



REPORT

OF THE

Comptroller & Auditor General of India

for the year 1975-76

(CIVIL)

Government of Haryana

TABLE OF CONTENTS

	Paragraph (s)	Page (s)
Prefatory Remarks		(vii)
CHAPTER I		
General—		
Summary of transactions	1.1	1—2
Revenue surplus/deficit	1.2	2—3
Revenue receipts	1.3	3—7
Expenditure on revenue account	1.4	8—9
Capital expenditure	1.5	9—11
Loans and advances by the Government	1.6	11—12
Recoveries in arrears	1.7	12—13
Debt position	1.8	13—17
Service of debt	1.9	17
Amortisation arrangements	1.10	17—19
Guarantees given by the Government	1.11	19
Investments of the Government	1.12	19—20
Unspent balances of grants paid to local bodies, etc. ..	1.13	20
Utilisation certificates	1.14	20—21
CHAPTER II		
Appropriation audit and Control over Expenditure—		
Summary	2.1	22
Excess over grants/charged appropriations requiring regularisation	2.2	23—25
Supplementary grants/charged appropriations	2.3	25—26
Unutilised provision	2.4	27
CHAPTER III		
Civil Departments—		
Agriculture—		
✓ Aerial spraying	3.1	28—30
Development of Soyabean	3.2	30—32
Orchard-cum-nursery unit at Morni Hills	3.3	32
Underutilisation of tractors	3.4	32—33
Distribution of taccavi loans in the form of chemical fertilizers	3.5	33—34

(ii)

	Paragraph (s)	Page (s)
Agriculture/Industries—		
Extra expenditure	3.6	34—35
Animal Husbandry—		
Poultry farm, Ambala	3.7	35—40
Co-operation—		
Payment of rent	3.8	40
Fisheries—		
Development of inland fish-culture ✓	3.9	40—46
Industries—		
Rural industrial development centres ✓	3.10	46—49
Purchase of mono-metal	3.11	49
Withdrawals in advance of requirement	3.12	49—50
Land Revenue—		
Overpayment of compensation	3.13	50
Medical and Health—		
Family planning programme	3.14	50—51
Idle machinery	3.15	51
Time-barred medicines	3.16	51
X-ray machine	3.17	52
General—		
Non-recovery	3.18	52
Misappropriations, defalcations, etc.	3.19	52—53
Write off of losses, revenue, etc.	3.20	53

CHAPTER IV

Works Expenditure—		
Irrigation—		
✓ Jui lift irrigation scheme	4.1	54—58
Payment for earthwork	4.2	58
Avoidable expenditure	4.3	58
Breaches and damages in a newly constructed canal	4.4	58—59
Damage to a bridge	4.5	59
Recoveries due from contractors	4.6	59—60
Buildings and Roads—		
Recoveries due from a contractor	4.7	60

(iii)

			Paragraph (s)	Page (s)
Motor grader	..	..	4.8	60—61
Irregular payments	..	..	4.9	61
Public Health—				
Rural water supply	..	..	4.10	61—65
Excess issue of material	..	..	4.11	66
Recovery due from a contractor	..	..	4.12	66—67
General—				
Delay in issue of posting orders	..	..	4.13	67

CHAPTER V

Stores and Stock—

Synopsis of important stores accounts	..	..	5.1	68—69
Reserve limit of stock	..	..	5.2	69
Half-yearly closing of stock registers	..	..	5.3	70
Physical verification of stores	..	..	5.4	70

Agriculture—

Idle machinery	5.5	71
----------------	----	----	-----	----

Buildings and Roads—**Irrigation—****Agriculture—****Medical and Health—**

Shortages	5.6	71—73
-----------	----	----	-----	-------

CHAPTER VI

Government Commercial and Trading Activities—

Section A—General	..	..	6.1	74
Section B—Statutory Corporations	..	..	6.2	74
Haryana State Electricity Board	..	..	6.3—6.15	74—88
Other Statutory Corporations	..	..	6.16	88
Section C—Government Companies	..	..	6.17	88—89
Haryana Agro-Industries Corporation Limited	..	..	6.18	89—100
Haryana Dairy Development Corporation Limited	..	..	6.19—6.20	100
Haryana State Minor Irrigation (Tubewells) Corporation Limited			6.21	101
Section D—Departmentally Managed Government Commercial/ Quasi-Commercial Undertakings			6.22	101

			Paragraph(s)	Page(s)
Agriculture—				
Seed Depot Scheme	..	..	6.23	101—104
Provincial Reserve Food Scheme	..	..	6.24	104

CHAPTER VII

Financial Assistance to Local Bodies and others—

General	7.1	105
---------	----	----	-----	-----

Local Government—

Kurukshetra Development Board	7.2	105—108
-------------------------------	----	----	-----	---------

Civil Aviation—

Aviation clubs, Hissar and Karnal	..	..	7.3	108—109
Financial assistance to co-operative institutions	..	..	7.4	109—110
Co-operative banks	..	..	7.5	110—111
Co-operative consumers stores	..	..	7.6	111—112

CHAPTER VIII

Outstanding Audit Observations and Inspection Reports —

Outstanding audit observations	..	..	8.1	113—114
Outstanding inspection reports	..	..	8.2	114—115

APPENDICES

	Page (s)
I—Utilisation certificates for grants paid upto 31st March 1975 outstanding as on 31st December 1976	119—123
II—Savings under grants and charged appropriations	124
III—Cases of misappropriations and defalcations in which departmental action and criminal prosecution had been completed by August 1976 but recovery was pending	125
IV—Cases of misappropriations, defalcations, etc., under departmental investigation or criminal prosecution (position at the end of August 1976)	126—127
V—Losses due to theft, fire, irrecoverable revenue, duties, etc., written off/recoveries waived during 1975-76	128
VI—Arrears in receipt of stores accounts	129
VII—Financial results of Statutory Corporations	130—131
VIII—Summarised financial results of Government Companies	132—135
IX—Arrears in preparation of <i>pro forma</i> accounts of Government Commercial/ <i>Quasi-Commercial</i> departmental Undertakings	136
X—Summarised financial results of the Government Commercial/ <i>Quasi-Commercial</i> departmental Undertakings	137

PREFATORY REMARKS

This Report has been prepared for submission to the Governor under Article 151 of the Constitution. It relates mainly to matters arising from the Appropriation Accounts for 1975-76 together with other points arising from audit of financial transactions of the Government of Haryana. It also includes certain points of interest arising from the Finance Accounts for the year 1975-76.

2. The results of audit of the revenue receipts have hitherto been incorporated in this Report. With effect from this year, the audit observations on the revenue receipts are being presented in a separate Report.

