



REPORT

OF THE

COMPTROLLER AND AUDITOR GENERAL OF INDIA

for the year

1971-72

GOVERNMENT OF HARYANA



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PREFATORY REMARKS

This volume mainly relates to matters arising from the Appropriation Accounts for 1971-72 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 the year 1971-72 ; 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 cases mentioned in the Report are those which came to notice of Audit during the year 1971-72 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 1971-72 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

(a) *Revenue receipts*.—The actuals of revenue receipts for 1971-72 as compared with the (i) budget estimates and (ii) budget estimates plus additional taxation during the year along with the corresponding figures for 1969-70 and 1970-71 are shown below :—

Year	Budget	Budget plus additional taxation	Actuals	Variation between columns (4) and (3)	
				Amount of increase	Percentage
(in crores of rupees)					
1969-70 ..	78.34	79.09	84.95	5.86	7
1970-71 ..	92.44	92.55	99.18	6.63	7
1971-72 ..	1,13.20	1,13.38	1,14.90	1.52	1

(b) *Expenditure on revenue account*.—The expenditure on revenue account as compared with the (i) budget estimates and (ii) budget estimates plus supplementary grants is shown below :—

Year	Budget	Budget plus supplementary	Actuals	Variation between columns (4) and (3)	
				Amount of decrease	Percentage
(in crores of rupees)					
1969-70 ..	79.79	85.24	80.34	4.90	6
1970-71 ..	90.60	99.68	93.39	6.29	6
1971-72 ..	1,05.11	1,12.77	1,07.07	5.70	5

The State has been having a revenue surplus continuously since its formation in 1966. Accumulated revenue surplus at the end of 1971-72 was Rs. 40.57 crores.

The revenue surplus in the last three years was as follows:--

Year	Surplus (in crores of rupees)				
1969-70	4.61
1970-71	5.79
1971-72	7.83

2. Revenue receipts

(a) In 1971-72 revenue receipts (Rs. 1,14.90 crores) increased by about 16 per cent over those in 1970-71 (Rs. 99.18 crores). The variations over revenue receipts for 1970-71 are analysed below :—

	1970-71	1971-72	Increase
	(in crores of rupees)		
(i) Revenue raised by Government—			
(a) Taxes, duties and other principal heads of revenue	43.89	51.10	7.21
(b) Other receipts, such as water rates, rents of buildings, etc.	33.50	38.32	4.82
(ii) Receipts from Government of India—			
(a) State's share of divisible Union Taxes	12.28	13.32	1.04
(b) Grants-in-aid	9.51	12.16	2.65
Total:	99.18	1,14.90	15.72

As in 1970-71, the receipts from Government of India in 1971-72 were 22 per cent of the total receipts.

The tax revenues raised by Government in 1971-72 accounted for 44 per cent of the total revenue receipts. The corresponding percentage for 1970-71 was also 44.

Increase in the revenue receipts was mainly under the following heads :

Head	Receipts during		Increase	
	1970-71	1971-72	Amount	Percentage
(in crores of rupees)				
Sales Tax	17.42	21.62	4.20	24

Mainly due to larger realisation, levy of purchase tax on outward consignments and surcharge on general sales tax.

Other Taxes and Duties	9.35	10.84	1.49	16
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Mainly due to increase in the rates of entertainment tax and larger income from electricity duties and goods and passenger tax, etc.

Interest	9.20	11.25	2.05	22
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Due to larger interest receipts from commercial departments and State Electricity Board.

Road and Water Transport Schemes	8.46	10.81	2.35	28
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Mainly due to expansion of operation of Haryana Roadways on account of further nationalisation of passenger transport.

(b) *Taxation changes during the year*—Purchase tax on outward consignment sales was levied from June 1971. Entertainment duty was raised from 60 per cent to 75 per cent on admission tickets from 19th November 1971. An additional levy on entertainment duty was imposed from December 1971 at 10 paise per admission ticket. A surcharge at the rate of 2 per cent on sales tax on sales of goods other than declared goods was levied from December 1971.

(c) *Arrears in collection of revenue*—According to the information furnished by some departments, arrears at the end of March 1972 in collection of revenue were Rs. 2.79 crores as follows :—

Department	Amount (in crores of rupees)	Nature of revenue and other receipts
Excise and Taxation	1.57	Sales tax : Rs. 1.22 crores ; excise duty : Rs. 0.01 crore ; other taxes and duties ; Rs. 0.34 crore.
Revenue	0.58	Land revenue : Rs. 0.12 crore ; <i>Abiana</i> : Rs. 0.20 crore and betterment charges : Rs. 0.26 crore.
Agriculture	0.31	Arrears of purchase tax on sugar-cane.
Medical and Health	0.23	Contributions due from <i>zila parishads, panchayat samitis</i> and municipal committees.
Forest	0.10	Recoveries due from contrac- tors of forest on account of timber and other produce.

3. Expenditure on revenue account

Expenditure on revenue account in 1971-72 (Rs. 1,07.07 crores) increased by 15 per cent over that in 1970-71 (Rs. 93.39 crores). A comparative analysis of the main increases alongwith the expenditure figure during the three years ending 1971-72 is given below :—

	1969-70	1970-71	1971-72	Increase over 1970-71	
				Amount	Percentage
				(in crores of rupees)	
(i) Administrative Services	7.78	8.01	9.22	1.21	15
(ii) Social and developmental services					
Education ..	16.40	18.53	20.05	1.52	8
				(Mainly due to larger non-Plan expenditure on establishment and more outlay on Plan schemes)	
Other items ..	14.11	18.70	21.39	2.69	14
(iii) Multipurpose river schemes—					
Irrigation, etc. works (Commercial) ..	4.31	4.17	5.31	1.14	27
				(Due to more interest charges on account of larger capital investment on irrigation schemes and increased maintenance expenditure on flood control and drainage works).	
(iv) Public works (including roads) and schemes of miscellaneous public improvement ..	3.44	4.26	7.89	3.63	85
				(Increase due to construction of Government buildings and opening of new divisions and sub-divisions).	
(v) Transport and communications (other than roads) ..	4.85	6.78	9.17	2.39	35
				(Mainly due to further nationalization of passenger transport).	

Expenditure on social and developmental services constituted 39 per cent of the total revenue expenditure of the State during 1971-72 as against 40 per cent during 1970-71.

4. Expenditure outside the revenue account

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

Expenditure on capital account during the three years ending 1971-72 as compared with the (i) budget estimates and (ii) budget estimates plus supplementary grants is shown below (loans and advances are dealt with in paragraph 5) :—

Year	Budget	Budget plus supplementary	Actuals	Variation between columns (4) and (3)	
				Amount of decrease	Percentage
(1)	(2)	(3)	(4)	(5)	
(in crores of rupees)					
1969-70 ..	6.73	8.91	5.33	3.58	40
1970-71 ..	18.32	32.46	24.87	7.59	23
1971-72 ..	33.37	59.83	44.33	15.50	26

Shortfall during the year was mainly under "Capital outlay on schemes of Government Trading" due to shortfall in procurement operations under the Grain Supply Schemes.

(b) An analysis of expenditure outside the revenue account is given below :—

	During 1970-71	During 1971-72	Progressive outlay upto 1971-72*
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(in crores of rupees)

I. Capital expenditure on—

(i) Social and developmental services—

(a) Industrial and economic development	2.80	2.66	12.78**
(b) Agricultural Improvement and research	0.21	0.29	1.63

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

**Rs. 0.13 crore (debit) adopted *pro forma*.

(ii) Multipurpose river schemes and irrigation works, etc.—				
(a) Multipurpose river schemes ..	1.76	2.61	3.25	
(b) Irrigation works (Commercial) ..	8.12	16.71	56.47	
(iii) Public works and schemes of miscellaneous public improvement ..	9.36	20.13	33.26	
(iv) Transport and communications, road and water transport schemes ..	1.90	2.41	9.52	
(v) Miscellaneous—				
(a) Schemes of Government trading ..	0.70	-0.50	-2.37 [@]	
(b) Other miscellaneous expenditure ..	0.02	0.02	1.27	
II. Loans and advances (net, i.e. after taking recoveries into account) ..	12.07	13.08	72.15	
Total	36.94	57.41	1,87.96	

The sources from which the expenditure outside the revenue account (including that on loans and advances) during 1970-71, 1971-72 and to end of 1971-72 were met are shown below :—

		During 1970-71	During 1971-72	Progres- sive upto 1971-72 [‡]
		(in crores of rupees)		
I. Net additions to—				
(i) Market loans (permanent debt) ..	4.97	6.06	22.41	
(ii) Floating Debt	7.61	20.98	28.59	
(iii) Loans from Government of India ..	7.66	14.61	1,69.67	
(iv) Loans from other sources ..	1.31	1.07	8.33	
(v) Unfunded debt	1.69	1.80	9.68*	

[@] Minus expenditure is due to excess of receipts over expenditure.

[‡] The figures in this column take into account the progressive expenditure so far allocated to Haryana.

* Rupees 1.35 crores (credit) adopted *pro forma*.

II. Other capital receipts— (Mainly excess of deposits, etc., received by Government over repayment on that account) .. .. .	..	..	..	-0.68	-6.42	31.56*
III. Contingency Fund .. .. .	..	..	..	-0.15	-0.09	0.56
IV. Decrease in cash balance and investment of cash balances .. .. .	..	..	..	2.25	5.43	4.61
V. Revenue surplus .. .. .	..	..	..	5.79	7.83	40.57
VI. Other items .. .. .	..	..	..	6.49	6.14	-1,28.02
Grand total .. .. .	..	..	..	36.94	57.41	1,87.96

5. Loans and advances by Government

(a) The actuals of disbursement of loans and advances by State Government for 1971-72 as compared with the (i) budget estimates and (ii) budget estimates plus supplementary grants along with the corresponding figures for 1969-70 and 1970-71 are shown below :—

Year	Budget	Budget plus sup- plementary	Actuals	Variation between columns (4) and (3)	
				Amount of increase + decrease—	Percent- age
(in crores of rupees)					
1969-70	16.24	16.35	14.71	-1.64	10
1970-71	18.29	18.57	19.63	+1.06	5
1971-72	18.86	19.81	20.59	+1.38	7

(b) The budget and actuals of recoveries of loans and advances for the three years ending 1971-72 are given below :—

Year	Budget	Actuals	Variation between colu- mns (3) and (2)	
			Amount of decrease	Percent- age
(in crores of rupees)				
1969-70	10.40	6.08	4.32	42
1970-71	12.21	7.56	4.65	38
1971-72	11.82	7.51	4.31	37

*Rupees 0.94 crore (credit) adopted *pro forma*.

Budget for 1971-72 included provision for the recovery of fertilizer loans to be paid during the year with the assistance of Government of India. As, however, fertilizer loans were not paid to the State Government by Government of India during the year, no loans were paid in turn by the State Government and hence no recovery was due. Actuals for recovery were, therefore, less than the budget provision.

(c) Loans and advances given by Government and outstanding at the end of March 1972 were Rs. 72.15* crores as shown below :—

	(in crores of rupees)
(i) Loans to municipal corporations and municipalities ..	2.99
(ii) Advances to cultivators ..	7.20
(iii) Loans to <i>panchayati raj</i> institutions ..	0.39
(iv) Loans to State Electricity Board ..	48.02
(v) Loans and advances to displaced persons ..	0.97
(vi) Other loans ..	10.28
(vii) Loans to Government servants, etc. ..	2.30
Total : ..	72.15

6. Recoveries in arrears

(i) *Loans the detailed accounts of which are maintained by departmental officers*—The departmental officers were required by Government to furnish to Audit by July 1972 statements of arrears in recovery of loans.

Against 130 statements due from nineteen departmental officers, only eighteen have been received so far (January, 1974). According to those statements, recovery of Rs. 1,40.84 lakhs was over-due at the end of March 1972 as shown below :—

Loans	Amount over-due	
	Principal	Interest
	(in lakhs of rupees)	
Loans under the Co-operative Credit Societies Act 1912 ..	9.30	7.26

*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.

Loans under the Punjab State Aid to Industries Act 1935 ..	17.66	9.22
Loans to poor and deserving students of educational institutions ..	29.09	..*
Loans under low income group housing scheme ..	18.64	35.60
Loans under middle income group housing scheme ..	3.29	6.50
Loans for land acquisition and development scheme ..	0.08	0.25
Loans to students deputed for commercial pilot training scheme ..	1.53	..*
Loans to poor and deserving students of medical institutions ..	0.94	..*
Loans to private educational institutions for construction of hostels ..	1.48	..*
Total	82.01	58.83

(ii) *Loans the detailed accounts of which are maintained in the Audit Office* —At the end of March 1972 recovery of Rs. 11.95 lakhs (principal : Rs. 3.92 lakhs ; interest : Rs. 8.03 lakhs) was over-due from municipalities. Of this, recovery of Rs. 2.36 lakhs (principal : Rs. 0.83 lakh; interest : Rs. 1.53 lakhs) was over-due for more than three years.

7. Debt position

(a) The outstanding public debt of Government at the end of 1971-72 was Rs. 2,29.00 crores. An analysis of the debt compared with the debt at the end of preceding two years is given below :—

	Public debt on 31st March		
	1970	1971	1972
	(in crores of rupees)		
Permanent debt (open market loans)	11.38	16.35	22.41
Floating debt	...	7.61	28.59
Loans from Government of India	1,47.40	1,55.06	1,69.67
Other Loans (Loans from autonomous bodies)	5.95	7.26	8.33
Total	1,64.73	1,86.28	2,29.00

*No interest is recoverable.

The figures given above do not include the State's share in the permanent debt (open market loans) of the composite State of Punjab outstanding on 31st October 1966. Under the Punjab Re-organisation Act, it 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. As the share is not included in the accounts under public debt, payment is made by debit to "R-Inter-State Settlement".

During 1968-69 and 1971-72 Rs. 0.69 crore and Rs. 0.74 crore were paid respectively to Punjab Government as State's share towards debt liability. (No loan matured during 1969-71.)

Details of the transactions under public debt during 1971-72 are given below :—

Nature of debt	Loans		Net
	Raised	Discharged	Increase
	(in crores of rupees)		
(i) Permanent debt	.. 6.06	..	6.06
(ii) Floating debt	.. 90.28	69.30	20.98
(iii) Loans from Central Government	.. 48.73	34.12	14.61
(iv) Loans from autonomous bodies (comprising loans from autonomous bodies like Reserve Bank of India, National Co-operative Development Corporation and Life Insurance Corporation of India)	1.46	0.39	1.07
Total—Public debt	.. 1,46.53	1,03.81	42.72

(b) *Open market loans*—During the year loan of Rs. 6.06 crores bearing 5½ per cent interest was raised by Government at par and was realised in cash. This is redeemable at par in 1983.

(c) *Loans from Government of India*—Loans received from Government of India and outstanding at the end of 1971-72 (Rs. 1,69.67 crores) formed 74 per cent of the total public debt of Government.

During the year Rs. 1.10 crores were received by Government as ways and means advances for centrally sponsored schemes; of that, Rs. 0.40

crore were treated as loans and Rs. 0.70 crore as grant. This loan is included in the loan of Rs. 48.73 crores received during the year.

Rupees 18.45 crores were sanctioned by Government of India in June 1971 as other ways and means advances to State Government to clear overdrafts with the Reserve Bank of India. The entire advance was repaid during the year in cash and by adjustment against the State's share of divisible taxes and other amounts due from Government of India. Rupees 13.66 lakhs were paid as interest on these advances.

The loans received from Government of India by the composite Punjab State and outstanding on 31st October 1966 were allocable among the successor States in the ratio of capital expenditure in the respective areas. Pending determination of the capital expenditure in the respective areas, the share of liability for this debt has been provisionally allocated to Haryana State; the provisional share of the State is included in the amount of Rs. 1,69.67 crores.

Government of India had advanced to the Government of the composite State of Punjab certain rehabilitation loans (rural, urban, housing and education) for payment to displaced persons from West Pakistan. The terms and conditions of such loans sanctioned upto 31st March 1956 provided that the State Government would pay back to the Government of India the amounts actually realised by it from the displaced persons.

In 1964-65 a package deal was entered into by Government of India with the Government of the composite State of Punjab to cover the losses on these loans. It was agreed that an amount equal to 65 per cent of the loans outstanding against the displaced persons as on 1st January 1964 would be written off by Government of India provided the Government of the composite State of Punjab paid to Government of India the balance 35 per cent by 31st March 1965. Realisation made from the displaced persons after 1st January 1964 would be credited to the account of the Government of the composite State of Punjab and its liability to the Central Government for these loans would be deemed to have been cleared.

The amount outstanding against the displaced persons as on 1st January 1964 was tentatively reckoned as Rs. 1.67 crores on the basis of departmental figures supplied by the Government of the composite State of Punjab (the exact amount was to be finally determined after the departmental figures were reconciled with those of the Accountant General; reconciliation has still not been made). The Government of composite State of Punjab paid to Government of India (in cash and by adjustment) Rs. 58 lakhs (35 per cent of the amount) by 31st March 1965. Of the remaining Rs. 1.09 crores, Rs. 77 lakhs were written off by Government of India in 1966-67. Decision about further amounts to be written off has not been taken so far.

On re-organisation of the Punjab State in November 1966 the amounts outstanding against the composite State on account of rehabilitation loans from the Government of India for displaced persons from West Pakistan were allocated among the successor States, Haryana's share being Rs. 0.33 crore. The amount written off by Government of India (Rs. 77 lakhs

in 1966-67, after the re-organisation) was likewise allocated to the successor States. Haryana's share (Rs. 29.86 lakhs) has in the accounts of the State been credited to the head 'Deposit Account of Relief and Rehabilitation loans to be written off' by debit to 'O-Public Debt-Loans from the Central Government-Rehabilitation of Displaced Persons-Rehabilitations Loans—For displaced persons from West Pakistan'.

