maintenance of material-at-site accounts	23
(3) Delay in closing of manufacture accounts .. ..	43
(4) Non-preparation of annual returns of tools and plant ..	40
(5) Non-preparation of annual certificate of balances ..	38
(6) Heavy balances and other arrears in suspense registers ..	44
(7) Defective maintenance of cash book .. .. .	32
(8) Non-realisation of security deposits from officials handling cash/stores .. .. .	29
(9) Half yearly check of measurement books not conducted	40
(10) Non-revision of standard rent of buildings .. ..	27
(11) Details of contractors' closing balances not worked out in works abstracts/irregular maintenance of contractors' ledger .. .. .	31
(12) Difference in schedules of settlement with treasuries ..	29
(13) Non-conducting of physical verification of stores and tools and plant articles .. .. .	41
<i>2. Civil Departments</i>	
(1) Non-realisation of security from officials handling cash/ stores .. .. .	34
(2) Defective maintenance of cash book (including erasures and overwritings, non-checking of totals, physical verifi- cation of cash and surprise verification of cash not conducted)	59
(3) Non-observance of rules for reconciliation of withdrawals from and remittances into treasury .. .. .	44
(4) Non-observance of rules for annual physical verification of stores .. .. .	19
(5) Defective maintenance of books of stores and stock accounts	13
(6) Cases where expenditure was incurred without/in excess of sanction	11
(7) Defective maintenance of log-books .. .. .	16