3. The cases mentioned in this Report are among those which came to notice in the course of test audit of accounts during the year 1975-76 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 1975-76 have also been included, wherever considered necessary.

4. The points brought out in this Report are not intended to convey or to be understood as conveying any general reflection on the financial administration by the departments/bodies/authorities concerned.

CHAPTER I

GENERAL

1.1. Summary of transactions

A summary of transactions of the Government of Haryana during 1975-76 is given below with the corresponding figures for the preceding year :—

	1974-75	1975-76
	<i>(in crores of rupees)</i>	
(1) Revenue		
Revenue raised by the State Government	1,54.26	1,81.61
Receipts from the Government of India	32.85	46.83
Total Revenue	1,87.11	2,28.44
Revenue Expenditure		
Non-Plan	1,50.46	1,67.26
Plan	14.33	19.65
Total Revenue Expenditure	1,64.79	1,86.91
Revenue Surplus (+)	(+22.32)	(+41.53)
(2) Debt		
(i) Internal Debt—		
Receipts	75.17	1,19.22
Repayments	62.37	1,08.65
Increase (+)	(+12.80)	(+10.57)
(ii) Loans from the Central Government—		
Receipts	28.40	36.87
Repayments	21.97	32.52
Increase (+)	(+6.43)	(+4.35)
Total Debt (net)—Increase (+)	(+19.23)	(+14.92)

	1974-75	1975-76
(3) Capital Expenditure		
Non-Plan	(—)0.41	(—)1.48
Plan	26.26	40.82
Increase (—)	<u>(—)25.85</u>	<u>(—)39.34</u>
(4) Appropriation to Contingency Fund		
Increase (—)	(—)2.00	..
(5) Loans and Advances by the State Government		
Recoveries	6.21	7.60
Disbursements	38.13	42.88
Increase (—)	<u>(—)31.92</u>	<u>(—)35.28</u>
(6) Contingency Fund (net)		
Increase (+)/Decrease (—)	(+) 0.90	(—)0.56
(7) Public Account		
Receipts	4,14.03	2,31.61
Disbursements	3,96.47	2,14.20
Increase (+)	<u>(+)17.56</u>	<u>(+)17.41</u>
(8) Inter-State Settlement (net)		
Net Deficit (—) during the year	<u>(—)0.99</u>	<u>(—)1.34</u>
Opening Cash Balance	(—)10.64	(—)11.63
Net Deficit (—) during the year	<u>(—)0.99</u>	<u>(—)1.34</u>
Closing Cash Balance	<u>(—)11.63</u>	<u>(—)12.97*</u>

1.2. Revenue surplus/deficit

(a) *Revenue receipts*—The actuals of revenue receipts for 1975-76¹ as compared with (i) the budget estimates and (ii) the budget estimates *plus* additional

*There was a difference (Rs. 38.16 lakhs) between the figure reflected in the accounts (Rs. (—)12,97.31 lakhs) and that intimated by the Reserve Bank (Rs. (—)12,59.15 lakhs) regarding "Deposits with the Reserve Bank" (included in the Cash Balance). Difference to the extent of Rs. 35.25 lakhs has since been reconciled (December 1976); the remaining difference is under reconciliation.

taxation during the year along with the corresponding figures for 1973-74 and 1974-75 are shown below :—

Year	Budget	Budget plus additional taxation	Actuals	Variation between columns (4) and (3)	
				Amount	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
(in crores of rupees)					
1973-74	1,47.12	1,52.21	1,55.69	(+)3.48	2
1974-75	1,66.11	1,67.41	1,87.11	(+) 19.70	12
1975-76	1,96.91	2,04.41	2,28.44	(+)24.03	12

(b) *Expenditure on revenue account*—The expenditure on revenue account as compared with (i) the budget estimates and (ii) the budget estimates plus supplementary provision during the year along with the corresponding figures for 1973-74 and 1974-75 is shown below :—

Year	Budget	Budget plus Supplementary	Actuals	Variation between columns (4) and (3)	
				Amount	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
(in crores of rupees)					
1973-74	1,41.59	1,45.34	1,30.21	(—)15.13	10
1974-75	1,58.09	1,74.11	1,64.79	(—)9.32	5
1975-76	1,81.30	1,91.99	1,86.91	(—)5.08	3

(c) The year ended with a revenue surplus of Rs. 41.53 crores against the surplus of Rs. 15.61 crores anticipated in the budget. In 1974-75 and 1973-74 also, there was surplus of Rs. 22.32 crores and Rs. 25.48 crores respectively.

1.3. Revenue receipts

(a) Revenue receipts during 1975-76 (Rs. 2,28.44 crores) increased by Rs. 41.33 crores over those of 1974-75 (Rs. 1,87.11 crores). The increase compared

to 1974-75 is analysed below :—

	1974-75	1975-76	Amount of increase (+), decrease (-)
(in crores of rupees)			
(i) Revenue raised by the State Government—			(1)
(a) Tax Revenue	99.11	1,16.95	(+)17.84
(b) Non-Tax Revenue	55.15	64.66	(+)9.51
(ii) Receipts from the Government of India—			
(a) State's share of divisible Union Taxes	20.77	27.14	(+)6.37
(b) Grants	12.08	19.69	(+)7.61
Total Revenue Receipts	1,87.11	2,28.44	(+)41.33

The receipts from the Government of India formed 20 per cent of the total receipts of the State for the year. The corresponding percentage for 1974-75 was 18.

The tax revenues raised by the State Government in 1975-76 accounted for 51 per cent of the total revenue receipts. The corresponding percentage for 1974-75 was 53.

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

Head	Receipts during		Increase	
	1974-75	1975-76	Amount	Percent- age
(in crores of rupees)				
Taxes on Income other than Corporation Tax	9.07	12.99	3.92	43
Due mainly to larger divisible pool				
Stamps and Registration Fees	7.72	9.14	1.42	18
Due mainly to increase in the sale of stamps and in property transactions.				
State Excise	19.04	21.06	2.02	11

Due mainly to higher bids at auctions.
Sales Tax 38.05 48.31 10.26 27

Due mainly to enhancement of the General Sales Tax on some items, (ii) enhancement of the Central Sales Tax, and (iii) measures reportedly taken by the Government to check evasion of tax and to recover the arrears.

Taxes on Goods and Passengers 13.50 15.26 1.76 13

Due mainly to more goods and passenger traffic.
Taxes and Duties on Electricity 3.36 4.69 1.33 40

Due mainly to larger domestic, industrial and agricultural power consumption.
Multipurpose River Projects 2.29 4.67 2.38 104

Due mainly to enhancement in the water rates and recovery of arrears.
Irrigation, Navigation, Drainage and Flood Control Projects 2.75 3.77 1.02 37

Due mainly to enhancement in the water rates and recovery of arrears.
Road and Water Transport Services 20.03 25.45 5.42 27

Due mainly to increase in the number of buses with the Haryana Roadways and consequent increase in its operations.