(d) *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 1970, 1971 and 1972 was as under :—

	Total debt on 31st March		
	1970	1971	1972
	(In crores of rupees)		
Public debt	1,64.73	1,86.28	2,29.00
Unfunded debt	4.84	6.53	9.68*
Interest bearing obligations such as depreciation reserve funds of commercial undertakings	1.37	2.07	2.95
Non-interest bearing obligations, such as deposits of local funds, civil deposits and other earmarked funds, etc.	39.53	42.65	48.39*
Total	2,10.47	2,37.53	2,90.02

(e) *Ways and means advances, overdrafts and short terms 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 advances 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 the State Government. (The limit for the special ways and means advances is subject to enhance-

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

ment by the Bank provided adequate Government of India securities are available with the State for being pledged). If even thereafter Government is not able to maintain the minimum balance, the Bank allows overdrafts (the rate of interest being five and six per cent during 1971-72).

During 1971-72, Government was able to maintain this minimum balance with the Bank on 236 days.

On 14 days the minimum balance was maintained by taking ordinary and special ways and means advances and on 116 days overdrafts had to be taken as minimum balance could not be maintained even after taking ordinary and special ways and means advances.

Ways and means advances of Rs. 7.49 crores were availed of during 1971-72. Rupees 4.35 crores were outstanding at the end of the previous year. Rupees 7.49 crores were repaid during 1971-72 leaving a balance of Rs. 4.35 crores. Interest paid on the advances was Rs. 6.22 lakhs.

Government also availed of overdrafts of Rs. 82.79 crores during 1971-72. Rupees 3.26 crores were outstanding at the end of the previous year. Rupees 61.81 crores were repaid during 1971-72 leaving a balance of Rs. 24.24 crores. Out of Rs. 38.94 lakhs (including Rs. 0.11 lakh outstanding at the end of the previous year) due as interest, Rs. 33.80 lakhs were paid during the year leaving a balance of Rs. 5.14 lakhs.

8. Service of debt

The table below shows the net burden on revenue of interest charges on debt and other obligations during 1971-72 :—

	1971-72
	(in crores of rupees)
(1) Interest paid on debt and other obligations ..	10.35
(2) Deduct—	
(i) Interest realised on loans and advances given by Government ..	4.17
(ii) Interest realised on investment of cash balance ..	0.17
(iii) Interest credited to revenue by debit to projects, etc., in the capital section ..	0.68
(3) Net amount of interest charges ..	5.33

In addition, Rs. 6.38 crores were received as interest from commercial departments, etc. If that also is taken into account, there would be no burden of interest on revenue.

Government also received Rs. 27.94 lakhs as dividend on investments in commercial undertakings.

9. Amortisation arrangements

The following arrangements have been made for amortisation of loans raised in the open market and loans received from Government of India :—

(a) Open market loans

(i) *Depreciation fund*—A sum equal to 1½ per cent of the nominal value of the total open market loans raised is set apart to form 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 balances in these funds at the commencement and close of the year are given below:—

Name of fund	Balance on 1st April 1971	Addition	Withdrawal	Balance on 31st March 1972
				(in lakhs of rupees)
Depreciation funds	1,02.81	37.09	13.22	1,26.68*
Sinking funds	5,67.05	2,07.62	78.90	6,95.77*
Total	6,69.86	2,44.71	92.12	8,22.45

Out of the total balance in the sinking funds, Rs. 13.60 lakhs were invested at the end of March 1972 in securities of Government of India. The balance was merged in the general cash balance of the State Government.

(b) *Loans from Government of India*—The balance of loans taken from Government of India at the end of 1971-72 was Rs. 1,69.67 crores. Government has made amortisation arrangements for repayment of certain of those loans as shown below:—

Sinking fund	Balance on 1st April 1971	Addition	Withdrawal	Balance on 31st March 1972
				(in lakhs of rupees)
1. Loans received for Bhakra Nangal Project	23,61.83	4,09.41	5,97.27	21,73.97

*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.

2. Loans received out of consolidated open market borrowings of Government of India	78.72	13.24	..	91.96
Total	24,40.55	4,22.65	5,97.27	22,65.93

Out of the balance in these sinking funds, Rs. 2.14.88 lakhs and Rs. 52.70 lakhs respectively were invested (at the end of March 1972) in the securities of Government of India (Rs. 2,51.73 lakhs) and other State Governments (Rs. 15.85 lakhs).

The balance remained merged in the General Cash Balance of the State Government.

At the end of 1971-72 State Government had a *minus* cash balance of Rs. 2.36 crores after taking into account investments out of General Cash Balance (Rs. 1.73 crores) and earmarked funds (Rs. 3.57 crores), etc. Further details are given in statement No. 7 of the Finance Accounts.

10. Guarantees given by Government

Government has given guarantees to third parties for repayment of loans, bonds and payment of interest thereon, repayment 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 1971-72):

	Maximum amount guaranteed	Amount guaranteed outstanding on 31st March 1972
(in lakhs of rupees)		
Government companies	3,53.91	3,53.91
Statutory corporations and boards	37,78.09	33,49.28
Co-operative banks and societies	69,67.41	40,96.75
Local bodies	2,67.45	2,05.12
Private companies	3,01.76	1,02.35
Total	1,16,68.62	81,07.41

These guarantees constitute contingent liability on the Consolidated Fund of the State. No guarantee was invoked during 1971-72.

11. Investments of Government

In 1971-72 Government invested Rs. 2.83 crores in statutory corporations (Rs. 25.00 lakhs), Government companies (Rs. 44.96 lakhs), non-Government commercial and industrial undertakings (Rs. 25.04 lakhs) and co-operatives (Rs. 1,88.48 lakhs).

The total investment of Government in the share capital and debentures of different concerns at the end of 1969-70, 1970-71 and 1971-72 was Rs. 8.01 crores, Rs. 11.25 crores and Rs. 14.21 crores. Dividend and interest received therefrom during those years was Rs. 19.84 lakhs (2.48 per cent), Rs. 18.18 lakhs (1.62 per cent) and Rs. 27.94 lakhs (1.97 per cent) respectively. Further details are given below:—

	1969-70			1970-71			1971-72		
	Number of concerns	Investment	Dividend/interest received percentage	Number of concerns	Investment	Dividend/interest received percentage	Number of concerns	Investment	Dividend/interest received percentage
(Amount in lakhs of rupees)									
(i) Statutory corporation	2	45.31	$\frac{1.61}{3}$	2	52.31	$\frac{1.62}{3}$	2	90.31	$\frac{1.82}{2}$
(ii) Government companies	5	1,49.42	..	6	2,02.61	$\frac{1.97}{1}$	7	2,67.57	$\frac{5.81}{2}$
(iii) Joint stock companies and partnerships	17	70.35	$\frac{2.62}{4}$	24	1,13.02	$\frac{1.30}{1}$	26	1,38.06	$\frac{1.19}{1}$
(iv) Co-operatives	876	5,25.96	$\frac{15.61}{3}$	1,335	7,37.44	$\frac{13.29}{2}$	1,706	9,25.92	$\frac{19.12}{2}$
(v) Other Miscellaneous undertakings (B)	1	10.00	..	1	20.00	..	..	..	..
Total :	901	8,01.06	19.84	1,368	11,25.38	18.18	1,741	14,21.86	27.94

(A) These are account figures and differ from those shown in Chapter VII mainly because the latter figures are those furnished by the departmental officers from the accounts of the institutions.

(B) Transferred under Government companies.

12. **Utilisation Certificates** During 1971-72 Rs. 6,54.80 lakhs were paid as grants to local bodies and other institutions (excluding *zila parishads* and *panchayat samitis*). The financial rules of Government require that certificates of grants having been utilised by the grantees for the purposes for which these were paid to them should be sent by the departmental officers to the Accountant General within 18 months from the date of sanction of grants.

Out of Rs. 13,79.48 lakhs (794 cases) paid as grants during 1957-58 to 1970-71, utilisation certificates for Rs. 10,60.28 lakhs (540 cases) are still awaited (September 1972). Of these, certificates for Rs. 3,45.11 lakhs (292 cases) are more than three years old. The departments with heavy outstandings are mentioned in Appendix I. Two of these departments from which certificates for the bulk of the amount are awaited are Agriculture Department (number of certificates : 40; amount : Rs. 4,82.19 lakhs) and Education Department (number of certificates : 240; amount : Rs. 4,27.55 lakhs).

13. Democratic decentralisation

Rupees 1,23.07 lakhs were paid as grants to *panchayati raj* institutions, viz., *zila parishads* and *panchayat samitis* in 1971-72. Audit of accounts of those bodies is conducted by the Examiner, Local Fund Accounts. Utilisation certificates required to be sent to the Accountant General within 18 months from the date of sanction of grants have not been received (upto September 1972) for Rs. 6,79.14 lakhs (3,109 cases)

paid as grants during 1961-62 to 1970-71 as detailed below :—

Serial No.	Department	Year of payment of grant	Certificates					
			Due		Received		Outstanding	
			Number	Amount (in lakhs of rupees)	Number	Amount (in lakhs of rupees)	Number	Amount (in lakhs of rupees)
1.	Development and Panchayat	1961-62	20	4.05	..	..	20	4.05
		1962-63	186	29.61	..	..	186	29.61
		1963-64	240	50.12	..	..	240	50.12
		1964-65	217	48.39	..	..	217	48.39
		1965-66	290	64.38	..	..	290	64.38
		1966-67	25	37.73	2	1.82	23	35.91
		1967-68	46	2,50.57	..	0.15	46	2,50.42
		1968-69	641	65.93	..	0.27	641	65.66
		1969-70	197	38.34	..	0.04	197	38.30
		1970-71	741	74.13	..	..	741	74.13
			<u>2,603</u>	<u>6,63.25</u>	<u>2</u>	<u>2.28</u>	<u>2,601</u>	<u>6,60.97</u>
2.	Animal Husbandry	1966-67	45	1.00	..	..	45	1.00
		1967-68	101	2.83	..	..	101	2.83
		1968-69	109	3.21	..	..	109	3.21
		1969-70	170	8.66	..	..	170	8.66
		1970-71	73	2.10	..	..	73	2.10
				<u>498</u>	<u>17.80</u>	<u>..</u>	<u>..</u>	<u>498</u>	17.80
3.	Medical	1965-66	14	0.74	13	0.68	1	0.06
		1966-67	7	0.64	6	0.62	1	0.02
		1967-68	9	1.23	9	1.23	..	..
		1968-69	5	0.23	1	0.06	4	0.17
		1969-70	6	0.48	6	0.48	..	..
		1970-71	6	0.44	2	0.32	4	0.12
				<u>47</u>	<u>3.76</u>	<u>37</u>	<u>3.39</u>	<u>10</u>	0.37
Grand Total		:	<u>3,148</u>	<u>6,84.81</u>	<u>39</u>	<u>5.67</u>	<u>3,109</u>	<u>6,79.14</u>

It was mentioned in paragraph 13 of the Report for the year 1970-71 that the accounts maintained by the *panchayat samitis* and *zila parishads* did not show expenditure scheme-wise and grant-wise. Similar comments had been made in the earlier two Reports. In the absence of these scheme-wise and grant-wise accounts, the Examiner, Local Fund Accounts, could not ascertain:—

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

Government stated in July 1968 that the accounts would be got re-constituted to enable the Examiner, Local Fund Accounts, to issue separate utilisation certificates. Though the accounts of *zila parishads* from 1st November 1966 to 31st March 1972 have since been audited by the Examiner, Local Fund Accounts, the utilisation certificates are still awaited (May 1973).

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

The total amount of unspent balance on 31st March 1972 is being ascertained (January 1973) by the Examiner. According to information furnished by him, Rs. 1,38.80 lakhs remained unutilised on 31st March 1971 out of grants amounting to Rs. 2,81.03 lakhs given to local bodies to the end of March 1971. Year-wise analysis of the unspent balances is given below:—

Department which paid the grants	Unspent amounts on 31st March 1971 and how long unspent				Total
	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	
	(in lakhs of rupees)				
Education	..	0.02	..	..	0.02
Health	0.27	0.40	0.08	0.70	1.45
Local Self Government	0.32	0.11	0.55	4.82	5.80
Miscellaneous Departments—					
Communication Board, Sanitary Board, etc	12.37	33.08	22.65	63.43	1,31.53
Total	12.96	33.61	23.28	68.95	1,38.80

Out of the above unspent balances, Rs. 0.18 lakh were refunded by the local bodies during 1970-71 and 1971-72.

The unspent balances include Rs. 43.78 lakhs deposited by local bodies with the Public Works department for execution of works. The accounts of expenditure of Rs. 35.45 lakhs out of these deposits have not been rendered by the Public Works department to the local bodies (October 1972).

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

15. Summary

The following table compares the expenditure during 1971-72 with the total of voted grants and charged appropriations for that year :—

		Total grants/ appropriations	Actual expenditure	Saving— Excess +	Percentage of saving/ excess
(In crores of rupees)					
Voted—					
Original	2,08.56	} 2,42.31	2,33.07	-9.24	4
Supplementary	33.75				
Charged—					
Original	59.53	} 1,08.33	1,21.89	+13.56	13
Supplementary	48.80				
Total—					
Original	2,68.09	} 3,50.64	3,54.96	+4.32	1
Supplementary	82.55				

The excess of Rs. 4.32 crores was the net result of excess of Rs. 21.89 crores in fifteen grants/appropriations and saving of Rs. 17.57 crores in fifty-nine grants/appropriations.

16. Supplementary grants/appropriations

In 1971-72, supplementary provision of Rs. 82.55 crores was obtained under thirty grants and eleven appropriations. It would be seen from Appendix II that :—

- (i) in three* grants the supplementary provision (Rs. 1,80.89 lakhs), exceeding rupees five lakhs in each case, proved unnecessary as the expenditure did not come up to even the original grant,
- (ii) in three** grants and one appropriation the supplementary provision (exceeding rupees five lakhs in each case) proved excessive; against the total supplementary provision of Rs. 15,45.98 lakhs in these cases, the amount actually utilised was Rs. 7,38.00 lakhs, and
- (iii) the supplementary provision proved substantially inadequate in eight grants*** and two appropriations, the final uncovered excess was Rs. 16,53.33 lakhs.

*Serial numbers 1 to 3 under sub-head I of Appendix II.

**Serial numbers 1 to 4 under sub-head II of Appendix II.

***Serial numbers 1 to 9 under sub-head III of Appendix II.

17. Excess over voted grants/appropriations

(a) *Voted grants*—The following ten cases of excess over voted grants 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)

Sr. No.	Particulars of grant	Total grant	Expenditure	Excess
		Rs.	Rs.	Rs.
(i) 27—Irrigation (Works)—				
	O	4,51,43,850	} 4,89,71,850	5,13,79,384
	S	38,28,000			} 24,07,534

Excess occurred mainly due to excess of Rs. 33.51 lakhs under "A-Irrigation Works (b) unproductive (ii)-Interest" (expenditure : Rs. 3,50.24 lakhs, provision : Rs. 3,16.73 lakhs), and expenditure of Rs. 18.23 lakhs incurred without provision under "B-2-Maintenance and Repairs." This was partly off set by saving under other group heads. Reasons for the excess are awaited.

(ii) 29—Public Works—

	O	4,59,64,840	} 6,86,66,000	7,61,50,332	74,84,332
	S	2,27,01,160			

Excess occurred mainly under "Z-Suspense" Rs. 1,05.38 lakhs (expenditure : Rs. 1,95.38 lakhs, provision : Rs. 90.00 lakhs). This was partly off set by saving under other group heads. Excess was because (a) some material was received earlier than anticipated (Rs. 80.28 lakhs), (b) because some stores were not transferred (Rs. 33.20 lakhs) as certain road works could not be undertaken due to late receipt of bricks and (c) because certain railway receipts were got released from banks but stores were not received before the close of the year (Rs. 1.61 lakhs). This was partly off set by non-adjustment, by various divisions, of amounts advised by the Accountant General for adjustment in the divisional accounts.

(iii) 30—Charges on Public Works Department, Buildings and Roads Establishment—

	O	1,74,30,600	} 1,89,30,600	1,91,68,997	2,38,397
	S	15,00,000			

Excess occurred mainly under "A-8-(i)-Public Health Circle for works done for Public Health" Rs. 18.87 lakhs (expenditure : Rs. 33.87

lakhs, provision : Rs. 15.00 lakhs). (This was partly off set by savings under other group heads). Excess was due to more works outlay on sanitary works executed by Public Health Branch on buildings and roads.

(iv) 34—Pension and other Retirement Benefits—

O	1,25,03,500	}	1,64,54,000	1,80,95,453	16,41,453
S	39,50,500				

Excess occurred mainly under "A-Superannuation and Retired Allowances" Rs. 14.89 lakhs (expenditure : Rs. 1,20.89 lakhs, provision : 1,06.00 lakhs) and "E-Family Pensions" Rs. 2.42 lakhs (expenditure : Rs. 8.92 lakhs, provision : Rs. 6.50 lakhs). Excess under the former group head was due to finalisation of more pension cases during the year and under the latter due to the benefit of dearness pay in calculation of pension and enhancement of pension to a minimum of Rs. 40.

(v) 36—Stationery and Printing—

O	81,70,850	}	1,02,41,980	1,10,14,830	7,72,850
S	20,71,130				

Excess occurred mainly under "B-Purchase of Stationery Stores" Rs. 7.56 lakhs (expenditure : Rs. 37.36 lakhs, provision : Rs. 29.80 lakhs) due to more supplies of paper than anticipated through the Director General, Supplies and Disposals.

(vi) 42—Capital Outlay on Multipurpose River Schemes—

O	5,30,00,000	}	5,30,00,000	9,90,81,119	4,60,81,119
S	..				

Excess occurred mainly, under "III-Beas Dam Project" Rs. 5,48.34 lakhs (expenditure : Rs. 9,63.34 lakhs, provision : Rs. 4,15.00 lakhs). In addition, Rs. 6.77 lakhs were spent without provision under "I- Bhakra Dam". Excess was partly off set by savings under other heads. Reasons for the excess are awaited.

(vii) 43—Irrigation (Capital)—

O	11,91,30,190	}	15,38,59,140	15,74,49,880	35,90,740
S	3,47,28,950				

Excess occurred mainly under "A-(i) Productive-D-Suspense" Rs. 53.70 lakhs (expenditure : Rs. 1,18.50 lakhs, provision : Rs. 64.80 lakhs). In addition Rs. 5.89 lakhs were spent without provision under "(ii)-Unproductive-D-Suspense." Excess was partly off set by saving under other group heads. Reasons for the excess are awaited.

(viii) 44-Capital Outlay on Public Works—

O	22,16,04,000	}	28,59,09,010	29,01,12,759	42,03,749
S	6,43,05,010				

Excess occurred mainly under "X(1) Tools and Plant" Rs. 13.45 lakhs (expenditure : Rs. 1,00.13 lakhs, provision : Rs. 86.68 lakhs) and "U-(VI) Land Acquisition and Development department" Rs. 13.26 lakhs (expenditure : Rs. 5,86.75 lakhs, provision : Rs. 5,73.49 lakhs). Reasons for the excess are awaited in the former case whereas in the latter it was mainly due to larger compensation of land awarded by the Court.

ix) 47—Payments of Commuted value of Pensions—

O	2,90,000	}	2,90,000	2,98,852	8,852
S	..				

(x) 49-Loans to Local Funds, Private Parties, etc., and Loans to Government Servants—

O	19,11,15,300	}	19,46,15,310	20,63,75,092	1,17,59,782
S	35,00,010				

Excess occurred mainly due to excess of Rs. 5,39.54 lakhs under "I-Loans to State Electricity Board" (expenditure : Rs. 11,85.54 lakhs, provision : Rs. 6,46.00 lakhs) and expenditure of Rs. 1,50 lakhs incurred without provision under "9-Loans to Haryana Minor Irrigation (Tubewell) Corporation." Reasons for the excess are awaited.

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

Serial no.	Appropriation	Total appropriation	Expenditure	Excess	
		Rs.	Rs.	Rs.	
(i) 2—	State Excise Duties—				
	O	3,000	}	14,531	11,531
	S	..			

Excess occurred entirely under "B-District Executive Establishment", on account of payment of compensation to the heirs of a deceased as per orders of the tribunal.

(ii) 28—Charges on Irrigation Establishment—

O	..	}	..	66,607	66,607
S	..				

Excess occurred mainly under "O-(4)-Executive" where no provision was made but Rs. 54,739 were spent.

(iii) 43—Irrigation (Capital)—

O	..	|			
S	4,05,000	|	4,05,000	6,37,617	2,32,617

Excess occurred mainly under "(ii) Unproductive—A.A. Works" Rs. 2.30 lakhs (expenditure : Rs. 6.35 lakhs, provision : Rs. 4.05 lakhs). Reasons for excess are awaited.

(iv) Public Debt—

O	42,42,07,850	|			
S	48,08,40,980	|	90,50,48,830	1,03,80,51,413	13,30,02,583

Excess occurred under "II-Floating Debt, (III) Ways and Means Advances" (expenditure : Rs. 69,30.12 lakhs, provision : Rs. 52,00.00 lakhs) due to receipt of more ways and means advances from Reserve Bank of India and consequential repayment of advances towards the close of financial year.

(v) 50—Inter State Settlement—

O	..	|			
S	..	|	..	73,97,806	73,97,806

Excess occurred due to payment of State Government's share on account of repayment of market loans raised by Punjab Government before 1st November 1966. Due to defective budgeting, provision for this was made in "voted" section although under the Punjab Re-organisation Act 1966, this expenditure is to be "charged" on the Consolidated Fund.

18. Unutilized provision

It would be seen from Appendix III that in seventeen cases savings exceeded ten per cent of the total grant/appropriation. In eight of them, savings ranged between 20 to 100 per cent. Details of some cases of large savings are given below :—

MEDICAL AND PUBLIC HEALTH

1. Grant No. 18—Public Health—(provision : Rs. 6.27 crores, expenditure : 5.31 crores).

Saving (Rs. 96 lakhs) was mainly due to posts kept vacant (Rs. 29.19 lakhs), non-implementation of schemes (Rs. 9.80 lakhs) and part sanction of the schemes (Rs. 3.79 lakhs).

AGRICULTURE

2. Grant No. 19—Agriculture—(provision : Rs. 5.50 crores, expenditure : Rs. 4.85 crores),

Saving (Rs. 65 lakhs) occurred mainly because provision for loans to be given under "Integrated Dryland Agricultural Development Scheme for Hissar and Mohindergarh" was made under this head whereas expenditure was booked under loans and also because the scheme was started late (Rs. 31.91 lakhs). Also posts in the department were kept vacant (Rs. 24.53 lakhs), scheme for development of long staple cotton in Haryana was revised (Rs. 9.92 lakhs), scheme for "Enforcement of seed Act 1966 by Government" was not sanctioned (Rs. 3.50 lakhs) and fresh stock of gypsum was not purchased (Rs. 2.14 lakhs). This was partly off set by excess under other groupheads.

FAMINE RELIEF

3. Grant No. 33—Famine Relief—(provision : Rs. 2.30 crores, expenditure : Rs. 1.26 crores).

Saving (Rs. 1.04 lakhs) was mainly due to slowing down the pace of construction of famine relief roads due to national emergency (Rs. 73.51 lakhs).

CAPITAL OUTLAY ON INDUSTRIAL AND ECONOMIC DEVELOPMENT

4. Grant No. 41—Capital Outlay on Industrial and Economic Development—(provision : Rs. 4.07 crores, expenditure : Rs. 2.72 crores).

Saving (Rs. 1.35 lakhs) was mainly due to sanction of lesser amounts (Rs. 46.75 lakhs), slow implementation or non-implementation of some schemes (Rs. 24.17 lakhs) and defective provision (Rs. 13.00 lakhs).

Reasons for remaining saving are awaited.

CAPITAL OUTLAY ON SCHEMES OF GOVERNMENT TRADING

5. Grant No. 48—Capital Outlay on Schemes of Government Trading—(provision : Rs. 66.00 crores, expenditure : Rs. 58.15 crores).

Saving (Rs. 7.85 lakhs) was mainly due to less procurement and non-purchase of wheat from Central pool (Rs. 5,39.83 lakhs) and less purchases by Haryana State Co-operative Supply and Marketing Federation on Government account (Rs. 1,50.67 lakhs).

Reasons for the remaining saving are awaited.

INTER STATE SETTLEMENT

6. Grant No. 50—Inter State Settlement—(provision: Rs. 1.05 crores, expenditure : nil).

Saving (Rs. 1.05 lakhs) was due to defective budgeting, as provision was made in "voted" section although under the Punjab Re-organisation Act 1966, the expenditure is "charged" on the Consolidated Fund. The expenditure was booked under correct head.

CHAPTER III

CIVIL DEPARTMENTS

19. Detailed bills and utilisation certificates not received in Audit

Moneys are often drawn in advance on abstract bills which do not contain adequate details of the proposed expenditure. The facility of drawing amounts as advances on abstract contingent bills is intended to expedite payments. Detailed bills containing all the particulars with supporting sub-vouchers and payees' receipts signed by the controlling authorities are required to be submitted within 15 days of the close of the month in which abstract bills are drawn from the treasury. Detailed bills for Rs. 1,03.01 lakhs drawn on abstract bills during 1967-68 to 1971-72 have not yet been submitted. Audit, therefore, does not know whether the amount has at all been spent, that it has been spent on the purpose or purposes for which it was meant and that no fraud, misappropriation, etc., has occurred. Please also see paragraphs 57 and 58 of Chapter VIII of this Report.

For grants paid to outside bodies, departmental officers are required to certify, within 18 months of the payments, that the grants given have actually been used by the recipients for the purposes for which they were paid. Such certificates for Rs. 17,39.42 lakhs paid by Government as grants during 1957-58 to 1970-71 have not yet been received. Audit, therefore, cannot satisfy itself that the grants were spent on the purpose or purposes for which they were given and no improper use was made. Please also see paragraphs 12 and 13 of Chapter I of this Report.

INDUSTRIES

20. Credit facilities for development of small scale industries

The scheme envisages credit facilities in the form of loans for development and expansion of small scale units. Recovery of loan with interest is ordinarily to be completed in seven years from the date of payment.

The result of review covering two districts (Karnal and Rohtak) was included in paragraph 27 of the Report of the Comptroller and Auditor General for the year 1970-71. A review of the remaining five districts brought out the following:—

(i) The position of loans advanced upto and arrears in recovery as on 31st March 1972 is as under :—

District	Loans advanced		Total amount of arrears in recovery			Arrears in recovery more than 4 years old		
	No. of cases	Amount (Rs. lakhs)	No. of cases	Principal (Rs. lakhs)	Interest	No. of cases	Principal (Rs. lakhs)	Interest (Rs. lakhs)
Ambala	1,482	47.47	295	3.96	1.27	175	2.30	0.85
Hissar	2,341	65.31	510	3.62	1.95	50	0.45	0.08
Mohindergarh	1,419	20.76	183	0.63	0.08	141	0.33	0.04
Gurgaon	2,065	51.17	643	2.55	1.39	239	0.49	0.12
Jind	764	15.83	104	1.01	0.20	42	0.33	0.06
Total	8,071	2,00.54	1,735	11.77	4.89	647	3.90	1.15

(ii) Loans in 1,139 cases (Rs. 22.16 lakhs) were not properly utilised and thus became recoverable in lump with interest thereon. Of these, recoveries in 400 cases for Rs. 13.72 lakhs (principal : Rs. 10.63 lakhs, interest : Rs. 3.09 lakhs) are yet to be made (March 1972) as detailed below. Some of the outstanding cases date back to 1956-57.

District	Loans not properly utilised		Outstanding recoveries of such loans		
	No. of cases	Amount (Rs. lakhs)	No. of cases	Principal (Rs. lakhs)	Interest (Rs. lakhs)
Ambala	81	2.90	67	2.62	0.61
Hissar	372	6.32	104	2.27	0.86
Mohindergarh	206	1.88	49	0.73	0.16
Gurgaon	331	8.23	93	3.30	1.08
Jind	149	2.83	87	1.71	0.38
Total	1,139	22.16	400	10.63	3.09

(iii) In September 1950, Rs. 30,000 were paid to a private limited company at Jagadhri for purchasing machines for brass, copper and steel utensils industry. The company did not purchase any machine from out of the loan. It stopped working from 1955. No part of the loan, which was completely repayable by July 1957, was paid to Government by the firm. In April 1956, Rs. 6,700 were realised by Government by auction of the firm's building and existing machines (pledged by the firm for securing the loan). The remaining amount of the loan and interest due was ordered in June 1956 to be recovered as arrears of land revenue. According to Director of Industries (March 1972), the Managing Director and the Directors of the company were not traceable since March 1964. However, whereabouts of one of the Directors have since been traced and recovery certificate issued on 10th August 1972. Recovery of Rs. 74,772 (principal : Rs. 27,005, interest : Rs. 47,767) as on 31st March 1972 is yet to be made (January 1974).

(iv) In March 1964 a co-operative society at Jagadhri was paid Rs. 50,000 as loan (Rs. 30,000 for purchase of rolling mill and Rs. 20,000 as working capital). It was repayable by March 1971. Rolling mill, however, was not purchased and Rs. 4,000 was repaid in April 1966. In December 1967 recovery of the remaining amount together with interest was ordered to be effected as arrears of land revenue. Recovery proceedings were, however, delayed in the department and, in the meantime, the society went into liquidation (March 1971); a liquidator was appointed in March 1971. Rupees 71,774 (principal : Rs. 44,000; interest : Rs. 27,774) were due from the society (March 1972). Recovery is yet to be made (January 1974).

(v) In March 1965, Rs. 50,000 were paid as loan to a firm at Hodel (district Gurgaon) for construction of factory building for manufacture of hooks, hinges, washers, chains, etc. The loan was repayable by March 1972. Though the department had held (August 1968) that the loan had been misutilised and was, therefore, recoverable in lump sum, a warrant for attachment of pledged immovable property was issued only

in March 1972 for recovery of Rs. 82,953 (loan and interest due upto March 1972). Further progress is awaited (February 1973).

(vi) In April 1958, a party at Faridabad was paid Rs. 30,000 for construction of factory building and purchase of machines for development of shoe tack industry. The loan was repayable by May 1965. It was repaid in irregular instalments rendering the party liable to penal interest ; neither the interest nor the penal interest has yet (March 1972) been recovered. It was found in November 1964 that the factory building and machines had been transferred by the borrower to another firm and that the borrower had also died in the meantime. No action to effect recovery by sale of the borrower's immovable property was taken till July 1971 when the Sub-Divisional Officer (Civil), Ballabgarh, was approached for issue of warrants of attachment of his property. The warrants have not yet been executed (March 1972).

Another loan of Rs. 20,000 was given to the same party in January 1960 for the same industry, which was also not properly utilised. Recovery of Rs. 55,610 as interest (Rs. 37,720 in the former and Rs. 17,890 in the latter case) was due on 31st March 1972.

INDUSTRIAL TRAINING

21. Industrial Training Institute Kaithal

In August 1969, Government decided that the Industrial Training Institute, Kaithal, should be closed and the buildings of the institute transferred to the Animal Husbandry department for setting up a wool-grading centre.

The machines and equipment of the institute were transferred to other institutes and the buildings vacated on 22nd September 1969. Some of the staff was transferred to other institutes against available posts from December 1969 ; the rest continued at Kaithal.

In October 1969 Government, however, decided that the wool-grading centre should be located at Loharu where it started functioning from July 1970. The buildings of the institute at Kaithal remained vacant till August 1970 when the institute was restarted. Rupees 0.18 lakh were spent on shifting and re-shifting of machines and transfer of staff. Pay and allowances of the staff retained at Kaithal during October 1969 to July 1970 were Rs. 0.63 lakh. Department intimated (April 1972) that the staff retained at Kaithal was employed on the transfer and maintenance of the machines and equipment of the institute.

AGRICULTURE

22. Production of fruits and vegetables

The following five schemes were in operation in Haryana from the years shown against them :—

Scheme	Since when in operation
(i) Intensification of horticulture in hilly areas	.. 1961-62

(ii) Development of horticulture (loans)	1962-63
(iii) Intensification of grapewine cultivation	1963-64
(iv) Intensification of vegetable production	1964-65
(v) Fruit production in selected areas	1966-67

The above schemes were integrated in 1967-68 into a single programme. The objective of the integrated programme was to increase the area under fruit and vegetable cultivation and to improve their production which was to be secured by supply of pedigree fruit plants and improved vegetable seeds at cheap rates, by payment of loans to fruit and vegetable growers, and by providing facilities for training to the growers in the use of fertilizers, improved seeds and plant protection measures.

Under the programme one seed farm at Gharaunda and four nurseries-cum-gardens at Pinjore, Jind, Hansi and Sirsa were to be improved and one nursery-cum-garden at Sirsa set up.

Rupees 26.09 lakhs (revenue : Rs. 17.59 lakhs ; loans : Rs. 8.50 lakhs) have been spent on the programme since 1967-68. A review of the programme disclosed the following :—

(i) For establishing a progeny orchard-cum-nursery at Sirsa, 24 acres of land were transferred from Agriculture section to Horticulture section in January 1967. Selection of the land was based on visual observation. Later, when chemical analysis of the soil was done in August 1967, the land was found to be unsuitable for fruit plantation. Accordingly, the land was handed back to Agriculture section in April 1969.

From January 1967 to April 1969 the land was used for growing farm crops. In lieu of the above land, 21 acres were ordered (May 1969) to be transferred from Agriculture section. The transfer has not yet (January 1974) been made and hence the nursery has not yet been established.

(ii) At the seed farm, Gharaunda, out of 22 acres available for cultivation, the actual area under cultivation during 1967-68 to 1970-71 was between 9 and 20 acres. This was due to lack of adequate irrigation facilities at the farm.

(iii) More than fifty per cent of the available land (21 acres out of 36 acres) at the nursery-cum-garden, Jind, is yet (April 1972) to be brought under cultivation though a tubewell was installed at a cost of Rs. 6,000 in October 1969 to supplement canal water supply which was considered insufficient.

(iv) According to the departmental records, against 15,465 hectares in 1966-67, the area under fruit and vegetable increased to 22,244 hectares in 1970-71 as shown in the table below. However, as per records of the Director of Land Records the area decreased from 34,906 to 32,159 hectares during the same period.

Year	Fruits		Vegetables		
	As per departmental records	As per Director Land Records	As per departmental records	As per Director Land Records	
(Area in Hectares)					
1966-67	7,865	10,803	7,600	24,103
1967-68	8,173	10,991	16,309	19,614
1968-69	8,550	11,211	18,447	22,549
1969-70	9,258	11,911	22,545	26,384
1970-71	9,594	9,943*	12,650	22,216*

(v) The department has so far not ascertained whether and if so to what extent the yield of fruits and vegetables has increased after the introduction of the programme.

LOTTERIES

23. Lottery Commission

Under Haryana State Lotteries (Agency) Rules, additional commission is admissible to agents on purchase of lottery tickets in excess of certain prescribed limits. Additional commission of Rs. 24,976 was allowed for fourteenth to thirty-first draws to certain individuals though the purchases made by them did not exceed the limits prescribed. This was stated to have been done taking into consideration the collective purchases made by individuals applying jointly for a single agency.

On being asked how the department was ensuring that the individuals constituted genuine firms and why payment of additional commission was being made to individuals (proportionate to their purchases) and not to the firm, the department intimated (June 1972) that no verification of the genuineness of such firms is made and that additional commission is paid to individuals to avoid disputes among the partners. This was also stated to be in the interest of sales.

GENERAL

24. Misappropriations, defalcations, etc.

The cases of misappropriations, defalcations etc., of Government money reported to Audit to end of March 1972 and on which final action

*For the State as a whole.

was pending at the end of September 1972 were as follows :—

	Number of cases	Amount (Rs. lakhs)
Cases reported upto end of March 1971 and outstanding on 31st August 1971	201	17.40
Cases reported during April 1971 to March 1972	50	13.22
Total	251	30.62
Cases closed during August 1971 to September 1972	22	0.10
Balance	229	30.52

Of these cases,

- (i) 108 cases for Rs. 7.09 lakhs are outstanding for more than five years.
- (ii) 177 cases for Rs. 22.73 lakhs are outstanding with the departments of Buildings and Roads, Irrigation, Transport, Education and Agriculture.