Grants-in-aid from Central Government 12.08 19.69 7.61 63

Due mainly to larger Central assistance.
States' share of Union Excise Duties 11.48 13.96 2.48 22

Due mainly to larger divisible pool.

(b) *Taxation changes during the year*—(i) During the course of the year 1975-76, the taxation changes made, dates of their effect, revenue anticipated from each and the actual amount realised, as reported by the Government, were as under :—

Item	Increase in rate from	Effective from	Revenue anticipated	Actuals
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(in crores of rupees)

(a) Increase in the rate of General Sales Tax—

(i) Furniture other than iron and steel, sanitary goods and fittings, leather goods (but not footwear), glassware and chinaware including, crockery, etc.	8 per cent to 10 per cent	30th May 1975	}
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(ii) Indigeneous tractors	3 per cent to 4 per cent	1st October 1975	}	2.95	2.95
(iii) Food grains	3 per cent to 4 per cent	18th April 1975			
(iv) Declared goods other than cotton yarn, sales made on consignment basis and sales made to Government departments	3 per cent to 4 per cent	1st July 1975			
(v) Paddy	3 per cent to 7 per cent	11th September 1975			
(vi) Cotton waste and cotton yarn waste	3 per cent to 4 per cent	1st October 1975			
(vii) Motor spirit	9 paise per litre to 12 paise per litre	9th August 1975				0.31	0.31
(b) Increase in the rate of Central Sales Tax on inter-State sales of goods to registered dealers/Government departments subject to production of C/D form	3 per cent to 4 per cent	1st July 1975	2.20	2.20	
(c) Continuation of surcharge levied on tax on immovable property	..	1st April 1975	0.35	0.35	
(d) Increase in water rates	..	1st April 1975	2.32	2.87	
		Total	8.13	8.68	

(2) The Government abolished the betterment levy with effect from 1st July 1975. Anticipated and actual loss of revenue during the year 1975-76 on this account were Rs. 0.63 and Rs. 0.23 crore respectively as reported by the Government.

(c) *Arrears in collection of revenue*—According to the information furnished by some departments, arrears in collection of revenue at the end of March 1976 were Rs. 9.71 crores as under :—

<i>Department</i>	<i>Amount (in crores of rupees)</i>	<i>Nature of revenue and other receipts</i>
Excise and Taxation	3.47	Sales tax : Rs. 3.13 crores; Taxes on immovable property other than agricultural land : Rs. 0.14 crore ; Taxes

on goods and passengers : Rs. 0.10 crore ; Excise duty : Rs 0.06 crore ; Other taxes on income and expenditure : Rs. 0.04 crore -

Revenue	1.69	<i>Abiana</i> : Rs. 0.67 crore; Betterment charges : Rs. 0.46 crore ; Land tax: Rs. 0.45 crore ; Land revenue : Rs. 0.11 crore.
Irrigation	1.50	Water rate : Rs. 0.95 crore ; Betterment levy : Rs. 0.52 crore ; Owners' rate : Rs. 0.03 crore.
Chief Electrical Inspector	1.41	Electricity duty from the Haryana State Electricity Board. (Of the arrears, Rs. 1.00 crore are being converted into loan).
Animal Husbandry	0.84	For supply of vaccine, manure, fodder, milk and milk products and livestock.
Agriculture	0.42	Purchase tax on sugarcane.
Forest	0.13	Sale of forest produce.
Co-operation	0.13	Audit fee.
Buildings and Roads	0.06	Rent of non-residential and residential buildings.
Industries	0.04	Royalty from contractors/lessees.
Public Relations	0.01	Subscription to Government publications.
Police	0.01	Cost of additional punitive police posts located in disturbed areas.
Total	<hr/> 9.71 <hr/>	

Information about the extent of arrears was awaited (February 1977) from the following departments :—

1. Medical and Public Health
2. Education
3. Transport
4. Finance
5. Social Welfare
6. Food and Supplies

1.4. Expenditure on revenue account

(i) The break-up of the budget estimates of expenditure on revenue account plus supplementary provision obtained and actual expenditure between Plan and non-Plan for each of the three years ending March 1976 is given below :

Year	Plan				Non-Plan			
	Budget plus supplementary	Actuals	Variation between columns (3) and (2) — Amount with percentage in brackets	Increase (+)/decrease (—) over the previous year (percentage in brackets)	Budget plus supplementary	Actuals	Variation between columns (7) and (6) — Amount with percentage in brackets	Increase (+)/decrease (—) over the previous year (percentage in brackets)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(in crores of rupees)								
1973-74	30.14	22.12	(—)8.02 (26)	(+)3.78 (20)	1,15.20	1,08.09	(—)7.11 (6)	(+)9.39 (10)
1974-75	23.02	14.33	(—)8.69 (38)	(—)7.79 (35)	1,51.09	1,50.46	(—)0.63 (/)	(+)42.37 (39)
1975-76	22.24	19.65	(—)2.59 (12)	(+)5.32 (37)	1,69.75	1,67.26	(—)2.49 (1)	(+)16.80 (11)

(ii) The variations during 1975-76 and over the preceding year under broad sectors are analysed below :—

PLAN

Sector of Account	Budget plus supplementary	Actuals	Variation (percentage in brackets)	Increase (+)/decrease (—) over 1974-75 (percentage in brackets)
(1)	(2)	(3)	(4)	(5)

(in lakhs of rupees)

A—General Services	1,37.38	1,26.36	(—)11.02(8)	(+)32.81(35)
B—Social and Community Services	9,71.33	9,48.90	(—)22.43(2)	(+)1,49.18(19)

The increase in expenditure over the previous year (column 5) against B—Social and Community Services was due mainly to payment of more grant to the Kurukshetra University, more expenditure on family planning and grant of additional dearness allowance to Government Employees.

C—Economic Services	11,15.19	8,89.32	(—)2,25.87(20)	(+)3,50.00(65)
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The increase in expenditure over the previous year (column 5) was mainly under the heads 305—Agriculture, 308—Area Development, 314—Community Development, 321—Village and Small Industries and 333—Irrigation, Navigation, Drainage and Flood Control Projects.

NON-PLAN

<i>Sector of Account</i>	<i>Budget plus supplementary</i>	<i>Actuals</i>	<i>Variation (percentage in brackets)</i>	<i>Increase(+)/decrease(—) over 1974-75 (percentage in brackets)</i>
(1)	(2)	(3)	(4)	(5)
<i>(in lakhs of rupees)</i>				
A—General Services	56,07.81	54,00.93	(—)2,06.88(4)	(+)8,26.66(18)

The increase in expenditure over the previous year (column 5) was due mainly to (i) larger payment of interest, (ii) finalisation of more pension cases of teachers and (iii) creation of additional posts, grant of additional dearness allowance and revision of pay scales of police officers with retrospective effect.

B—Social and Community Services	45,64.16	48,23.95	(+)2,59.79(6)	(+)3,45.92(8)
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The increase in expenditure (column 4) and over the previous year (column 5) was due mainly to grant of additional dearness allowance to employees and promotion of teachers to selection grade.

C—Economic Services	67,93.35	64,92.40	(—)3,00.95(4)	(+)5,07.44(8)
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The saving (column 4) was due mainly to (i) less addition of buses, (ii) less running of tubewells, and (iii) economy measures.

The increase in expenditure over the previous year (column 5) was due mainly to rise in prices of material used for the maintenance and repairs of roads, more expenditure on running and maintenance of channels and increase in number of buses coupled with rise in price of diesel.

D—Grants—in—aid and contributions	9.31	8.60	(—)0.71(8)	(—)0.29(3)
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1.5. Capital expenditure

(i) The capital expenditure during the three years ending 1975-76 as compared with (i) the budget estimates and (ii) the budget estimates *plus*

supplementary provision is shown below :—

<i>Year</i>	<i>Budget</i>	<i>Budget plus supplementary</i>	<i>Actuals</i>	<i>Variation between columns (4) and (3)</i>	<i>Percentage</i>
(1)	(2)	(3)	(4)	(5)	(6)
		<i>(in crores of rupees)</i>			
1973-74	21.16	31.37	51.26	(+)19.89	63
1974-75	9.24	34.64	25.85	(-)8.79	25
1975-76	26.86	40.46	39.34	(-)1.12	3

(ii) An analysis of capital expenditure during 1975-76 and the progressive total to end of that year is given below :—

	<i>During 1975-76</i>	<i>Progressive total to end of 1975-76*</i>
	<i>(in crores of rupees)</i>	
Capital expenditure on—		
A—General Services	1.24	4.60
B—Social and Community Services	6.01	(-)5.09**
C—Economic Services—		
(a) General Economic Services	2.91	20.88
(b) Agricultural and Allied Services	(-)1.28	0.06
(c) Industry and Minerals	0.77	7.14
(d) Water and Power Development	21.82	1,47.20
(e) Transport and Communications	7.87	81.59
Total	39.34	2,56.38

(iii) The sources from which the capital expenditure (Rs. 39.34 crores) and the net out-go under Loans and Advances (Rs. 35.28 crores) were met

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

** Minus expenditure is due to reallocation of receipts and recoveries and excess of receipts and recoveries over expenditure.

during 1975-76 are given below :—

	<i>(in crores of rupees)</i>
I. Net addition to :	
(i) Internal Debt of the State Government	10.57
(ii) Loans from the Government of India	4.35
(iii) Small Savings, Provident Funds, etc.	6.64
II. Revenue Surplus	41.53
III. Cash Balance-Decrease	1.34
IV. Sinking Funds and Reserve Funds	1.74
V. Deposits, Remittances, etc.	9.01
VI. Contingency Fund	(—)0.56
Total	74.62

1.6. Loans and Advances by the Government

(a) The actuals of disbursement of loans and advances by the Government during 1975-76 as compared with (i) the budget estimates and (ii) the budget estimates *plus* supplementary provision along with the corresponding figures for 1973-74 and 1974-75 are shown below :—

<i>Year</i>	<i>Budget</i>	<i>Budget plus supplementary</i>	<i>Actuals</i>	<i>Variation between columns (4) and (3) : Amount with percentage in brackets</i>	<i>Increase over the previous year (Percentage in brackets)</i>
(1)	(2)	(3)	(4)	(5)	(6)
<i>(in crores of rupees)</i>					
1973-74	32.01	32.01	29.43	(—)2.58(8)	4.12(16)
1974-75	28.00	34.60	38.13	(+)3.53(10)	8.70(30)
1975-76	26.15	42.54	42.88	(+)0.34(1)	4.75(12)

(b) The budget and actuals of recoveries of loans and advances for the three years ending March 1976 are given below :—

Year	Budget	Actuals	Variation : Amount	Percentage
			(in crores of rupees)	
1973-74	8.14	3.63	(—)4.51	55
1974-75	4.31	6.21	(+)1.90	44
1975-76	8.62	7.60	(—)1.02	12

(c) Loans and advances given by the Government and outstanding at the end of March 1976 were Rs. 1,86.06* crores as shown below :—

	(in crores of rupees)
(i) Loans for Power Projects	1,59.53
(ii) Loans for Agriculture	4.53
(iii) Loans to Municipal Corporations and Municipalities	3.96
(iv) Loans to Government servants, etc.	3.81
(v) Loans for Minor Irrigation and Soil Conservation	1.70
(vi) Loans for Housing	7.24
(vii) Loans for other purposes	5.29
Total	1,86.06

1.7. Recoveries in arrears

(i) *Loans of which the detailed accounts are maintained by the departmental officers*—The departmental officers were required by Government to furnish to Audit by July 1976 statements of arrears in recovery of loans as at the end of March 1976.

According to the information received (October 1976) from 10 departmental officers out of 14 departmental officers, recovery of Rs. 87.05 lakhs (principal : Rs. 63.25 lakhs and interest : Rs. 23.80 lakhs) was over-due at the end of March 1976. The scheme-wise details are given in Statement No. 5 of the Finance Accounts 1975-76.

* Includes amounts (Rs. 0.52 lakh) adopted *pro forma* on account of allocation of balances of the composite Punjab State outstanding on the 31st October 1966. The allocation is provisional.

(ii) *Loans of which the detailed accounts are maintained in the Audit office*—At the end of March 1976, recovery of Rs. 5,00.11 lakhs was over-due from the following :—

	<i>Amount over-due</i>		<i>Total</i>
	<i>Principal</i>	<i>Interest</i>	
	<i>(in lakhs of rupees)</i>		
Haryana State Electricity Board	4,17.06	..*	4,17.06
Municipal Corporations and Municipalities	14.99	26.94	41.93
Improvement Trusts	26.03	15.09	41.12
Total	4,58.08	42.03	5,00.11

1.8. Debt position

(a) The outstanding public debt of the Government at the end of 1975-76 was Rs. 3,22.59 crores. An analysis of the debt compared with the debt at the end of preceding two years is given below :—

	<i>Public debt on 31st March</i>		
	<i>1974</i>	<i>1975</i>	<i>1976</i>
	<i>(in crores of rupees)</i>		
Internal debt of the State Government	57.57	70.37	80.94
Loans and Advances from the Government of India	2,30.87	2,37.30	2,41.65
Total	2,88.44	3,07.67	3,22.59

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 the 31st October 1966. Under the Punjab Re-organisation Act, 1966, the permanent debt of the composite State of Punjab 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. This share is not included in the accounts under public debt. Payment to the State of Punjab is made by debit to "G—Inter-State Settlement".