Brief details of one case are given below :—

In Palwal construction division a Sectional Officer left the department and joined Irrigation department without handing over charge to his successor. Checking of store by the Sub-Divisional Officer in September 1969 disclosed shortages (Rs. 12,274). The Sectional Officer was called upon to account for the shortages and on his failure to do so the case was reported to the police. Final results of police enquiry and recovery of the cost of stores misappropriated/defalcated are awaited (January 1974).

Appendix IV shows department-wise and year-wise analysis of outstanding cases in which departmental action and criminal prosecution had been completed but recovery was pending on 30th September 1972.

Appendix V shows cases under departmental investigation or criminal prosecution on 30th September 1972.

25. Writes-off of losses, revenue, etc.

In 16,995 cases, losses due to theft, fire, etc., irrecoverable revenue, duties, advances, etc., were written off/waived during the year. Details are given in Appendix VI.

CHAPTER IV
WORKS EXPENDITURE
IRRIGATION

26. Reconditioning of Saraswati Drain

Saraswati drain was originally constructed in 1895-96 for discharge of 1,500 cusecs of water. During the floods of 1955, this discharge capacity was found inadequate and Government decided to raise it to 4,000 cusecs. The enhanced discharge capacity of 4,000 cusecs was also found inadequate during the floods of 1962 when it was decided to recondition the drain with an increased capacity of 16,000 cusecs (estimated cost : Rs. 77.02 lakhs; revised estimated cost February 1971 not yet sanctioned: Rs. 1,23.71 lakhs). Rupees 72.55 lakhs were spent on the work till March 1972; the work taken up on an emergent basis in 1963 is still incomplete.

Meanwhile, in November 1967 Government decided to improve the capacity of Bibipur lake, (to drain out surplus water of which Saraswati drain had been constructed) by raising its pond level from RL 812 to RL 825 (later reduced to RL 820) at a sanctioned cost of Rs. 1,49.07 lakhs. The improvement to the Bibipur lake was also aimed at augmenting the existing water supply for irrigation and to reduce the flood discharge of river Ghaggar. The Chief Engineer (Project) during his inspection of the drain in March 1971 stated that in view of the Bibipur lake project coming up, the drain might not require as large a capacity as 16,000 cusecs. Taking up of the Bibipur lake has thus rendered reconditioning of Saraswati drain with a discharge capacity of 16,000 cusecs partially unnecessary.

CHAPTER V

STORES AND STOCK ACCOUNTS

27. 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 1971-72 is given below :—

Serial No.	Department/Stores	Opening balance	Receipts	Issues	Closing balance
(In lakhs of rupees)					
1.	Stamps—				
	Revenue-judicial and non-judicial ..	16,58.58	14,88.35	7,73.18	23,73.75
2.	Public Relations—				
	Stores, films and vans, etc. ..	6.05	5.56	4.01	7.60
3.	Police—				
	(a) Clothing and equipment	9.65	18.38	17.71	10.32
	(b) Stationery and other miscellaneous articles	3.97	4.11	2.57	5.51
4.	Forest—				
	Consumable stores, felled timber and other produce collected departmentally including live stock and non-consumable stores ..	4.17	16.64	15.19	5.62
5.	Irrigation—				
	(a) Bhakra Canals—				
	Building materials, timber, fuel, lubricants, paints, electrical goods, etc.	31.46	10.91	12.82	29.55
	(b) Other than Bhakra Canals—				
	Cement, iron, bricks and miscellaneous stores, etc. ..	99.55	8,63.02	8,16.35	1,46.22

6. Buildings and Roads—

Iron, cement, bricks, stone, timber, pipes, etc. ..	19.94	6,92.30	6,78.05	34.19
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7. Public Health—

Iron, cement, bricks, stone, timber, pipes, etc. ..	56.88	5,23.03	5,00.82	79.09
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The position (September 1972) arrears in preparation of stores accounts of other departments is given in Appendix VII.

28. 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 1972 as shown below :—

Serial No.	Department	Number of divisions and the amount of <i>minus</i> balance at the end of March 1972	
		Number of divisions	Amount (Rs. lakhs)
1	Irrigation other than Bhakra Canals ..	21	49.81
2	Buildings and Roads	18	59.04
3	Public Health	7	49.48

29. 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 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 1972 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 1971-72	Earliest year to which the arrears on 31st March 1972 pertain	Period upto which relaxation in the pricing of stock returns was allowed
		1969-70	1970-71	1971-72			
1	Irrigation						
	(a) Bhakra Canals	19	27	63	6	March 1967	September 1963
	(b) Other than Bhakra Canals	133	168	169	37	September 1962	March 1950
2	Buildings and Roads	73	107	171	31	September 1956	March 1961
3	Public Health	125	146	110	7	March 1956	March 1961

30. 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 1971-72 were not intimated to Audit by 121 divisions as shown below (out of total number of one hundred and twenty-two divisions) :—

1. Irrigation—

(a) Bhakra Canals	..	..	..	..	6
(b) Other than Bhakra Canals	..	..	..	..	53
2 Buildings and Roads	..	..	..	..	43
3 Public Health	..	..	..	..	19
Total	..	..	..	..	121

AGRICULTURE

31. Shortage of stores

For sale to cane growers 18,578 litres of insecticides (cost : Rs. 2,20,512) were placed at the disposal of the Cane Development Officer, Yamuna Nagar, in 1964-65 ; out of this, 16,478 litres were sold while 2,100 litres valuing Rs. 26,832 were found short during February 1965 to December 1971. Periodical physical verification of stocks was not conducted. The shortages were stated to be mainly due to leakage of containers.

The department stated (April 1972) that the purchases were made in 1964-65 without correct assessment of the requirement of cane growers. Government also intimated (April 1972) that the Director of Agriculture has been asked to enquire into the matter and suitable action will be taken against the delinquents, if any.

CHAPTER VI

RECEIPTS

32. Results of audit

The test audit conducted during 1971-72 in 6,984 cases (seven districts) revealed under-assessment of Rs. 79,272 (58 cases). Some of these cases are discussed in paragraph 33.

33. Under-assessment of tax

(i) Central Sales Tax Act, 1956

Non-levy of Central Sales Tax—Rs. 9,249

If a commodity is generally exempt from Sales Tax under the State Law, it is also exempt from tax under the Central Law. Agricultural implements are exempt from levy of sales tax under the State Act but the list of agricultural implements circulated by State Government in March 1959, did not include Wheat Thrashers and, therefore, they being not exempt under the State Act were also not exempt from the Central Tax.

In the assessment of a dealer for the year 1968-69, a deduction of Rs. 92,490 from the gross turnover was, however, allowed on account of inter-State sale of Wheat Thrashers resulting in non-levy of Central Tax of Rs. 9,249. On this being pointed out (February 1972) department referred the case for *suo moto* action and the revisional authority created (September 1972) a demand of Rs. 9,249.

(ii) Punjab General Sales Tax Act, 1948

(a) Non-levy of tax due to taxable goods treated as tax free—Rs. 61,602

Under the Punjab General Sales Tax Act, agricultural implements are exempt from sales tax. Though the list of such exempted implements circulated in March 1959 did not include Wheat/Maize Thrashers, in the assessments for the years 1964-65 to 1969-70, of seven dealers deductions of Rs. 10,26,709 were allowed on account of sale of Wheat/Maize Thrashers. This resulted in under-assessment of tax of Rs. 61,602.

On this being pointed out, the department accepted the objection and advised the Excise and Taxation Officer to refer the cases for *suo moto* action.

The department was asked (May 1971) to find out similar cases relating to other districts; information is awaited (May 1973).

(b) Short levy of tax Rs. 7,387

Under the Punjab General Sales Tax Act, 1948, sales tax on cement and vegetable ghee was leviable at the first stage of sale in the State from 1st April 1966. As consignment sales are not sales in law, they attract tax only when sold by the dealer who received them on consignment;

similarly, goods imported from outside the State attract tax when sold by the importer.

In the assessments of a dealer for the years 1966-67 and 1967-68, sales of cement and vegetable ghee, purchased from outside Haryana after the formation of the State on 1st November 1966, or received on consignment from within the State, were treated as other than first stage sales and were thus not subjected to tax. This resulted in under-assessment of tax of Rs. 7,387. On this being pointed out the mistake was admitted by the department and the cases referred for *suo moto* action. (March 1972).

34. Mistakes in computation of Tax

There was under-assessment of Rs. 75,850 (34 cases) due to mistakes in applying the rates of tax.

35. Arrears in assessment and collection of sales tax

(a) Arrears in assessments—The progress of assessment of sales tax during the year 1970-71 and 1971-72 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	
1970-71	62,339*	25,686	12,678	38,364	23,975* (38 per cent)
1971-72	72,229	23,594	18,571	42,165	30,064 (42 per cent)

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

Year	Cases pending assessment at the end of	
	March 1971	March 1972
1961-62	2	2
1962-63	4	4
1963-64	6	4
1964-65	10	8
1965-66	34	20
1966-67	207	46
1967-68	1,014	420
1968-69	4,736	2,319
1969-70	17,962	7,747
1970-71	..	19,494
Total	23,975	30,064

*Discrepancy of 565 cases between these figures and the figures reported in the Audit Report for 1970-71 is due to the incorrect figures supplied last year by the field officers of Excise and Taxation department.

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 414 cases amounted to Rs. 1,22.15 lakhs at the end of 1971-72.

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

Period	Outstanding on 31st March 1972
	(In lakhs of rupees)
1960-61	1.73
1961-62	0.69
1962-63	0.71
1963-64	0.08
1964-65	0.28
1965-66	0.34
1966-67	4.33
1967-68	1.86
1968-69	1.96
1969-70	3.69
1970-71	52.87
1971-72	53.61
Total	1,22.15

(ii) Out of the arrears of Rs. 1,22.15 lakhs, recovery of Rs. 85.18 lakhs had been stayed as shown below :—

Particulars	Outstanding on 31st March 1972
	(In lakhs of rupees)
Collection stayed by :—	
(1) Departmental Appellate authorities	0.03
(2) Revisional authorities	3.65
(3) Supreme Court, High Court and Civil Courts	81.41
(4) Government	0.09
Total	85.18

CHAPTER VII

GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES

SECTION A—GENERAL

36. This chapter deals with the results of the audit of :—
- (i) Statutory Corporations/Boards,
 - (ii) Government Companies,
 - (iii) Departmentally managed Government Commercial/Quasi-Commercial Undertakings,
 - (iv) Co-operative Institutions, and
 - (v) Investments and guarantees by the State Government.

SECTION B—STATUTORY CORPORATIONS/BOARD

37. As on 31st March 1972, there were two Statutory Corporations viz. Haryana State Warehousing Corporation and Haryana Financial Corporation and one Electricity Board in the State. Government investment in the share capital of the two Corporations was Rs. 86.37 lakhs. The investment in the Electricity Board in the shape of loans was Rs. 1,12,58.70 lakhs.

The accounts of the Haryana Warehousing Corporation for the year ending 31st March 1972 have not been prepared so far (July 1973). A synoptic statement showing the summarised financial position of the two Corporations and the Board on the basis of latest available accounts is given in Appendix VIII.

HARYANA STATE ELECTRICITY BOARD

38. The accounts of the Board for 1971-72 duly certified together with the Audit Certificate and Report thereon were forwarded to the State Government (September 1972) for being placed before the State Legislature in terms of Section 69 (5) of the Electricity (Supply) Act 1948.

39. Working results

The working results of the Board during the last three years ending 31st March 1972 are summarised below :—

	1969-70	1970-71	1971-72
			(Rupees in lakhs)
(i) Revenue Receipt	.. 14,51.41	18,22.92	19,89.40
(ii) Revenue Expenditure	.. 8,64.54	11,91.53	14,97.12

(iii) Net Surplus	5,86.87	6,31.39	4,92.28
(iv) Appropriation towards general reserve and interest on bonds, etc.	1,41.83	2,53.07	3,35.63
(v) Balance available towards interest on loans from Government	4,45.04	3,78.32	1,56.65
(vi) Interest due on loans from Government—			
(a) for the year	4,45.04	5,62.04	5,76.91
(b) Arrears for previous year			1,83.72
Total	4,45.04	5,62.04	7,60.63
(vii) Arrears of interest		1,83.72	6,03.98
(viii) Deficit for the year (towards interest due to Government)		-1,83.72	-4,20.26

40. Generation and sale of Energy

The table below indicates the particulars of installed capacity of the Board of generation of power, power generated, power available for sale, power sold, loss in transmission and distribution for the last three years :—

	1969-70	1970-71	1971-72
	(KWH in Millions)		
(i) Installed capacity			
(a) Diesel generating sets	45.77	45.77	36.73
(b) Thermal generating Stations	759.49	759.49	743.29
(c) Hydro generating Station	3,530.28	3,530.28	3,530.28
Total	4,335.54	4,335.54	4,310.30
(ii) Power generated excluding power used for station auxiliaries	1,707.37	1,713.62	1,969.90
(iii) Power used for auxiliaries	1.56	7.72	4.66

(iv) Power purchased ..	23.55	44.26	106.20
(v) Power available for sale excluding power used for generating station auxiliaries ..	1,730.92	1,757.88	2,076.10
(vi) Power sold to consumers ..	1,458.46	1,414.84	1,624.65
(vii) Free supply to employees ..	0.98	0.97	3.60
(viii) Loss in transmission and distribution ..	272.46	343.04	451.45
(ix) Percentage of power generated (ii+iii) to installed capacity ..	39.41	39.7	45.8
(x) Percentage of own power generated to total power available	98.6	97.5	94.9
(xi) Percentage of loss :—			
(a) available power ..	15.7	19.5	21.7
(b) power sold ..	18.7	24.2	27.8
(xii) Cost of generation (Rupees in lakhs) ..	2,24.26	3,48.01	3,39.66
(xiii) Cost of generation for MKWH (In Rupees) ..	13,122	20,221	17,198
(xiv) Revenue per MKWH (In Rupees) ..	99,549	1,28,828	1,21,809

It has been noticed that the percentage of losses to energy sold during 1970-71 was highest in the country.

The Management have attributed (March 1973) the low utilisation of installed capacity to the following :—

(a) Diesel Generating Sets :

- (i) Running of these sets only during peak load hours.
- (ii) Low working efficiency of sets.

(b) Thermal Generating Stations :

- (i) Lower number of working hours due to scheduled and unscheduled shutdowns.

- (ii) lower load factor.
 - (iii) Lower efficiency of plants due to passage of time and operational defects in Boilers and Turbines.
- (c) **Hydro Generating Stations :**
- (i) Lower reservoir level at Bhakra.
 - (ii) Lower water head and discharge available for the Turbines.

OTHER POINTS OF INTEREST

41. Special Audit

On a request from the State Government, Special Audit of certain purchases made by the State Electricity Board was conducted from December 1972 to July 1973. This covered purchase of conductors, poles, meters, transformers, wires, cables, insulators and a few other items, effected by the Board during May 1967 and March 1972, disposal of old generating sets, copper scrap, and also a general review of the Rural Electrification programme and Stores Control system of the Board (1968-1972.)

A consolidated Inspection Report on the results of Special Audit, which was sent to the Government on 1st September 1973, brought out, among other things, absence of a sound system for assessing the requirement of purchases, lacuna in placing purchase orders, defective or inadequate system of inspection, extra expenditure in purchases and inadequate system of inventory control.

Replies of the State Government, including the statement that the Board was taking action to streamline the procedure in some cases, were received in December 1973, and are under examination.

42. Idle Stores

Spares for 220 K.V. Sub-Stations valued at Rs. 4.38 lakhs approximately (787 items) were lying in 3 Central stores since May 1967. The question of their transfer to Bhakra Management Board against payment was under correspondence (June 1973).

43. Under-assessment of revenue—Rs. 0.82 lakh

According to the rules of the Board where it is not possible to install Maximum Demand Indicator on the premises of industrial/bulk consumers due to its non-availability, an undertaking should be obtained from the prospective consumer to the effect that he may be charged on the connected load basis till the time a Maximum Demand Indicator is installed on his premises. A test check of consumer's accounts in 3 sub-divisions revealed that in 16 cases undertakings were not obtained which resulted in loss of revenue of Rs. 0.82 lakh for the period May 1966 to July 1970.

Matter was brought to the notice of the Board in December 1971 ; reply is awaited (May 1973).

44. Outstanding audit observations

41,831 audit observations (Rs. 53.02 crores) raised by the Chief Accounts Officer, Haryana State Electricity Board, pertaining to the period upto 31st March 1972 were outstanding on 30th September 1972 as against 43,417 audit observations (Rs. 50.29 crores) outstanding on 31st August 1971. The details are given below :—

	Year since outstanding	Amount (Rupees in crores)
(a) Want of sanctions.. ..	1952-53	45.38
(b) Want of detailed contingent bills	1966-67	0.24
(c) Want of payee's receipts	1969-70	0.82
(d) Other reasons	1965-66	6.58
Total		53.02

Position of the outstanding inspection reports by Audit is indicated in paragraph 59 of Chapter VIII.

SECTION C—GOVERNMENT COMPANIES

45. There were nine Government Companies in the State as on 31st March 1972, including Pig Iron Project, Hissar, which was floated by composite Punjab State (administrative control not yet transferred to Haryana). The Government investment in the share capital of these companies as on that date amounted to Rs. 6,81.05 lakhs.

A synoptic statement showing the financial results of the six companies on the basis of the latest available accounts is given in Appendix IX.

Haryana State Minor Irrigation (Tubewells) Corporation Limited, and Haryana Harijan Kalyan Nigam Limited, which came into existence during 1969-70 and 1970-71 respectively have not submitted their accounts so far (May 1973).

HARYANA AGRO-INDUSTRIES CORPORATION

46. Introductory

The Company, jointly owned by the State Government and the Government of India was incorporated in March 1967, with the object :—

- (i) to undertake, assist, aid, finance and promote agro-industries such as poultry, dairying, land development, seed production manufacture of agricultural implements and machinery,
- (ii) to organise setting up of workshops including mobile workshops, the sale of agricultural machinery and implements on cash or hire-purchase,

(iii) to promote or conduct any agricultural, commercial or industrial enterprises. The authorised capital of the company is Rs. 2 crores. The paid up capital on 30th June 1971 was Rs. 1,60.64 lakhs contributed equally by the Central and State Governments.

(a) **Working Results**—The table given below indicates the financial results of the company for the year 1969-70 to 1971-72 :—

	1969-70	1970-71	1971-72
	(Rupees in lakhs)		
<i>Liabilities—</i>			
Paid up capital ..	1,29.26	1,60.64	1,70.56
Reserves and surplus ..	14.03	23.36	34.30
Unsecured loans ..	..	0.22	35.58
Current liabilities ..	55.12	44.94	1,56.55
Provisions ..	9.59	18.12	23.68
Total ..	2,08.00	2,47.28	4,20.67
<i>Assets—</i>			
Net block ..	20.29	32.74	61.91
Currents assets ..	99.37	1,80.37	3,11.82
Loans and advances including suspense ..	87.75	33.52	46.68
Development and Deferred revenue expenditure ..	0.59	0.65	0.26
Total ..	2,08.00	2,47.28	4,20.67
Turnover ..	2,47.22	2,71.43	3,10.41
Net profit (+)/Loss(—) before tax and Development Rebate Reserve ..	+16.93	+15.92	+14.52
Capital employed ..	1,42.70	1,83.57	2,40.18
Percentage of profit on capital employed ..	11.86	8.67	6.04

The decline in the percentages of profit in 1970-71 and 1971-72 as

compared to 1969-70 is mainly due to :—

- (i) Increase in the employment of capital
- (ii) Increase in percentage of expenditure, to turnover.

The company had not declared dividend since its inception. According to the Board of Directors as a couple of approved schemes were to be financed from internal resources, no surplus was available for distribution as dividend.

(b) **Expansion Programme.**—In April 1968, the company decided to establish a Plant at Jind with a capacity to produce 5 to 8 tonnes of cattle *cum* poultry feed per hour and with a provision for expansion up to 10 tonnes per hour. The Project was estimated (March 1971) to cost Rs. 72.56 lakhs and was scheduled to be completed by February 1972. The work of erection and installation of the plant was entrusted (December 1970) to the National Dairy Development Board on a turn key basis. The delay in the award of work was attributed (July 1972) by the Management to delay in the appointment of Project officer, preparation of project report and award of work to the contractor.

Though the Project was to be completed by February 1972, the work was still in progress (June 1973). The total expenditure incurred upto June 1973 amounted to Rs. 36.66 lakhs. The Management intimated (November 1972) that the delay was due to import of machinery by the Corporation.

(c) **Custom Services—**

(i) **Farmers Service Centres.**—As on 30th June 1972, there were eight main farmers centres (Nilokheri, Hissar, Panipat, Sirsa, Ambala, Jind, Rohtak and Gurgaon) and two sub-centres, (Karnal and Ladwa). These Centres *inter alia* provide custom hiring services and service workshop facilities to agriculturists. The Centre-wise position of losses for the year ending 30th June 1971 on the basis of the information available was as under :—

Sr. No.	Name of the Centre	Losses		Total
		Custom hiring	Service Workshop	
(Rupees in lakhs)				
1	Nilokheri	2.71	0.54	3.25
2	Hissar	0.98	0.35	1.33
3	Panipat	0.95	0.38	1.33
	Total	4.64	1.27	5.91

(ii) Purchase of Machinery and its utilisation—

1. *Purchases*—The following machines and implements purchased for custom hiring work at a total cost of Rs. 3.17 lakhs were found to be defective.

Sr. No.	Particulars of machinery/ implements purchased	Period in which purchased	Cost (Rupees in lakhs)	Remarks
1	2 nos. Massey Ferguson Harvester Combines (2nd hand)	April 1971	1.41	On receipt at Nilokheri the machines were found defective and even after repairs there were frequent break downs.
2	4 nos. Vicone Combines (New) Tractor Driver	April 1971	1.06	The Vicone Combines were purchased although the Chief Technical Officer opined (November 1970) that from practical and technical angles such Combines were not profitable proposition for Custom services. The performance of the machines was not upto the expected standard.
3	26 nos. Thrashers	April-May 1969	0.70	The thrashers did not give the desired output.

2. *Utilisation*—The extent of utilisation in respect of the above machines is given below :—

(i) Massey Ferguson Harvester Combines

Sr. No.	No. of machines worked	Particulars of crop	Expected utilisation as recommended by manufacturers		Actual utilisation	
			Hours	Acres	Hours	Acreage
1	..	Rabi-1971	500	500	The machinery did not work	
2	2	Kharif-1971	500	500	171	58.5
3	2	Rabi-1972	500	500	129	80

(ii) Vicone Combines

Sr. No.	Name of crop	Name of Centre	No. of combines	Expected out put (per machine) as recommended by manufacturers		Actual output		Remarks
				Hours	Acreage	Hours	Acreage	
1	Rabi-1971	Nilokheri	1	332	250	40	12.5	
		Hissar	2	664	500	130	53	
		Panipat	1	332	250	..	..

2	Kharif-1971	Nilokheri	1	332	250	37	15.25	
		Hissar	2	664	500	133	59	
		Panipat	1	332	250	..	..
3	Rabi -1972	Nilokheri	1	332	250	170	63	In addition 35 quintals of thrashing was done.
		Hissar	2	664	500	304	46.5	In addition 656 quintals of thrashing was done with own tractors and and 357 quintals with the party's tractors.
		Panipat	1	332	250	..	..

(iii) Thrashers

Sr. No.	Crop	H.P. of tractor	Rate fixed per hour for thrashing. Rupees	Rate of thrashing per quintal. Rupees	Thrashing in quintal required per hour	Total hours of tractors run	Total thrashing in quintals	Thrashing in quintals per hour
1	Rabi-1969	30 H.P.	20.00	5.50	3.8	2816	4521	1.6
2	Rabi-1969	50 H.P.	30.00	5.50	5.4	3012	6874	2.3

The above data shows that the performance of the machines/implements was not up to the expected standard.

The performance of these machines/implements was reviewed in January 1972 and it was decided to dispose of Massey Ferguson Harvester Combines and Thrashers by public auction and to give Vicone Combines another trial on the condition that the suppliers would take back their machines if these failed to achieve the required output. During Rabi 1972, 3 such machines were put into operation but these did not give the required output. The machines have not been returned to the suppliers (May 1973).

The Massey Ferguson Combines and thrashers were yet to be auctioned (May 1973).

(e) *Assembly plant at Nilokheri.*—The Company had an assembly plant at Nilokheri where tractors imported through the State Trading Corporation of India, Limited, in semi-knocked down condition are

assembled for sale to agriculturists in Haryana State/other Agro-Corporations. Under the scheme landed cost of tractors (*i.e.* C.I.F. value) plus margin of 1.5 per cent was payable to State Trading Corporation and the Company was liable to meet the entire expenditure on clearance of consignments from port, transportation, handling, assembly, etc. A review of the expenditure incurred by the Company brought out the following points :—

(i) *Expenditure on double Insurance*—The landed cost of tractors included an element of insurance charges at the rate of 1.2 per cent (1 per cent for marine insurance and 0.2 per cent for surface insurance) to cover risk upto warehouse at destination. In spite of the coverage provided by the State Trading Corporation of India the Company got 6 consignments (both assembled tractors and in semi-knocked down condition) insured during 1970-71 from another insurance company to cover transit risk from the port of disembarkation to destination and paid insurance charges amounting to Rs. 0.55 lakh. The management stated (July 1973) that the matter for obtaining refund of this amount had been taken up with the insurance company.

(ii) *Double payment of Excise Duty*—In July 1971, the Company paid a custom duty of Rs. 22.33 lakhs which included Rs. 6.86 lakhs on account of countervailing duty (excise) for 500 semi-knocked down tractors. The Company also paid excise duty (Rs. 9.27 lakhs upto 13th March 1973) at 10 per cent *advalorem* on the release of 473 assembled tractors from the plant at Nilokheri. The Company's claim for refund of excise duty amounting to Rs. 6.86 lakhs was rejected by the Central Excise authorities in March 1972 in the absence of an endorsement on the bill of entry to the effect that they intend to avail the proforma credit under Rule 56-A of Central Excise Rules. The management stated (July 1972) that an appeal has been filed before the Appellate Collector of Central Excise. The same is still pending (May 1973).

HARYANA STATE MINOR-IRRIGATION (TUBE-WELLS) CORPORATION LIMITED

47. Introductory

(a) The Haryana State Minor Irrigation (Tubewells) Corporation Limited was established in March 1970 as a private company with the object of taking over from Government the State owned irrigation and augmentation tubewells and to promote, improve, establish, execute, install, manage and administer tubewells and other minor irrigation projects or enterprises.

The authorised capital of the company is Rs. 6 crores, out of which Government agreed to take shares of the value of Rs. 3,99.95 lakhs. Government's investment in the share capital of the Company as on 31st March was, however, Rs. 4,25 lakhs. The Company has not submitted its accounts so far (August 1972).

(b) *Expansion schemes.*—The execution of the following schemes for installation of direct tubewells, formulated by Government in 1968 for providing irrigation facilities in certain areas of Ambala, Karnal and Mohindergarh districts were taken over by the Company in March 1970.

Name of the Scheme	Date of sanction of the project estimate	Project estimate	Anticipated date of completion	Date of commencement of scheme	Expenditure incurred upto March 1972
		(Rupees in lakhs)			(Rupees in lakhs)
1. Installation of 30 Nos. Direct Irrigation Tubewells : Group I in Ambala district ..	January 1969	22.88	1969-70	January 1968	23.52
2. Installation of 25 Nos. Direct Irrigation Tubewells : Group II in Ambala district ..	October 1968	26.31	1970-71	April 1969	15.96
3. Installation of 25 Nos. Direct Irrigation Tubewells near Indri in Karnal district ..	Not sanctioned	20.23	1969-70	@	4.70
4. Installation of 25 Nos. Direct Irrigation Tubewells in Krishnawati belt in Mohindergarh district ..	Not sanctioned	23.21	July 1970	August 1968	3.90

@The work on this scheme has not commenced, except for transfer of 9 Nos. tubewells from another scheme.

Operational performance of the schemes

(i) The table below indicates the number of tubewells to be installed, actually completed and commissioned during 1968-69 to 1971-72 :—

Name of the scheme	No of tubewells to be installed	No. of tubewells completed during the year					Total	No. of tubewells from which supply of water commenced during the year					Total
		1967-68	1968-69	1969-70	1970-71	1971-72		1967-68	1968-69	1969-70	1970-71	1971-72	
1. Ambala district:							(a)						
Group I	30	1	..	10	16	..	27	..	1	6	20	..	27
2. Ambala district :							(b)						(c)
Group II	25	..	..	2	7	4	13	..	..	1	8	3	12
3. Karnal district	25	..	(d)	..	..	..	(d)	..	9	..	..	..	9
4. Mohindergarh district	25	..	3	2	2	..	(e)	..	3	2	2	..	7

(a) (i) One tubewell was abandoned in May 1969 as assembly got cracked while drilling and installing it vertically.

(ii) Two tubewells were abandoned in October 1969 and February 1970 due to low yield of water bearing strata.

(b) (i) One tubewell was abandoned in July 1969 due to breakage of assembly below ground level and filling of pipes with gravel.

(ii) The project became a part of "Installation of 170 deep tubewells for direct irrigation in Naraingarh Tehsil". Out of 25 tubewells merged with the new scheme, 23 had been completed upto September 1972.

(c) One tubewell completed in April 1971 started supply of water in August 1972.

(d) Nine tubewells taken up under tubewells augmentation scheme alongwith Jamuna Canal in 1967-68 were transferred to this project, in 1968-69. Further work on this project was abandoned as number of private tubewells had come up.

(e) In addition two tubewells installed in November 1970 were not energised till November 1971 due to misplacement of applications for supply of electric connections.

Before the remaining work could be taken up, another project report for 31 tubewells which included 25 tubewells covered under this scheme was prepared.

(ii) The table given below indicates the period of delay in the first supply of water after drilling of tubewells :—

Sr. No.	Name of the scheme	No. of tubewells in respect of which delay exceeded		
		12 months	18 months	24 months
1	Ambala district Group I	11	8	3
2	Ambala district Group II	5	3	1
3	Mohindergarh district	1	1	2@

According to the Corporation, (October 1972) in the earlier stages, supply of water after drilling used to get delayed on account of delay in construction of pump houses and tubewell channels which were small works scattered in the interior of the district. The pipe manufacturing concerns also did not supply pipes in time.

(iii) Working Results of the Schemes

(a) *Karnal District Schemes*—The scheme in Karnal district was envisaged to be completed by 1969-70. Nine tubewells already installed during 1967-68 as part of another scheme, transferred to this project were to achieve 100 per cent intensity during 2nd year of their completion i.e. 1969-70.

The table below indicates the intensity of irrigation achieved *vis-a-vis* that provided during the year 1969-70 to 1971-72.

	1969-70		1970-71		1971-72
	Kharif	Rabi	Kharif	Rabi	Kharif
Intensity (per cent) as provided	50	83	50	83	50
Intensity (per cent) as achieved	12	17	15	42	18

Reasons for low intensity of irrigation were stated by the Company (October 1971) to be due to :—

- (i) the soil of the area being very hard needed deep ploughing but the land owners being poor had no tractors,

@These tubewells drilled in April 1969 and September 1969 were not even energised till November 1971 due to misplacement of applications for the supply of electric connections.

- (ii) most of the lands included in the tubewell *chaks* belonged to pancháyats who could lease out the same only for one year. As these lands were not given on long lease, no progressive farmer came forward to reclaim the same and make use of the tubewells already installed,
- (iii) increase in the water rate, and
- (iv) the area being suited for installation of shallow tubewells there was increase in the installation of private tubewells.

The scheme incurred losses year after year as against annual working expenses of Rs. 36,498 and Rs. 32,827 during the years 1970-71 and 1971-72, revenue receipts were Rs. 22,052 and Rs. 16,892, respectively.

(b) *Ambala District Schemes*—A contract for sinking of a tubewell (drilling and developing) in Group I of Ambala District was awarded to a firm of New Delhi. The tubewell was planned to have a safe yield of 2 cusecs of discharge. The drilling was done by the firm in June 1968. As further execution was being delayed by the firm and there was difference of opinion with the firm regarding the process to be adopted for development, Department undertook in November 1968 to develop the tubewell on behalf of the contractor. The development was completed at a cost of Rs. 7,935 in January 1970. The discharge of water, however, did not go beyond 1.22 cusecs. The Department attributed poor discharge to defective drilling/lowering of the assembly by the firm.

The table below indicates the intensity of irrigation achieved *vis-a-vis* that expected during the years 1970-71 and 1971-72.

	1970-71		1971-72
	Kharif	Rabi	Kharif
Group I			
Intensity (per cent) as provided	.. 20	30	30
Intensity (per cent) as achieved	.. 8.5	43.4	10.9
Group II			
Intensity (per cent) as provided	.. 25	41.5	50
Intensity (per cent) as achieved	.. 0.23	13	4.4

The reasons for the low intensity of irrigation were stated (October 1971) by the Management to be as under :—

- (i) the tubewells were not fully completed during 1969-70.
- (ii) the supply of tubewell water involved carrier channels (underground) which were constructed during 1970-71.

(iii) the utilisation of irrigation potential during Kharif 1971 required improvement which was possible only by introduction of improved varieties of crops and for this purpose the corporation intends to put up demonstration plots soon.

The scheme incurred losses year after year, the total expenditure during the years 1970-71 and 1971-72 amounted to Rs. 2,10,459 and Rs. 3,71,589 against which the revenue receipts were Rs. 2,01,114 and Rs. 2,75,678 respectively.

(c) *Mohindergarh District Schemes*—The above scheme was unproductive and to make it productive, a betterment levy of Rs. 5 per acre of matured area was proposed (June 1969) by the Chief Engineer, Irrigation for a period of 4 years. Neither any notification was issued for this levy under the Punjab Betterment Charges and Acreage Rates Act, 1952 nor these charges were recovered. Similarly owners rate at the rate of Rs. 3 per acre leviable on the owners for the benefit which they derive from irrigation was not recovered.

The project estimates provided for maintenance of water courses at Government expense even though the cost of construction and maintenance of water courses was to be borne by the cultivators under the relevant Acts. The department spent Rs. 11.36 lakhs (March 1972) on this account in respect of schemes in Ambala and Karnal districts.

The matter was brought to the notice of the Government in March 1972; final reply was still awaited (July 1972).

The scheme incurred losses year after year as against annual working expenses of Rs. 1,78,132 and Rs. 1,52,606 during the years 1970-71 and 1971-72, revenue receipts were Rs. 1,50,068 and Rs. 86,886, respectively.

The table below indicates the intensity of irrigation achieved *vis-a-vis* that provided during the year 1969-70 to 1971-72.

	1969-70		1970-71		1971-72
	Kharif	Rabi	Kharif	Rabi	Kharif
1. Intensity (per cent) as provided ..	25	41.5	50	83	50
2. Intensity (per cent) as achieved ..	3	21	3	21	1.5

The company had attributed (November 1971) the following reasons for the low intensity of irrigation :

- (i) leakage in under ground water source.
- (ii) improper electric supply and breakdown.
- (iii) increase in water rates.

SECTION D—DEPARTMENTALLY MANAGED
GOVERNMENT COMMERCIAL/QUASI-COM-
MERCIAL UNDERTAKINGS

48. On 31st March 1972, there were ten departmentally managed Commercial and Quasi-Commercial Undertakings in the State as against eleven as on 31st March 1971. The *proforma* accounts of only two undertakings viz. Provincial Reserve Food Scheme and Haryana Roadways for the year ended 31st March 1972 have been received. The position in regard to arrears in preparation of *proforma* accounts of other schemes is given in Appendix XI. Financial results of some of the Undertakings on the basis of latest available *proforma* accounts are given in Appendix X.