* No interest was paid by the Board. Arrears of interest cannot be worked out as the rate of penal interest applicable to the loans has not been decided by the Government (February 1977).

During 1975-76, no amount was paid to the Punjab Government as the State's share towards debt liability.

Details of the transactions under Public debt during 1975-76 are given below :—

	<i>Loans</i>		<i>Net increase(+)/ decrease(—)</i>
	<i>Raised</i>	<i>Discharged</i>	
	<i>(in crores of rupees)</i>		
(i) Market loans bearing interest	9.39	..	(+) <i>9.39</i>
(ii) Ways and means advances from the Reserve Bank of India	92.14	89.81	(+) <i>2.33</i>
(iii) Loans from the Government of India	36.87	32.52	(+) <i>4.35</i>
(iv) Other loans	17.69	18.84	(—) <i>1.15</i>
Total—Public debt	1,56.09	1,41.17	(+) <i>14.92</i>

(b) *Market loans*—During the year a loan of Rs. 9.39 crores bearing 6 per cent interest per annum was raised by the Government at a discount of 1 per cent and was realised in cash. This is redeemable at par in 1985.

(c) *Loans from the Government of India*—Loans received from the Government of India and outstanding at the end of 1975-76 (Rs. 2,41.65 crores) formed 75 per cent of the total public debt of the State Government.

Rupees 16 crores were sanctioned by the Government of India in April 1975 as ways and means advance to the State Government to clear overdrafts with the Reserve Bank of India. The entire advance was repaid during the year by adjustment against the State's share of divisible taxes and other amounts due from the Government of India. Rupees 32.22 lakhs were paid as interest on this advance.

The loans received from the Government of India by the composite Punjab State and outstanding on the 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 and is included in the amount of Rs. 2,41.65 crores.

The 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 (now Pakistan). The terms and conditions of such loans sanctioned upto the 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 the Government of India with the Government of the composite State of Punjab to cover the losses of 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 the Government of India provided the Government of the composite State of Punjab paid to the Government of India the balance 35 per cent by the 31st March 1965. Realisation made from the displaced persons after the 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 is still to be made (February 1977). The Government of the composite State of Punjab paid to the Government of India (in cash and by adjustment) Rs. 58 lakhs (35 per cent of the amount) by the 31st March 1965. Of the remaining Rs. 1.09 crores, Rs. 77 lakhs were written off by the Government of India in 1966-67. Decision about further amounts to be written off has not been taken so far (February 1977).

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 (now Pakistan) were allocated among the successor States, Haryana's share being Rs. 33 lakhs. The amount written off by the Government of India (Rs. 77 lakhs in 1966-67, after the re-organisation) was likewise allocated to the successor States, Haryana's share being Rs. 28.96 lakhs.

(d) *Other debt and obligations*—In addition to public debt, small savings, provident funds and balances at the credit of earmarked funds as also certain deposits, to the extent these have not been invested separately, constitute liabilities of the Government. Taking the public debt and these liabilities together, the debt position of the Government at the end of March 1974, 1975 and 1976 was as under :—

	<i>Total debt on the 31st March</i>		
	1974	1975	1976
	<i>(in crores of rupees)</i>		
Public debt—	2,88.44	3,07.67	3,22.59
Small savings, provident funds, etc.	19.24	25.30	31.96*
		0.02@	
Other obligations—			
Interest bearing obligations such as depreciation reserve funds of commercial undertakings	4.54	5.59	6.52
Non-interest bearing obligations, such as deposits of local funds, civil deposits and other earmarked funds, etc.	54.04	54.34	62.65*
		0.10@	
Total	3,66.26	3,92.90	4,23.72
		0.12@	

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

@ Adopted *pro forma* due to allocation of balances under the Punjab Reorganisation Act, 1966.

(e) *Ways and means advances, overdrafts and short term loans*—Under an agreement with the Reserve Bank of India, the 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. 1,80 lakhs as ordinary and Rs. 90 lakhs as special ways and means advances which is subject to enhancement by the Bank provided adequate Government of India securities are available with the State for being pledged) charging interest at one per cent below the Bank Rate. If even thereafter the Government is not able to maintain the minimum balance, the Bank allows overdrafts, the rate of interest being equal to the Bank Rate. If the Government overdraws its account continuously for a period of more than seven days, the Bank is at liberty to suspend, without any prior notice, payments pertaining to the Government at its offices and agencies and stop withdrawals from the currency chests at the non-banking treasuries for purposes of meeting payments on behalf of the Government (except payments to be made outside India).

The extent to which the Government maintained this minimum balance with the Bank in 1975-76 is given below :—

Number of days on which the minimum balance was maintained without obtaining any advance.	221
Number of days on which the minimum balance was maintained by taking ordinary and special ways and means advances	91
Number of days on which overdrafts had to be taken as the minimum balance could not be maintained even after taking ordinary and special ways and means advances to the full extent.	54

The maximum overdraft on any one occasion during 1975-76 was Rs. 4.27 crores.

At the end of the year, Rs. 4.68 crores were outstanding on account of ways and means advances.

Rupees. 29.50 lakhs were paid as interest to the Bank on ways and means advances and overdrafts. The amount paid as interest during the preceding two years was as under :—

<i>Year</i>	<i>Amount (in lakhs of rupees)</i>
1974-75	14.95
1973-74	9.37

The State Government also obtained a temporary loan of Rs. 15.25 crores from the State Bank of India during the year for purchase of foodgrains for the Provincial Reserve of the State. The outstanding balance at the end of previous year was Rs. 6.20 crores. Against this, Rs. 17.95 crores were repaid during the year leaving a balance of Rs. 3.50 crores. Interest of Rs. 1.31 crores was paid (at the rate of 12 per cent per annum) on this temporary loan.

1.9. Service of debt

The table below shows the net burden on revenue of interest charges on debt and other obligations during 1975-76 :—

	1975-76 (in crores of rupees)
Interest paid on debt and other obligations	19.31
Deduct—	
(i) Interest realised on loans and advances given by the Government	1.34
(ii) Interest realised on investment of cash balance	0.13
Net amount of interest charges	17.84

As against this, Rs. 13.69 crores were received as interest from investments in commercial departments, etc.

The Government also received Rs. 68.51 lakhs as dividend on investments in commercial undertakings.

1.10. Amortisation arrangements

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

(a) Open market loans

(i) *Sinking Funds for depreciation of loans*—A sum equal to 1½ per cent of the nominal value of the total open market loans raised is set apart to form Sinking Funds for depreciation of loans for purchasing securities of the loans for cancellation.

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

The balances in these funds so far as these related to the open market loans

at the commencement and close of the year are given below :—

<i>Name of fund</i>	<i>Balance on 1st April 1975</i>	<i>Addition</i>	<i>With-drawal</i>	<i>Balance on 31st March 1976</i>
(in lakhs of rupees)				
Sinking Funds for depreciation of loans	2,38.91**	50.08	..	2,88.99*
Sinking Funds for amortisation of loans	14,54.42	4,69.55	..	19,23.97*
Total	16,93.33**	5,19.63	..	22,12.96*

Out of the total balance in the above Sinking Funds, Rs. 13.60 lakhs were invested in securities of the Government of India. The balance fund was merged in the general cash balance of the State Government.

(b) Loans from the Government of India

The balance of loans taken from the Government of India at the end of 1975-76 was Rs. 2,41.65 crores. The state Government has made amortisation arrangements for repayment of some of these loans as shown below :—

<i>Sinking fund for</i>	<i>Balance on 1st April 1975</i>	<i>Addition</i>	<i>With-drawal</i>	<i>Balance on 31st March 1976</i>
(in lakhs of rupees)				
(1) Loans received for Bhakra Nangal Project	10,27.86	9.40	4,77.20	5,60.06
(2) Loans received out of consolidated open market borrowings of Government of India	1,31.68	8.10	..	1,39.78
Total	11,59.54	17.50	4,77.20	6,99.84

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

**Differs by Rs. 0.01 lakh over the figure in the Audit Report for the year 1974-75 due to rounding.

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 1976) in the securities of the Government of India and other State Governments. The balance remained merged in the general cash balance of the State Government.

1.11. Guarantees given by the Government

Under Section 6 of the State Financial Corporations Act, 1951, the shares of a State Financial Corporation are to be guaranteed by the State Government as to the repayment of principal and payment of annual dividend. Again, under Section 7 of the above Act, the bonds and debentures of a State Financial Corporation are to be guaranteed by the State Government as to the repayment of principal and payment of interest. The total amounts guaranteed on behalf of the Haryana Financial Corporation by the State Government on the 31st March 1976 were Rs. 12.90 crores.

Under Section 66 of the Electricity (Supply) Act, 1948, the State Government may guarantee in such manner as it thinks fit the repayment of principal and payment of interest on any loans proposed to be raised by a State Electricity Board. The actual amount covered by the guarantee given on behalf of the Haryana State Electricity Board by the State Government as on the 31st March 1976 under this Section was Rs. 43.32 crores.

Under Section 60(5) of the Haryana Housing Board Act, 1971, the State Government may guarantee the loans borrowed and debentures issued as to the repayment of principal and payment of interest thereon. The total amount covered by the guarantee given by the State Government on behalf of the Haryana State Housing Board on the 31st March 1976 was Rs. 5.86 crores.

Apart from the above, the State Government had guaranteed (to third parties) to the end of 1975-76 the repayment of loans/bonds and payment of interest thereon, repayment of share capital and payment of minimum dividend thereon, cash credits, etc., on behalf of 5 Government companies, 1 joint stock company, 4 co-operative banks and institutions, 51 municipalities and notified area committees and 1 private party. The maximum amount guaranteed on their behalf to the end of 1975-76 was Rs. 2,21.09 crores against which loans, etc., actually raised by them were for Rs. 1,04.35 crores. No guarantee was invoked during 1975-76. Further details are given in Statement No. 6 of the Finance Accounts 1975-76.

1.12. Investments of the Government

In 1975-76, the Government invested Rs. 7.61 crores in Government companies (Rs. 2.17 crores), statutory corporations (Rs. 0.19 crore), joint stock companies (Rs. 0.12 crore) and co-operative institutions (Rs. 5.13 crores). Further, against the investment in joint stock companies and co-operative institutions, Rs. 0.01 crore and Rs. 0.31 crore respectively were retired during the year 1975-76. Details are available in Statement No. 14 of the Finance Accounts 1975-76.

The total investment of the Government in the share capital and debentures of different concerns at the end of 1973-74, 1974-75 and 1975-76 was Rs. 26.13 crores, Rs. 30.31 crores and Rs. 37.60 crores respectively. Dividend/interest received therefrom was Rs. 37.82 lakhs (1.45 per cent), Rs. 64.96 lakhs (2.14

per cent) and Rs. 77.31 lakhs (2.06 per cent) respectively. Details of these amounts are also given in Statement No. 14 of the Finance Accounts 1975-76.

1.13. Unspent balances of grants paid to local bodies, etc.

According to the information furnished by the Examiner, Local Fund Accounts, Rs. 2,72.74 lakhs remained unutilised on 31st March 1976 out of grants given to local bodies upto the end of March 1975. Yearwise analysis of the unspent balances is given below :—

<i>Department which paid the grant</i>	<i>Unspent amount on 31st March 1976 and how long unspent</i>				<i>Total</i>
	<i>For more than 10 years</i>	<i>For more than 5 years but less than 10 years</i>	<i>For more than 3 years but less than 5 years</i>	<i>For less than 3 years</i>	
	<i>(in lakhs of rupees)</i>				
Development and Panchayat	7.12	11.12	9.88	47.44	75.56
Local Self Govern- ment	0.33	0.29	7.18	16.20	24.00
Other departments	11.21	12.82	90.35	58.80	1,73.18
Total	18.66	24.23	1,07.41	1,22.44	2,72.74

The unspent balances include Rs. 1,72.92 lakhs deposited by local bodies with the Public Works Department for execution of works for which accounts of expenditure had not been rendered by the Public Works Department to the local bodies (August 1976). These also include Rs. 1.92 lakhs which were either utilised on the expiry of the prescribed period without approval of the Government or represent amounts reported to have been spent, but accounts thereof were not made available.

1.14. Utilisation certificates

During 1975-76, Rs. 9.43 crores (1,198 cases) were paid as grants to local bodies, *Zila Parishads*, *Panchayat Samitis* and other institutions. The financial rules of the 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. 23.05 crores (6,241 cases) paid as grants during 1959-60 to 1974-75 and in respect of which utilisation certificates were due, certificates for Rs. 17.10 crores (5,717 cases) were awaited (December 1976). Of these, certificates for Rs. 10.08 crores (3,448 cases) were due for over three years. The department-

-wise outstandings are mentioned in Appendix I. Departments from which certificates for the bulk of the amount were awaited were Development and Panchayat Department (number of certificates : 4,857; amount : Rs. 8.77 crores), Agriculture Department (number of certificates : 55; amount : Rs. 5.72 crores) and Education Department (number of certificates : 46; amount : Rs. 0.69 crore).