TRANSPORT

49. Loss of revenue

In September 1968, the Delhi Administration changed the routes of all passenger buses starting from/terminating at Inter-State-Bus Terminus at Delhi. Buses plying on Delhi-Rohtak route were diverted *via* Ring road. Consequently the buses plying on this route had to cover a longer distance viz 79 kilometres (instead of 70 kilometres earlier) between Rohtak and Delhi and *vice versa*. No action was taken by the Haryana Transport Department till July 1970 when a proposal was moved to revise the fare-table on the basis of revised distance covered. The fare was decided to be enhanced by 25 paise with effect from 1st August 1970 but was not enforced till 29th February 1972. Department stated (June 1972) that the increase in fare was not enforced earlier as it was felt that approval of the Delhi Administration who were requested (August 1970) to issue instructions to other operators for the enhancement of the fare, for sake of uniformity, was considered necessary. Enhanced fare was, however, introduced from 1st March 1972 while the approval of Delhi Administration was received on 22nd/31st March 1972.

Delay in enhancement of fares till 29th February 1972 resulted in loss of revenue of Rs. 7.29 lakhs as detailed below in case of Rohtak Depot alone.

October 1968 to July 1970	.. Rs. 2.80 lakhs
August 1970 to February 1972	.. Rs. 4.49 lakhs

SECTION E—CO-OPERATIVE INSTITUTIONS

50. Financial assistance

Government investment in the share capital and debentures of co-operative societies at the close of the year 1970-71 and 1971-72 was as under :—

Year	Number of societies	Amount (in lakhs of Rupees)
1970-71	1,329	7,85.83
1971-72	1,671	9,72.45

The investment made during the year 1971-72 was Rs. 1,88.43 lakhs and the retirement of shares effected during the year by the institutions was Rs. 1.81 lakhs only.

The amount of loans and subsidies paid by Government to various Co-operative Institutions during the year 1970-71 and 1971-72 stood as under :—

Year	Balance at the end of previous year	Amount of loans disbursed during the year	Re-payment during the year	Balance at the end of the year	Grants of subsidies during the year
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(In lakhs of Rupees)

1970-71	.. 69.66	11.90	5.93	75.63	20.23
1971-72	.. 75.63	20.94	3.01	93.56	20.94

The amount of principal and interest overdue as on 31st March 1972 was Rs. 9.30 lakhs and Rs. 7.26 lakhs respectively.

51. Interest and dividend received by the Government

Interest and Dividend received during the year 1971-72 from 14 societies amounted to Rs. 18.78 lakhs and Rs. 3.61 lakhs respectively.

52. Completion of audit

As per provisions of the Co-operative Societies Act, 1912 the accounts of co-operative societies 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. The accounts of 355 societies (as detailed below) upto close of co-operative year 1971-72 remained unaudited (September 1973). However, position for the years 1969-70, 1970-71 and 1971-72 is given below :—

	1969-70	1970-71	1971-72
Number of societies due for audit ..	12,741	12,788	13,135
Number of societies audited ..	12,236	12,230	12,780
Number of societies audit of which is in arrears	505	558	355

The Chief Auditor, Co-operative Societies stated (September 1973) that these accounts could not be audited for want of completed books of accounts and other records.

A review of the audited accounts for 1971-72 of the co-operative societies revealed :—

- (i) The department invested Rs. 82.19 lakhs during 1970-71 in share capital of various co-operative societies. Share Certificates for Rs. 4.20 lakhs were awaited (August 1973).
- (ii) 395 cases of embezzlements, misappropriations of cash and stores amounting to Rs. 33.74 lakhs were noticed by the departmental auditors (June 1972).
- (iii) To avoid lapse of funds the department withdrew Rs. 1,07.89 lakhs from the treasury during the last week of March 1972 by endorsing the bills in favour of the State Co-operative Bank Limited and placed the amount at the disposal of the Assistant Registrars through the Central Co-operative Banks of the respective districts for disbursement as loan, subsidy and share capital.

53. Haryana State Co-operative Supply and Marketing Federation Limited Chandigarh

The Federation came into existence with effect from 1st November 1966 with the objects primarily to :—

- (i) make arrangements for marketing and processing of the agricultural and allied products, and
- (ii) supply of agricultural inputs such as fertilizers, insecticides, pesticides and other goods.

The working results of the Federation for the year 1968-69 to 1970-71 are given below :—

Year of account	Paid up capital	Government investment	Reserves and Funds	Loans (Cash credit)	Cumulative profit	Net profit during the year
(in lakhs of Rupees).						
1968-69 ..	67.62	66.45	7.72	9,89.81	9.49*	5.81
1969-70 ..	73.84	65.16	10.13	7,91.29	25.75	16.26
1970-71 ..	1,06.74	98.06	10.55	11,24.42	31.24	5.48

*This amount has been arrived at after debiting Rs. 1.65 lakhs to compensate the societies for losses suffered by them in *jawar* seeds during 1966-67, without obtaining the approval of the Board of Directors.

Audit of the Federation revealed :—

(i) *Slow moving fertilizers*—Stocks of fertilizers worth Rs. 4,64.46 lakhs were held by the Federation on 28th February 1969. Out of this fertilizers worth Rs. 1,20.76 lakhs still remain in stock (30th June 1972).

Government intimated (December 1972) that stock which was not saleable in the market would be reconditioned at the granular plant being set up very soon by the Federation in Karnal district.

(ii) *Blocking of funds*—On the formation of Haryana State on 1st November 1966 the Federation had stock of Diesel Engines/Pumps to the extent of Rs. 7.78 lakhs. During the years 1966-67 to 1970-71 the Federation made further purchases of Rs. 60.73 lakhs. As on 30th June 1971 Engines/Pumps for Rs. 45.34 lakhs could only be sold leaving a closing stock of Rs. 23.17 lakhs (Diesel Engine : Rs. 20.60 lakhs, Motors : Rs. 2.57 lakhs). It was stated by the Management (March 1972) that 1,000 Diesel Engines (Rs. 27.15 lakhs) were purchased by the Federation under a directive of the State Government which resulted in blocking of funds.

(iii) *Investments*—The investments of the Federation in various co-operative societies alongwith the paid up capital of the societies during 1966-67 to 1970-71 was as under :—

Year ending	Investments	Paid up capital	Dividend received
	(in lakhs of Rupees)		
30th June 1967	0.51	23.35	..
30th June 1968	4.12	46.34	..
30th June 1969	23.26	67.62	..
30th June 1970	15.97	73.84	0.06
30th June 1971	20.42	1,06.74	Rs. 40 only

(iv) *Purchase and distribution of seeds*—The Federation suffered a trading loss of Rs. 1.84 lakhs in the purchase and sale of wheat seeds during 1967-68.

(v) *Losses*—(a) Due to improper storage, 1.67 lakhs gunny bags worth Rs. 5.52 lakhs (approximately) were damaged during 1969-70 to 1970-71.

(b) A unit installed at Nuh for extracting mustard oil suffered a loss of Rs. 2.64 lakhs during the years 1966-67 to 1970-71.

The departmental sub-Committee who examined (December 1967) the working results of the unit attributed the following reasons for losses.

(i) The Federation entered into the market for the purchase of *sarson* seeds quite late and the purchases were made at higher rates.

- (ii) The seeds purchased were of inferior quality.
 - (iii) The extraction of oil was 34 per cent against the prescribed percentage of 37 per cent.
 - (iv) The machinery of the mill was defective.
 - (v) The sales were not effected at the proper time and this resulted in sales at lower rates.
 - (vi) The agreement entered between the Federation and the Nuh Marketing Society was not on sound business principles.
- (c) A rice sheller installed at Tarori suffered a loss of Rs. 0.87 lakh during the first year of its operation ending 30th June 1971.

54. Working of Sugar Mills

As on 30th June 1971 the State Government had invested Rs. 20 lakhs each in the share capital of the Haryana Co-operative Sugar Mills Limited, Rohtak and Panipat. The working results of the mills for the year ended 30th June 1971 are given below :—

Sr. No.	Particulars	Haryana	Panipat
		Co-operative Sugar Mills Ltd., Rohtak	Co-operative Sugar Mills Ltd., Panipat
(In lakhs of Rupees)			
1	Paid-up capital	60.42	53.77
2	Government investment in share capital	20.00	20.00
3	Reserves	1,15.32	1,55.69
4	Long term loans	5.32	..
5	Cummulative profit (+)/loss (—)	(—)9.60	(+)11.76
6	Profit (+)/Loss(—) during the year	(+)1.07	(+)11.95
Cane crushed and recovery			
7	Cane crushed (in lakh of quintals)	17.82	15.28
8	Percentage of recovery	8.52	9.14

(i) *Excessive losses of Sugar in various manufacturing processes—*
The overall loss of sugar in various processes in Sugar Mills at Rohtak

was higher than the loss of Sugar in Panipat Sugar Mills as detailed below :—

Year of crushing	Haryana Co-operative Sugar Mills Ltd., Rohtak		Panipat Co-operative Sugar Mills Ltd., Panipat	
	Cane crushed (Quintals in lakhs)	Percentage of overall loss of sugar per 100 quintals of cane crushed	Cane crushed (Quintals in lakhs)	Percentage of overall loss of sugar per 100 quintals of cane crushed
1968-69	9.75	2.59	16.97	2.52
1969-70	18.34	2.81	22.29	2.42
1970-71	17.82	3.19	15.28	2.32
1971-72	Not available		12.31	2.37

During 1970-71, total cane crushed in Haryana Co-operative Sugar Mills Ltd., Rohtak was 17.82 lakhs quintals and for every 0.1 per cent short recovery of sugar, loss in production of sugar was 1,782 quintals (Rs. 2.40 lakhs approximately).

The Management of Haryana Co-operative Sugar Mills Ltd., Rohtak attributed (July 1972) the poor performance to :—

- (a) crushing of stale cane as a result of frequent break down in Turbo Alternator,
- (b) processing difficulty due to bad quality of lime stone.
- (ii) *Losses in storage*—Lack of proper storage arrangements resulted in loss of Rs. 2.47 lakhs of sugar during the years 1968-69 to 1971-72.
- (iii) *Over statement of profits*—The profits as on 30th June 1970 and 30th June 1971 had been over stated to the extent of Rs. 10.71 lakhs (overvaluation of stock : Rs. 10.25 lakhs ; stores : Rs. 0.46 lakh).
- (iv) *Physical verification of stores*—Physical verification of stores conducted on 30th June 1969, 30th June 1970 and 30th June 1971, revealed following shortages and excesses :—

Sr. No.	Year	Shortages Rs.	Excesses Rs.
1	1968-69	24,847	20,981
2	1969-70	20,007	14,890
3	1970-71	37,460	26,523

The shortages and excesses as on 30th June 1969 and 30th June 1970 were adjusted in the accounts under orders of General Manager without conducting any investigation and obtaining sanction to write off for shortages from the competent authority. Shortages and excesses as on 30th June 1971 are still to be adjusted (June 1973).

SECTION F—INVESTMENTS AND GUARANTEES BY THE STATE GOVERNMENT

55. Investments

The following table indicates the extent of Government's investments in Statutory Corporations/Board, Government Companies, Joint Stock Companies, Co-operative Societies and returns therefrom :—

	Investment to the end of 1971-72		Dividend/Interest received in 1971-72	
	No. of concerns	Amount	No. of concerns	Amount
	(Amount in lakhs of rupees)			
Statutory Corporations/ Board ..	3	1,13,45.07	3	2,91.57
Government Companies	9	6,81.05	1	1.20
Joint Stock Companies ..	20	1,52.13	2	0.51
Co-operative Institutions	1,671	9,72.45	14	22.39

56. Guarantees

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

In whose favour	Maximum amount guaranteed	Guaranteed amount outstanding as on 31st March 1972
	(In lakhs of Rupees)	
Statutory Corporations/Board ..	37,78.09	33,49.28
Government Company ..	3,53.91	3,53.91
Co-operative Institutions ..	69,67.41	40,96.75

Further details are given in statement No. 6 of the Finance Accounts 1971-72. None of the guarantees by Government have been invoked during the year 1971-72.

CHAPTER VIII

OUTSTANDING AUDIT OBSERVATIONS AND INSPECTION REPORTS

57. Outstanding audit observations

The irregularities and defects noticed in Audit are reported to departmental authorities. Periodical reports of outstanding audit observations 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 observations promptly; the Public Accounts Committee has also been repeatedly stressing the need for quick disposal of the observations.

The number of outstanding audit observations pertaining to the period upto 31st March 1972 awaiting settlement on 30th September 1972 was 22,493 (money value : Rs. 30,02.99 lakhs). The table below shows the number and amount of outstanding observations shown in this Report and the previous Report :—

Report	Number of observations	Amount (in lakhs of rupees)
1970-71	16,579*	24,31.43*
1971-72	22,493*	30,02.99*

Year-wise analysis of the audit observations issued upto 31st March 1972 which were not settled upto 30th September 1972 is given below :—

Year of issue	Civil departments		Commercial departments/activities		Total	
	Number	Amount (in lakhs of rupees)	Number	Amount (in lakhs of rupees)	Number	Amount (in lakhs of rupees)
1968-69 and earlier years ..	3,056	1,26.42	293	19.63	3,349	1,46.05
1969-70 ..	1,755	1,22.28	103	12.37	1,858	1,34.65
1970-71 ..	5,223	7,68.24	251	30.71	5,474	7,98.95
1971-72 ..	11,297	17,95.50	515	1,27.84	11,812	19,23.34
Total ..	21,331	28,12.44	1,162	1,90.55	22,493	30,02.99

*These figures exclude those relating to Haryana State Electricity Board which are mentioned in Chapter VII.

The particulars of these observations, in brief, the number falling in each category as also the amounts are given below (department-wise analysis showing the nature of observations, number and amounts is given in Appendix XII) :—

Nature of observations	Civil departments		Commercial departments/ activities	
	Number	Amount (in lakhs of rupees)	Number	Amount (in lakhs of rupees)
(i) Want of sanctions to establishment ..	527	8.94	47	8.03
(ii) Want of sanctions to miscellaneous and contingent expenditure ..	458	30.36	2	0.02
(iii) Want of detailed bills for lump sum drawals	7	0.61	323	1,02.40
(iv) Want of vouchers ..	4,510	5,33.27	..	..
(v) Want of payees' receipts ..	10,734	7,67.41	525	78.13
(vi) Advances paid to Government servants not recovered ..	3,182	42.19	154	0.31
(vii) Want of agreements	578	7,10.12	..	..
(viii) Payments to contractors/suppliers not in conformity with contracts and agreements	13	0.06	..	..
(ix) Non-recovery of over-payments or amounts disallowed in Audit ..	346	42.81	..	..
(x) Want of sanctions to write-off of losses, etc.	3	0.08	..	..
(xi) Want of sanction for reserve limit of stock	201	2,11.86	..	..
(xii) Want of disbursement certificates ..	219	38.44	..	..
(xiii) For want of certificates that share/debenture certificates have been received ..	90	3,93.67	..	..

(xiv) Other reasons	463	32.62	111	1.66
Total	21,331	28,12.44	1,162	1,90.55

58. Want of detailed contingent bills and vouchers

Rupees 1,03.01 lakhs held under observations represents expenditure incurred from advances on abstract contingent bills for which detailed bills, duly countersigned by the controlling authority, have not been furnished. Delay in furnishing the detailed bills to Audit results in the entire expenditure escaping audit for long.

Rupees 5,33.27 lakhs under observations relate to expenditure which could not be admitted in audit owing to non-submission by the disbursing officers of vouchers. Consequently, it has not been possible to complete audit of that expenditure. Non-submission or delay in submission of the vouchers may result in mis-appropriations, unauthorised expenditure, etc., remaining undetected for long.

59. Outstanding inspection reports

Settlement of 4,284 inspection reports containing 19,400 paragraphs issued upto 31st March 1972 was outstanding at the end of September 1972. 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
1968-69 and earlier years	1,935	5,918	440	2,871	19	151
1969-70 ..	446	1,782	76	545	2	28
1970-71 ..	575	2,764	93	687	13	154
1971-72 ..	591	3,612	80	662	14	226
Total ..	3,547	14,076	689	4,765	48	559

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

	Report	
	1970-71	1971-72
Number of inspection reports outstanding	4,105	4,284
Number of paragraphs in these reports	19,798	19,400

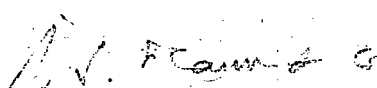
The details of departments with comparatively heavy outstanding are given in Appendix XIII.

The number of inspection reports for which even first replies were not received upto 30th September 1972 was 442 ; in 34 and 153 cases, first replies had not been furnished for over two years and one year respectively.

Important types of irregularities noticed in local inspection conducted during 1971-72 are briefly given in Appendix XIV.

Chandigarh ;

Dated 6.3.74




(R.S. MAUNDER)

Accountant General, Haryana.

Countersigned

New Delhi ;

Dated



(A. BAKSI)

Comptroller and Auditor General of India.