In the absence of the certificates, Audit is unable to state to what extent the recipients spent the grants for the purpose or purposes for which these were given.

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1. (a) Summary

The following table compares the total expenditure during the year with the total of grants and charged appropriations :—

		<i>Grants/ charged appro- priations</i>	<i>Expendi- ture</i>	<i>Saving(-)/Percentage Excess (+)</i>		
<i>(in crores of rupees)</i>						
Voted—						
Original	3,72.01	}	4,12.51	3,36.27	(—)76.24	18.5
Supplementary	40.50					
Charged—						
Original	1,12.11	}	1,21.94	1,66.17	(+)44.23	36.3
Supplementary	9.83					
Total			5,34.45	5,02.44	(—)32.01	6.0

The overall saving of Rs. 32.01 crores was the result of saving of Rs. 82.31 crores in 19 grants (Rs. 81.91 crores) and 14 charged appropriations (Rs. 0.40 crore) partly offset by excess of Rs. 50.30 crores in 9 grants (Rs. 5.67 crores) and 4 charged appropriations (Rs. 44.63 crores).

(b) Further details are given below :—

	<i>Revenue</i>	<i>Capital</i>	<i>Loans and advances</i>	<i>Public debt</i>	<i>Total</i>
<i>(in crores of rupees)</i>					
Authorised to be spent (grants and charged appropriations)					
Original	1,85.87	1,84.87	26.45	86.93	4,84.12
Supplementary	10.68	13.64	16.39	9.62	50.33
Total	1,96.55	1,98.51	42.84	96.55	5,34.45
Actual expenditure (grants and charged appropriations)					
	1,92.52	1,25.58	43.17	1,41.17	5,02.44
Shortfall(—)/ Excess(+)	(—)4.03	(—)72.93	(+)0.33	(+)44.62	(—)32.01

2.2. Excess over grants/charged appropriations requiring regularisation :—

(a) *Grants*—The excess of Rs. 2.78 crores in 7 grants in the revenue portion and of Rs. 2.89 crores in 2 grants in the capital portion requires regularisation under Article 205 of the Constitution. The details are given below :—

Revenue portion

Serial number	Number and name of grant	Total grant Rs.	Expendi- ture Rs.	Excess Rs.
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(i) 2-General Administration

Original	4,11,84,160	4,22,27,182	4,24,08,880	1,81,698
Supplementary	10,43,022			

Excess was due mainly to increased expenditure on telephone bills, hiring of additional buildings, payment of additional dearness allowance to the staff and payment of grants to the Haryana Children Film Society.

(ii) 4-Revenue

Original	2,97,86,060	3,43,29,940	3,52,50,218	9,20,278
Supplementary	45,43,880			

Excess was due to (i) undertaking relief works like digging of canals and ponds, construction of roads, etc., for people affected by famine and (ii) dewatering operations in the flood affected areas.

(iii) 8-Buildings and Roads

Original	11,46,91,670	12,36,78,740	13,25,09,603	88,30,863
Supplementary	89,87,070			

Excess was due mainly to purchase of more material for works and increased expenditure on State Highways and maintenance and repairs of other roads, reasons for which have not been intimated (February 1977).

(iv) 9-Education

Original	31,95,50,450	33,37,15,140	35,02,21,290	1,65,06,150
Supplementary	1,41,64,690			

Serial number	Number and name of grant	Total grant Rs.	Expenditure Rs.	Excess Rs.
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Excess was due mainly to payment of additional dearness allowance to the staff and promotion to selection grades.

Excess occurred under this grant in 1974-75 (Rs. 0.37 crore) and 1973-74 (Rs. 0.89 crore) also.

(v)	14-Food and Supplies			
	Original	1,19,97,800	1,19,97,800	1,21,63,898
	Supplementary	..		
				1,66,098

Excess was due mainly to payment of additional dearness allowance, creation of new posts and increase in office expenses reportedly owing to increased activities against smuggling and hoarding.

(vi)	18-Animal Husbandry			
	Original	2,95,52,300	2,95,52,300	3,04,57,138
	Supplementary	..		
				9,04,838

Excess was due mainly to payment of additional dearness allowance to the staff and completion of the works already taken up by the Public Works Department.

(vii)	20-Forest			
	Original	1,39,04,310	1,52,32,740	1,55,39,635
	Supplementary	13,28,430		
				3,06,895

Excess was due mainly to payment of additional dearness allowance to the staff.

Capital portion

(i)	15-Irrigation			
	Original	27,47,81,700	38,52,70,130	41,08,82,141
	Supplementary	11,04,88,430		
				2,56,12,011

Excess was due mainly to *pro rata* establishment charges, etc., transferred from the major head 333-Irrigation, Navigation, Drainage and Flood Control Projects (in the revenue portion) for which provision was not made under the capital portion.

Excess occurred under this grant in 1974-75 (Rs. 13.70 crores) and 1973-74 (Rs. 12.32 crores) also.

(ii)	25-Loans and Advances			
	Original	26,44,69,200	42,83,54,610	43,16,56,812
	Supplementary	16,38,85,410		
				33,02,202

Excess was due mainly to additional loans to the Haryana State Electricity Board for power projects and more *taccavi* loans to people affected by floods and droughts.

(b) *Charged Appropriations*-The excess of Rs. 44.63 crores over the charged appropriation in four cases (two each in revenue and capital portions) also requires regularisation :—

Revenue portion

Serial number	Number and name of charged appropriation	Total appropriation Rs.	Expenditure Rs.	Excess Rs.
(i)	1-Vidhan Sabha			
	Original	45,100	46,521	21
	Supplementary	1,400		
(ii)	2-General Administration			
	Original	13,11,500	15,62,705	63,705
	Supplementary	1,87,500		

Capital portion

(i)	8-Buildings and Roads			
	Original	..	5,85,130	6,05,715
	Supplementary	5,85,130		
(ii)	Public Debt			
	Original	86,92,88,946	96,55,17,693	1,41,17,01,705
	Supplementary	9,62,28,747		

Excess was due mainly to repayment of larger ways and means advances obtained from the Reserve Bank of India and the Government of India.

2.3. Supplementary grants/charged appropriations

Supplementary provision of Rs. 10.58 crores and Rs. 29.92 crores was obtained under 17 and 5 grants in revenue and capital portions respectively. Supplementary appropriation of Rs. 0.11 crore and Rs. 9.72 crores was also obtained for charged expenditure under 10 and 4 appropriations in revenue and capital portions respectively.