APPENDICES



APPENDIX I

(Reference : paragraph 12, page 17)

UTILISATION CERTIFICATES FOR GRANTS PAID UPTO 31ST MARCH 1971 OUTSTANDING AS
ON 30TH SEPTEMBER 1972

CERTIFICATES

Department	Year of payment of grants	Due		Received		Outstanding	
		Number	Amount (in lakhs of rupees)	Number	Amount (in lakhs of rupees)	Number	Amount (in lakhs of rupees)
Education	1965-66	79	31.24	13	26.66	66	4.58
	1966-67	33	58.42	12	56.57	21	1.85
	1967-68	37	66.41	17	50.05	20	16.36
	1968-69	35	1,10.51	13	37.46	22	73.05
	1969-70	57	1,47.25	1	5.00	56	1,42.25
	1970-71	56	1,93.39	1	3.93	55	1,89.46
	Total	297	6,07.22	57	1,79.67	240	4,27.55
Local Government	1963-64	3	2.15	..	..	3	2.15
	1964-65	3	1.45	..	..	3	1.45
	1965-66	2	0.71	..	..	2	0.71
	1966-67	2	0.40	..	..	2	0.40
	1967-68	6	0.89	..	0.23	6	0.66
	1968-69	15	10.79	3	10.70	12	0.09
	1969-70	7	17.44	3	12.75	4	4.69
	1970-71	26	32.12	13	25.48	13	6.64
	Total	64	65.95	19	49.16	45	16.79
Agriculture	1966-67	2	27.39	..	..	2	27.39
	1967-68	9	81.29	..	..	9	81.29
	1968-69	11	84.85	..	..	11	84.85
	1969-70	11	1,21.90	..	..	11	1,21.90
	1970-71	7	1,66.76	..	..	7	1,66.76
	Total	40	4,82.19	..	..	40	4,82.19

Technical Education	..	..	..	1966-67	10	10.52	1	0.75	9	9.77
				1967-68	10	10.35	6	3.85	4	6.50
				1968-69	10	22.09	4	11.59	6	10.50
				1969-70	14	28.49	6	15.76	8	12.73
				1970-71	15	47.19	3	6.75	12	40.44
				Total	59	1,18.64	20	38.70	39	79.94
Medical and Health	..	..	..	1965-66	32	2.33	30	2.30	2	0.03
				1966-67	14	1.50	11	1.43	3	0.07
				1967-68	22	1.00	22	1.00	..	..
				1968-69	23	2.32	13	1.73	10	0.59
				1969-70	18	2.46	1	0.47	17	1.99
				1970-71	25	3.77	8	1.45	17	2.32
				Total	134	13.38	85	8.38	49	5.00
(b) Health	..	..	..	1968-69	3	0.33	..	..	3	0.33
				1969-70	6	0.98	..	..	6	0.98
				1970-71	8	5.04	1	3.43	7	1.61
				Total	17	6.35	1	3.43	16	2.92
Animal Husbandry..	..	..	..	1966-67	1	1.05	..	..	1	1.05
				1967-68	7	4.22	..	..	7	4.22
				1968-69	5	4.14	..	..	5	4.14
				1969-70	11	6.53	..	..	11	6.53
				1970-71	4	8.06	..	..	4	8.06
				Total	28	24.00	..	..	28	24.00
Industries	..	..	..	1959-60	1	1.63	..	..	1	1.63
				1960-61	1	2.31	..	..	1	2.31
				1961-62	2	2.17	..	..	2	2.17
				1966-67	5	7.26	5	7.26	..	..
				1967-68	9	3.11	4	1.47	5	1.64
				1968-69	11	5.15	9	5.05	2	0.10
				1969-70	6	5.04	4	4.46	2	0.58
				1970-71	12	11.74	8	11.07	4	0.67
				Total	47	38.41	30	29.31	17	9.10

APPENDIX II

(Reference : paragraph 16, page 20)

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

Serial No.	Number and name of grant/appropriation	Original grant/appropriation	Supplementary grant/appropriation	Final grant/appropriation	Expenditure	Saving(-)/Excess(+)	Percentage
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(In lakhs of rupees)

I—Cases in which supplementary grants/appropriations proved unnecessary

Administrative Services

1	14—Miscellaneous Departments	23.72	16.46	40.18	22.81	—17.37	43
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Social and Developmental Services

2	19—Agriculture	5,08.62	41.13	5,49.75	4,85.10	—64.65	12
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Capital Miscellaneous

3	41—Capital Outlay on Industrial and Economic Development	2,83.51	1,23.30	4,06.81	2,72.18	—1,34.63	33
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II—Cases in which supplementary grants/appropriations proved excessive

Social and Developmental Services

1	23—Community Development Projects, National Extension Service and Local Development Works	1,50.90	57.10	2,08.00	1,89.72	—18.28	9
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Capital Miscellaneous

2	40—Capital Outlay on Schemes of Agricultural Improvement and Research... .. .	20.56	12.00	32.56	29.96	—2.60	8
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3	44—Capital Outlay on Public Works Charged	3.34	6.88	10.22	7.93	—2.29	22
4	48—Capital Outlay on Schemes of Government Trading ..	51,30.39	14,70.00	66,00.39	58,15.58	—7,84.81	12
<i>III—Cases in which supplementary grants/appropriations proved substantially inadequate Public Works (including Roads) and Schemes of Miscellaneous Public Improvements</i>							
1	27—Irrigation (works)	4,51.44	38.28	4,89.72	5,13.79	+24.07	5
2	29—Public Works	4,59.65	2,27.01	6,86.66	7,61.50	+74.84	11
<i>Other Services</i>							
3	30—Charges on Public Works Department, Buildings and Roads Establishment	1,74.31	15.00	1,89.31	1,91.69	+2.38	1
<i>Miscellaneous</i>							
4	34—Pensions and Other Retirement Benefits	1,25.04	39.50	1,64.54	1,80.95	+16.41	10
5	36—Stationery and Printing	81.71	20.71	1,02.42	1,10.15	+7.73	8
<i>Capital Miscellaneous</i>							
6	43—Irrigation (Capital)						
	(i) Voted	11,91.30	3,47.29	15,38.59	15,74.50	+35.91	2
	(ii) Charged .. .. .	..	4.05	4.05	6.38	+2.33	58
7	44—Capital Outlay on Public Works	22,16.04	6,43.05	28,59.09	29,01.13	+42.04	1
<i>Debt Heads</i>							
8	Public Debt Charged	42,42.08	48,08.41	90,50.49	1,03,80.51	—13,30.02	15
9	49—Loans to Local Funds, Private Parties, etc., and Loans to Government Servants	19,11.15	35.00	19,46.15	20,63.75	+1,17.60	6

APPENDIX III

(Reference : paragraph 18 page 24)

SAVINGS UNDER GRANTS AND APPROPRIATIONS

Serial No.	Number and name of grant/appropriation	Original/ supplementary	Total grant/ appropriation	Expenditure	Saving	Percentage of saving
(In lakhs of rupees)						
<i>Cases of saving of 20 per cent or more of the total grant/appropriation</i>						
<i>Administrative Services</i>						
1	5—Other Taxes and Duties					
	O	22.22	22.22	17.78	4.44	20
	S					
<i>Social and Developmental Services</i>						
2	14—Miscellaneous Departments					
	O	23.72	40.18	22.81	17.37	43
	S	16.46				
<i>Public Works (including Roads) and Schemes of Miscellaneous Public Improvements</i>						
3	31—Capital Outlay on Public Works					
	O	32.13	32.13	..	32.13	100
	S	..				

4 33—Famine Relief

O	..	..	..	..	..	2,30.00)				
S	..	..	..	..	..	.. )	2,30.00	1,26.08	1,03.92	45

Capital Miscellaneous

5 41—Capital Outlay

O	..	..	..	..	..	2,83.51)				
S	..	..	..	..	..	1,23.30)	4,06.81	2,72.18	1,34.63	33

6 44—Capital Outlay on Public Works

<i>Charged</i>	O	..	..	..	..	3.34)				
	S	..	..	..	..	6.88)	10.22	7.93	2.29	22

Inter-State Settlement

7 50—Inter-State Settlement

O	..	..	..	..	..	1,05.17)				
S	..	..	..	..	..	.. )	1,05.17	1,05.17	..	100

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

Administrative Services

1 2—State Excise Duties

O	..	..	..	..	..	9.26)				
S	..	..	..	..	..	.. )	9.26	8.25	1.01	11

2 3—Taxes on Vehicles

O	..	..	..	..	..	6.78)				
S	..	..	..	..	..	.. )	6.78	6.00	0.78	11

3	4—Sales Tax											
		O	..	..	..	..	..	34.47)	34.47	30.56	3.91	11
		S	..	..	..	..	.. )

Social and Developmental Services

4	18—Public Health											
		O	..	..	..	..	..	6,27.19)	6,27.19	5,31.57	95.62	15
		S	..	..	..	..	.. )

5	19—Agriculture											
		O	..	..	..	..	..	5,08.62)	5,49.75	4,85.10	64.65	12
		S	..	..	..	..	.. )	41.13				

6	22—Industries											
		O	..	..	..	..	..	1,17.10)	1,17.85	1,05.71	12.14	10
		S	..	..	..	..	.. )	0.75				

7	24—Labour and Employment											
		O	..	..	..	..	..	1,42.57)	1,42.57	1,15.60	26.97	19
		S	..	..	..	..	.. )

8	25—Miscellaneous Social and Developmental Organisations											
		O	..	..	..	..	..	1,16.50)	1,16.50	96.12	20.38	17
		S	..	..	..	..	.. )

Public works (including Roads) and Schemes of Miscellaneous Public Improvements

9	28—Charges on Irrigation Establishment											
		O	..	..	..	..	..	2,45.20)	2,45.20	2,17.97	27.23	11
		S	..	..	..	..	.. )

Capital Miscellaneous

10	48—Capital Outlay on Schemes of Government Trading											
		O	..	..	..	..	..	51,30.39)	66,00.39	58,15.58	7,84.81	12
		S	..	..	..	..	.. )	14,70.00				

APPENDIX IV

(Reference : paragraph 24, page 31)

MISAPPROPRIATIONS AND DEFALCATIONS IN WHICH DEPARTMENTAL ACTION AND CRIMINAL PROSECUTION HAVE BEEN COMPLETED BUT RECOVERY WAS PENDING ON 30TH SEPTEMBER 1972

Serial No.	Department	Cases pertaining to				Total	
		1966-67 and earlier years		1967-68 to 1971-72		Number	Amount
		Number	Amount	Number	Amount		
		Rs.	Rs.		Rs.		
1	Transport ..	..	..	21	11,75,636	21	11,75,636
2	Education ..	6	39,503	8	18,148	14	57,651
3	Agriculture ..	4	18,291	7	8,058	11	26,349
4	Buildings and Roads ..	5	27,719	3	3,814	8	31,533
5	Medical ..	2	4,650	2	5,938	4	10,588
6	Food and Supplies ..	..	..	3	4,07,256	3	4,07,256
7	Public Health ..	2	24,698	..	..	2	24,698
8	Forest ..	..	..	2	15,959	2	15,959
9	Animal Husbandry ..	..	..	2	5,572	2	5,572
10	Revenue ..	2	684	..	..	2	684
11	Other departments ..	4	22,255	2	14,160	6	36,415
	Total ..	25	1,37,800	50	16,54,541	75	17,92,341

APPENDIX V

(Reference : Paragraph 24, page 31)

MISAPPROPRIATIONS, DEFALCATIONS, ETC., UNDER DEPARTMENTAL INVESTIGATION OR CRIMINAL PROSECUTION

Sr. Department No.	Departmental investigation cases pertaining to				Criminal prosecution cases pertaining to				Grand Total	
	1966-67 and earlier years		1967-68 to 1970-71		1966-67 and earlier years		1967-68 to 1970-71		Number	Amount Rs.
	Number	Amount Rs.	Number	Amount Rs.	Number	Amount Rs.	Number	Amount Rs.		
1 Irrigation	37	1,63,600	15	92,300	..	..	..	..	52	2,55,900
2 Buildings and Roads	33	1,95,139	13	2,58,140	..	..	..	..	46	4,53,279
3 Transport	..	..	8	58,635	..	..	3	13,909	11	72,544
4 Agriculture	..	..	1	621	3	27,270	3	1,24,049	7	1,51,940
5 Education	..	..	..	..	2	36,159	5	12,722	7	48,881
6 Public Health	1	72,932	5	11,145	..	..	..	..	6	84,077
7 Development and Panchayat	1	2,000	2	4,000	2	16,844	..	..	5	22,844
8 Animal Husbandry	..	..	2	9,675	..	..	2	5,572	4	15,247
9 Food and Supplies	..	..	2	20,533	..	..	1	11,585	3	32,118
10 Forest	2	2,934	1	13,958	..	..	..	..	3	16,892
11 Medical	..	..	2	7,547	..	..	1	4,000	3	11,547
12 Revenue (Land)	1	32,355	..	..	..	..	1	19,544	2	51,899
13 Industries	..	..	..	..	1	22,808	1	2,310	2	25,118
14 Other departments	..	..	1	1,287	..	..	2	16,942	3	18,229
Total	75	4,68,960	52	4,77,841	8	1,03,081	19	2,10,633	154	12,60,515

APPENDIX VI

(Reference : paragraph 25, page 31)

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.		Waiver of recovery		Remission of revenue and abandonment of claim to revenue (other than land revenue)	
	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
		Rs.		Rs.		Rs.
Irrigation .. ..	..	..	..	..	16,389	2,98,165
Food and Supplies	496	1,58,116	1	737	..	..
Animal Husbandry	52	16,002	..	..	..	..
Transport	12	86,333	..	..	..	..
Rehabilitation ..	11	6,853	..	..	..	..
Education ..	4	1,505	1	8,000	..	..
Industries ..	4	2,937	..	..	..	..
Revenue .. ..	..	..	4	933	..	..
Printing and stationery ..	4	1,371	..	..	..	..
Other departments	11	4,822	6	1,565	..	..
Total ..	594	2,77,939	12	11,235	16,389	2,98,165

APPENDIX VII

(Reference : paragraph 27, page 34)

ARREARS IN PREPARATION OF STORES ACCOUNTS

Serial No.	Name of the department	Period for which these are in arrears
1	Medical	1969-70 1970-71
2	Education	1969-70 1970-71
3	Animal Husbandry	1969-70 1970-71
4	Agriculture	1969-70 1970-71
5	Industrial Training	1969-70 1970-71

APPENDIX VIII

(Reference : paragraph 37, page 39)

FINANCIAL RESULTS OF STATUTORY CORPORATIONS/BOARD

1 Name of the Corporation/ Board	Haryana State Ware-housing Corporation	Haryana Finan- cial Corporation	Haryana State Electricity Board
2 Name of department	Agriculture	Industries	Electricity
3 Year of incorporation	1967	1967	1967
4 Period of accounts	1970-71	1971-72	1971-72
(In lakhs of Rupees)			
5 Total capital invested*	31.01	8,14.25	1,55,99.29
6 Profit (+)/ Loss (-)	+ 2.72	+ 23.20	+ 65.00
7 Total interest charged to profit and loss account	..	33.24	4,25.31
8 Interest on long term loans	..	33.24	3,85.20
9 Total return on Capital invested (6+8)	2.72	56.44	4,50.20
10 Percentage of return on capital invested**	8.77	6.93	2.90
11 Total capital employed **	31.01	..	1,56,50.02
12 Total return on capital employed (6+7)	2.72	..	4,90.31
13 Percentage of total return on capital employed	8.77	..	3.13

*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 45, page 43)

FINANCIAL RESULTS OF GOVERNMENT COMPANIES

1 Name of Company	Haryana Agro-Industries Corporation Ltd.	Haryana State Industrial Development Corporation Ltd.	Haryana State Small Scale Industries and Export Corporation Ltd.	Haryana Breweries Ltd.	Haryana Nimco Ltd. (Subsidiary of Industrial Development Corporation Limited)	Haryana Dairy Development Corporation Ltd.
2 Name of Department	Agriculture	Industries	Industries	Industries	Industries	Animal Husbandry
3 Date of incorporation	1967	1967	1967	1970	1970	1969
4 Period of accounts	Year ending 30th June 1972	Year ending 31st March 1972	Year ending 30th June 1972	Year ending 31st March 1972	Year ending 31st March 1972	Year ending 31st March 1972
	(In lakhs of rupees)					
5 Total capital invested.*	2,38.21	1,11.25	28.52	21.50	6.34	1,81.48
6 Profit (+)/ Loss (-)	(+) 14.52	(-) 1.06	(+) 15.36	(-) 2.31	(-) 0.40	(-) 11.33
7 Total interest charged to profit and loss account	2.66	0.70	0.26	0.14	..	11.19
8 Interest on long term loans	2.61	0.42	—	—	—	11.19
9 Total return on capital invested (6+8)	17.13	..	15.36	..	..	..
10 Percentage of total return on capital invested	7.19	..	53.85	..	..	..
11 Capital employed **	2,40.18	1,01.08	35.50	16.36	5.88	1,61.75
12 Total return on capital employed (6+7)	17.18	..	15.62	..	..	..
13 Percentage of total return on capital employed	7.15	..	44.00	..	..	..

* 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 X

(Reference : Paragraph 48, page 54)

FINANCIAL RESULTS OF THE COMMERCIAL/QUASI-COMMERCIAL DEPARTMENTAL UNDERTAKINGS

Sr. No.	Name of concern	Period of accounts	Government capital	Mean capital excluding interest on capital	Block assets	Cummulative depreciation	Turnover	Profit(+) Loss(-)	Percentage of profit of mean capital
			(In lakhs of rupees)						
1	Provincial Reserve Food Scheme	1st April 1971 to 31st March 1972	..	..	..	..	56,05.72	(+)1,28.82	..
2	Haryana Roadways	1st April 1970 to 31st March 1971	5,32.53	3,89.62	6,00.64	2,03.92	8,43.91	(+)1,66.83	42.82
		1st April 1971 to 31st March 1972	7,03.77	4,81.62	7,16.90	2,92.54	11,05.50	(+)2,39.67	49.76
3	Typewriter Workshop Scheme	1st April 1969 to 31st March 1970	1.05	0.77	0.05	0.01	1.31	(+)0.13	16.88
		1st April 1970 to 31st March 1971	1.86	1.28	0.05	0.01	1.68	(+)0.29	22.66
4	Purchase and distribution of fertilizers	1st April 1968 to 28th February 1969	..	..	..	..	2,06.02	(-)0.20	..
5	Nationalised Text Books Scheme	1st June 1968 to 31st March 1969	10.78	6.54	0.20	0.01	15.09	(+)1.46	22.32
		1st April 1969 to 31st March 1970	14.80	10.36	0.26	0.02	25.04	(+)4.14	39.96
		1st April 1970 to 31st March 1971	18.95	13.67	0.37	0.03	36.16	(+)5.46	39.94

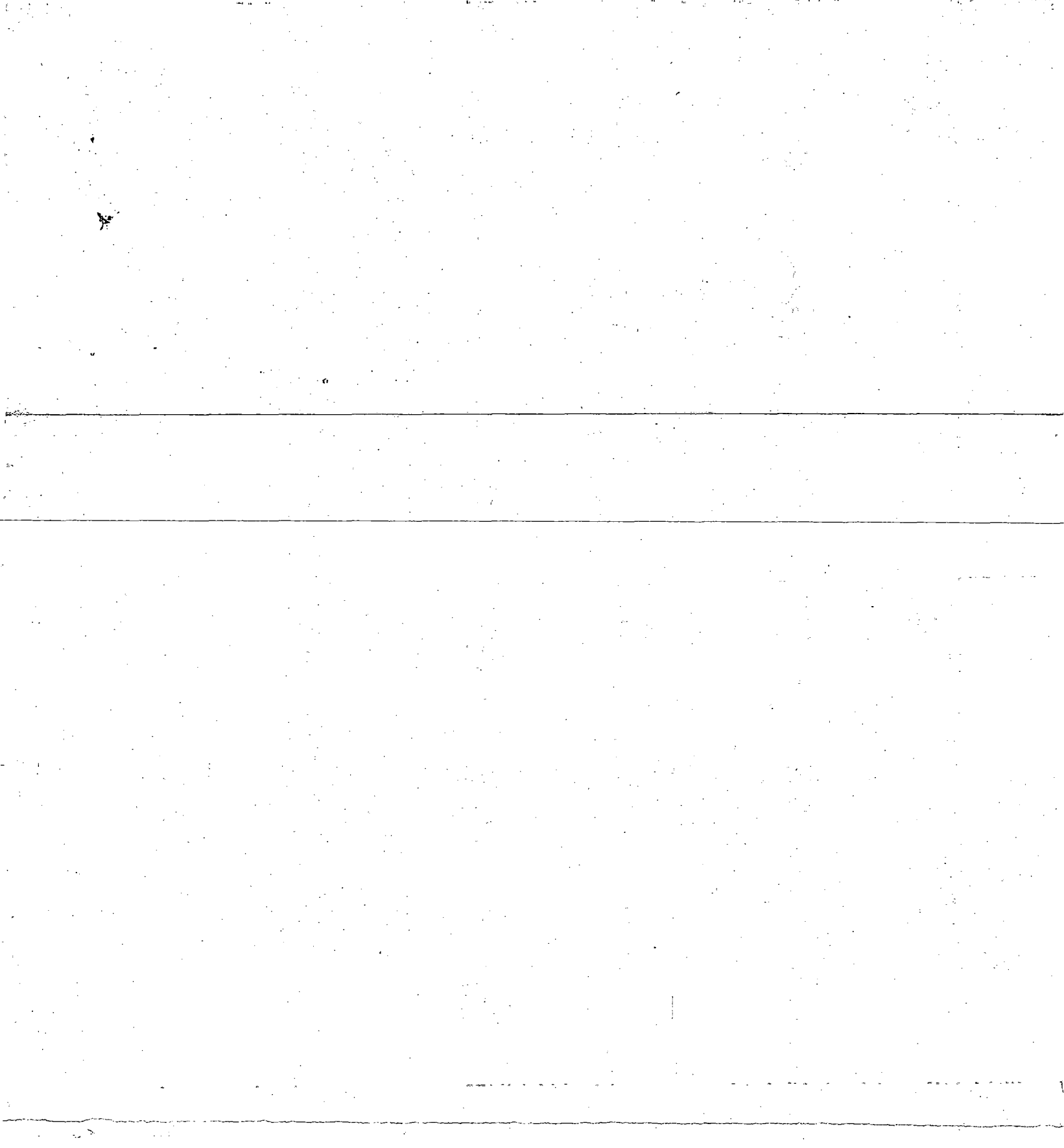
APPENDIX XI

(Reference : paragraph 48, page 54)

ARREARS IN PREPARATION OF PROFORMA ACCOUNTS OF THE
COMMERCIAL/QUASI-COMMERCIAL DEPARTMENTAL UNDERTAKINGS

Serial No.	Name of the concern	Period for which the accounts are in arrears
1	Haryana Government Cottage Industries Emporium, New Delhi	1969-70 1970-71 1971-72
2	Purchase and distribution of fertilizers	1969-70 1970-71 1971-72
3	Seed Depot Scheme	1966-67 1967-68 1968-69 1969-70 1970-71 1971-72
4	Colonisation Scheme	1966-67 1967-68 1968-69 1969-70 1970-71 1971-72
5	Purchase and distribution of pesticides	1966-67 1967-68 1968-69 1969-70 1970-71 1971-72
6	Nationalised Text Books Scheme	1971-72
7	Typewriter workshop Scheme	1971-72





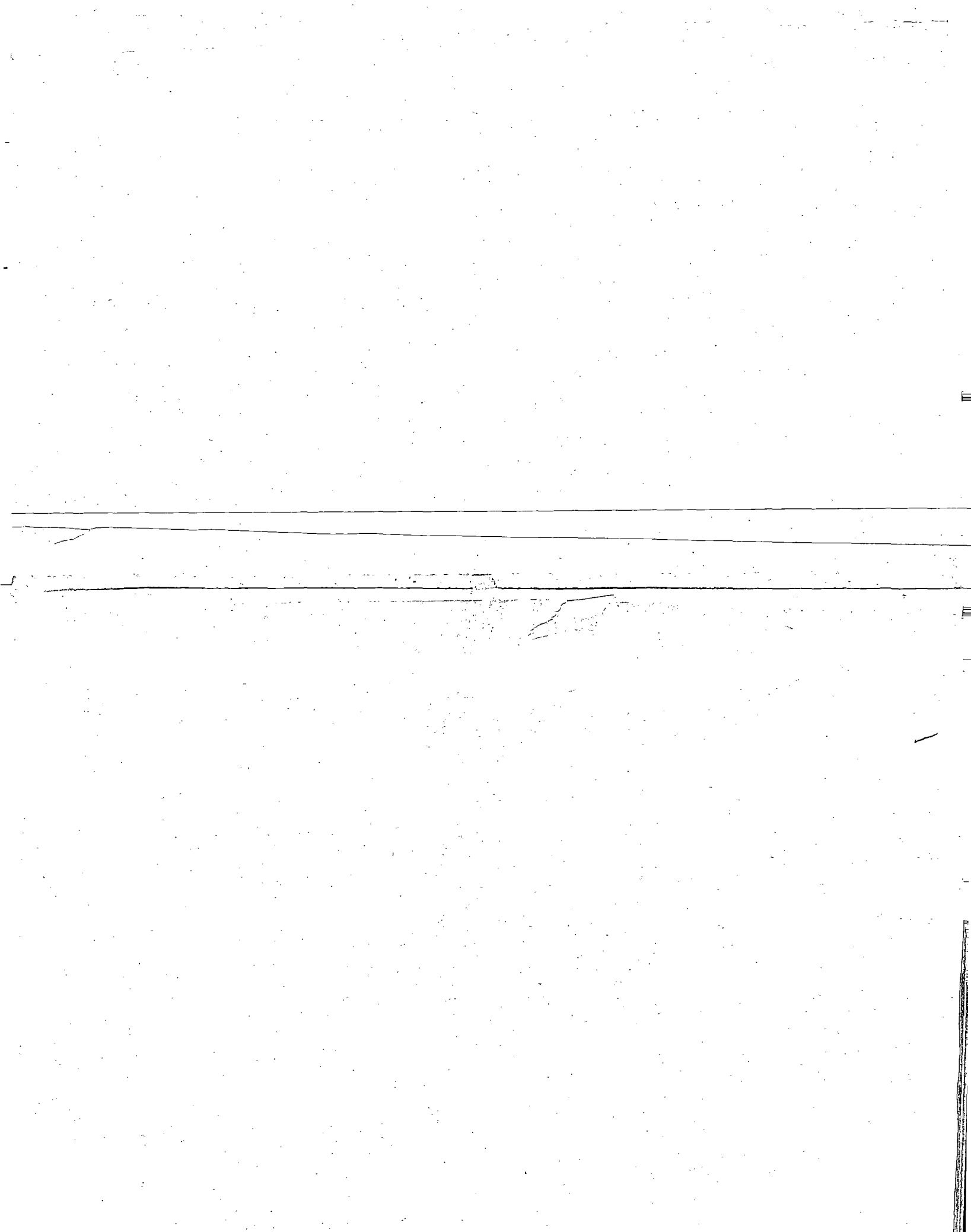
ED UPTO THE END OF SEPTEMBER 1972

Payment to contractors/suppliers not in conformity with contracts and agreements		Overpayments or amounts disallowed in Audit not recovered		Sanctions to write-off of losses etc. not received		Sanctions for reserve limit of stock not received		For want of disbursement certificates		For want of certificates that share/debenture certificates have been received		Other reasons		Total	
Number	Amount (in lakhs of rupees)	Number	Amount (in lakhs of rupees)	Number	Amount (in lakhs of rupees)	Number	Amount (in lakhs of rupees)	Number	Amount (In lakhs of rupee)	Number	Amount (in lakhs of rupees)	Number	Amount (in lakhs of rupees)	Number	Amount (in lakhs of rupees)
..	81	0.11	944	1,61.57
..	30	1.55	218	28.98
..	111	1.66	1,162	1,90.55
..	144	1,11.86	..	..	..	..	11	0.03	3,101	2,41.65
13	0.06	4	0.02	3	0.08	12	81.66	..	..	..	..	23	1.31	7,520	13,69.75
..	45	18.34	..	..	..	..	..	..	2,104	1,77.10
..	..	302	2.09	..	..	..	..	116	6.38	..	..	80	4.35	2,125	72.95
..	..	32	40.24	..	..	..	..	..	..	..	..	20	13.26	1,489	1,94.75
..	52	0.49	1,201	1,02.76
..	683	19.23
..	..	1	(C)	..	..	..	..	21	0.72	..	..	74	0.09	312	3.66
..	1	3.00	..	..	19	1.08	287	36.40
..	7	0.03	266	1.22
..	8	0.05	253	2.97
..	45	1.83	..	..	8	0.15	246	3.80
..	22	24.43	87	3,58.68	12	1.31	196	3,96.67
..	31	0.04	196	9.16
..	16	6.11	160	22.18
..	..	7	0.46	..	..	..	..	..	..	..	..	3	0.17	130	1.85
..	3	0.42	116	36.38
..	2	(F)	92	3.84
..	14	2.08	3	24.99	94	3.73	854	1,16.12
13	0.06	346	42.81	3	0.08	201	2,11.86	219	38.44	90	3,93.67	463	32.62	21,331	28,12.44
13	0.06	346	42.81	3	0.08	201	2,11.86	219	38.44	90	3,93.67	574	34.28	22,493	30,02.99

AUDIT OBSERVATIONS ISSUED UPTO 31 ST MARCH 1972 BUT NOT SETTLED

Serial No	Department	Sanctions for establishment not received		Sanctions not received for contingent and miscellaneous expenditure		Detailed bills lump sum drawn not received		Orders not received		Payee's receipts not received		Advances paid to Government servant not recovered		Agreements with contractors/suppliers not received	
		Number	Amount (in lakhs of rupees)	Number	Amount (in lakhs of rupees)	Number	Amount (in lakhs of rupees)	Number	Amount (in lakhs of rupees)	Number	Amount (in lakhs of rupees)	Number	Amount (in lakhs of rupees)	Number	Amount (in lakhs of rupees)
Commercial															
1	Transport	32	4.89	2	0.02	323	1,02.4	..	..	352	53.84	154	0.31	..	..
2	Animal Husbandry	15	3.14	..	..	..	..	..	..	173	24.29	..	..	..	..
	Total	47	8.03	2	0.02	323	1,02.4	..	..	525	78.13	154	0.31	..	..
Civil															
3	(a) Irrigation	44	0.75	..	..	..	..	58	68.22	1,110	58.39	733	0.88	1	1.52
	(b) Buildings & Roads	..	..	20	8.51	..	..	17	4,51.28	3,787	1,97.57	86	0.35	425	6,28.91
	(c) Public Health	30	0.20	..	..	..	..	15	13.77	1,466	64.89	106	0.21	152	79.69
4	Education	80	1.99	161	4.82	..	..	..	..	372	14.54	1,014	38.78	..	..
5	Agriculture	84	1.16	70	1.54	..	..	..	..	1,273	1,38.54	10	0.01	..	..
6	Medical and Health														
	(a) Medical	74	0.96	17	1.45 (A)	..	..	..	..	987	99.72	71	0.14	..	..
	(b) Public Health	102	2.05	1	.. (B)	..	..	..	..	310	16.85	270	0.33	..	..
7	Finance	..	..	2	..	..	..	..	..	62	2.63	152	0.22	..	..
8	Animal Husbandry	60	0.86	9	1.03	..	..	..	..	197	30.43	1	(D)	..	..
9	Excise and Taxation	8	0.18	6	0.04	..	..	..	..	86	0.80	159	0.17	..	..
10	Jails	..	..	14	0.17	..	..	..	..	106	2.67	125	0.08	..	..
11	Development & Panchayats	4	0.04	1	(E)	7	0.6	..	..	107	1.00	74	0.17	..	..
12	Co-operation	1	0.02	13	0.14	..	..	..	..	42	2.03	19	0.06	..	..
13	Forest	17	0.06	38	8.75	..	..	..	..	33	0.23	77	0.08	..	..
14	Revenue	..	..	17	0.41	..	..	..	..	109	15.62	18	0.04	..	..
15	Industries	4	0.03	26	0.23	..	..	..	..	60	0.91	30	0.05	..	..
16	Lotteries	..	..	..	..	..	..	..	..	112	35.95	1	0.01	..	..
17	Industrial Training	6	0.18	23	0.68	..	..	..	..	61	2.98	..	..	..	..
18	Other departments	13	0.46	40	2.59	..	..	..	..	454	81.66	236	0.61	..	..
	Total	527	8.94	458	30.36	7	0.6	4,510	5,33.27	10,734	767.41	3,182	42.19	578	7,10.12
	Grand Total	574	16.97	460	30.38	330	1,03.0	4,510	5,33.27	11,259	845.54	3,336	42.50	578	7,10.12

(A) — Rs. 266 (B) — Rs. 258 (C) — Rs. 101 (D) — Rs. 100 (E) — Rs. 70 (F) — Rs. 47.



APPENDIX XIII

(Reference : paragraph 59, page 64)

OUTSTANDING INSPECTION REPORTS/PARAGRAPHS

Number of reports and paragraphs therein outstanding for

Serial No.	Department	5 years or more		More than 2 years but less than 5 years		2 years or less		Total	
		Reports	Paragraphs	Reports	Paragraphs	Reports	Paragraphs	Reports	Paragraphs
	<i>Civil</i>								
1	Irrigation	83	129	88	273	84	658	255	1,060
2	Buildings and Roads	56	162	59	210	77	838	192	1,210
3	Public Health	26	58	38	218	32	310	96	586
4	Education	182	619	180	752	428	1,818	790	3,189
5	Development	318	1,071	81	281	45	243	444	1,595
6	Revenue	129	568	83	335	62	322	274	1,225
7	Medical	95	228	50	236	51	412	196	876
8	Agriculture	60	172	77	314	20	121	157	607
9	Industries	33	58	37	103	41	169	111	330
10	Rehabilitation	40	58	16	29	34	56	90	143
11	Co-operation	23	46	36	140	30	141	89	327

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Commercial Departments/activities

12	Agriculture—								
	(a) Seed	39	181	22	161	6	45	67	387
	(b) Fertilizer	33	104	20	59	10	45	63	208
13	Industries	52	171	2	23	2	42	56	236
14	Food and Supplies	14	24	15	109	5	52	34	185
15	Transport	6	14	22	129	4	49	32	192
16	Animal Husbandry	7	18	9	32	5	26	21	76
17	Haryana State Electricity Board..	148	1,234	121	1,137	135	1,053	404	3,424
	<i>Revenue Receipts</i>								
18	Excise and Taxation	12	84	8	92	18	350	38	526
19	Forest	..	..	1	5	9	30	10	33
	Total	1,356	4,999	965	4,636	1,098	6,780	3,419	16,415

APPENDIX XIV

(Reference : paragraph 59 page 64)

IMPORTANT IRREGULARITIES NOTICED IN LOCAL AUDIT AND INSPECTION DURING 1971-72

Nature of irregularity	Number of offices in which the irregularity was noticed
1. Public Works Offices	
<i>(Total number of offices inspected—89)</i>	
1 Non-maintenance of register of works by sub-heads	42
2 Improper/non-maintenance of material-at-site accounts	43
3 Delay in closing of manufacture accounts	47
4 Non-preparation of annual returns of tools and plant	60
5 Non-preparation of annual certificate of balances	59
6 Heavy balances and other arrears in suspense registers	54
7 Defective maintenance of cash book	39
8 Non-realisation of security deposits from officials handling cash/stores	42
9 Half yearly check of measurement books not conducted	44
10 Non-revision of standard rent of buildings	14
11 Details of contractors closing balances not worked out in works abstracts/irregular maintenance of contractor's ledger	26
12 Difference in schedules of settlement with treasuries	62
13 Non-conducting of physical verification of stores and tools and plant	38
2. Civil Departments	
<i>(Total number of offices inspected—554)</i>	
1 Non-realisation of security from officials handling cash/stores	72
2 Defective maintenance of cash book (including erasures and overwritings, non-checking of totals, physical verification of cash and surprise verification of cash not conducted)	472
3 Non-observance of rules for reconciliation of withdrawals from and remittances into treasury	115
4 Non-observance of rules for annual physical verification of stores	33
5 Defective maintenance of books of stores and stock accounts	93
6 Cases where expenditure was incurred without sanction or in excess of sanction	19
7 Defective maintenance of log books	33
8 Cases where purchases were made without inviting quotations or purchases were made from unapproved sources	161
9 Cases where purchases were split up and therefore sanction of higher authority was not obtained	34