The details of significant cases of unnecessary, excessive and inadequate supplementary grants/charged appropriations are given below :—

(a) *Unnecessary supplementary grants*—In the following cases, among others, the supplementary grants of Rs. 1,17.00 lakhs remained wholly unutilised as the expenditure did not come even upto the original provision.

<i>Serial number</i>	<i>Number and name of grant</i>	<i>Original grant</i>	<i>Supplementary grant</i>	<i>Expenditure</i>	<i>Saving</i>
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(in lakhs of rupees)

Revenue portion

(i)	10-Medical and Public Health	15,40.85	20.00	14,54.30	1,06.55
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Saving was stated to be due mainly to cut imposed by the State Government, posts kept vacant and non-purchase of machinery and equipment.

Capital portion

(ii)	8-Buildings and Roads	9,88.16	97.00	9,84.40	1,00.76
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Reasons for the saving have not been intimated (February 1977).

(b) *Supplementary grants which proved excessive*—In the following cases, among others, the supplementary grants proved excessive.

Revenue portion

(i)	3-Home	10,39.08	1,59.29	11,79.75	18.62
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Saving was due mainly to postponement of general elections, non-supply of material which is arranged by the Controller of Stores and posts kept vacant.

Capital portion

(ii)	17-Agriculture	1,59.30	1,31.73	2,65.54	25.49
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Saving was due mainly to less purchase of pesticides.

(c) *Inadequate grants/charged appropriations*—In the following cases, among others, the supplementary grants/charged appropriations of Rs. 22,98.69 lakhs proved inadequate; the final uncovered excess (reasons to the extent available mentioned in paragraph 2.2.) was Rs. 49,71.33 lakhs.

<i>Serial number</i>	<i>Number and name of grant/charged appropriation</i>	<i>Original grant/charged appropriation</i>	<i>Supplementary grant/charged appropriation</i>	<i>Expenditure</i>	<i>Excess</i>
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(in lakhs of rupees)

Revenue portion

(i)	8-Buildings and Roads	11,46.92	89.87	13,25.10	88.31
(ii)	9-Education	31,95.50	1,41.65	35,02.21	1,65.06

Capital portion

(iii)	15-Irrigation	27,47.82	11,04.88	41,08.82	2,56.12
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Capital portion (charged appropriation)

(iv)	Public Debt	86,92.89	9,62.29	1,41,17.02	44,61.84
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2.4. Unutilised provision

(i) Rupees 6.50 crores and Rs. 75.41 crores remained unutilised in 17 and 9 grants in revenue and capital portions respectively. Similarly Rs. 0.31 crore and Rs. 0.09 crore remained unutilised in 12 and 3 charged appropriations in revenue and capital portions respectively.

(ii) In 8 grants and 3 charged appropriations, the savings (more than Rs. 2 lakhs each) were more than 10 per cent of the total provision. The details of these grants and charged appropriations are given in Appendix II.

There were substantial savings in the following grants :—

<i>Serial number</i>	<i>Number and name of grant</i>	<i>Total grant</i>	<i>Expenditure</i>	<i>Saving</i>
<i>(in lakhs of rupees)</i>				
Revenue portion				
(i)	23-Transport	28,40.26	24,56.01	3,84.25
Saving was stated to be due mainly to late/less addition of buses and economy measures.				
Capital portion				
(ii)	11-Urban Development	10,50.00	6,36.02	4,13.98
Saving was due mainly to non-undertaking of development works for the Urban Estates of Ambala, Karnal and Hissar owing to appeals filed against the acquisition of land.				
(iii)	14-Food and Supplies	98,68.19	50,54.31	48,13.88
Saving was due mainly to less purchase of (i) wheat for the Central Pool, (ii) wheat and rice for internal distribution, and (iii) gunny bags.				
(iv)	22-Co-operation	31,01.41	10,58.69	20,42.72
Saving was due mainly to less purchase of fertilizers.				
(v)	23-Transport	4,43.20	3,30.08	1,13.12
Saving was stated to be due mainly to economy in expenditure.				

CHAPTER III

CIVIL DEPARTMENTS

AGRICULTURE

3.1. Aerial spraying

A sum of Rs. 1,26.56 lakhs was spent on aerial spraying of cotton and sugarcane crops during 1972-73 to 1975-76, as under :—

1972-73	Rs. 17.94 lakhs
1973-74	Rs. 68.70 lakhs
1974-75	Rs. 12.28 lakhs
1975-76	Rs. 27.64 lakhs

Important points noticed during audit (June-July 1976) are given below :—

- (i) Two advance payments of Rs. 0.45 lakh each were made to a private aviation firm for aerial spraying on cotton on 27th and 30th August 1973. These were to be adjusted from the payment due for spraying. Only one advance was adjusted from the bills amounting to Rs. 4.52 lakhs paid during 27th August 1973 to 3rd October 1973 leaving the balance Rs. 0.45 lakh unrecovered. The department stated (January 1977) that the matter was being investigated.
- (ii) Area sprayed was to be determined with reference to the Revenue records. In the event of any dispute, the area was to be determined by actual measurement. During 1973-74 to 1975-76, the department paid to a firm Rs. 8.43 lakhs for spraying an area of 76,902 acres calculated on the basis of pesticides consumed.

According to the reports of the Agricultural Inspectors, the area actually sprayed was 72,001 acres. The excess payment worked out to Rs. 0.49 lakh.

- (iii) An area of 19,376 acres of sugarcane crop was sprayed in the Sonapat Sub-division between 14th September 1973 and 25th September 1973. According to the Deputy Director, Agriculture, Sonapat (June 1976), the area under sugarcane was only 4,050 acres. Overspray was more than the limit of 100 per cent prescribed later, on 27th September 1973, and involved, on that basis, unfruitful expenditure of Rs. 2.06 lakhs on 11,276 acres (operation charges: Rs. 0.45 lakh; flagging and deflagging charges : Rs. 0.11 lakh; cost of pesticides : Rs. 1.50 lakhs).
- (iv) The limit of 100 per cent for overspray was prescribed in September 1973 when the other *kharif* crops, *viz.*, Jowar, Maize, etc., were not harvested and the pyrilla pest could migrate and take shelter there. According to the departmental inspection notes, by 10th October 1973 other *kharif* crops were harvested and only sugarcane crop was standing and overspraying was not at all needed. The Locust Control and Plant Protection Officer, therefore, suggested to the Director of Agriculture (7th November 1973) that spraying be done by means of

helicopter which could be more specific. Meanwhile, spraying by means of fixed-wing aircraft was done between 28th October 1973 and 11th November 1973 on 14,556 acres which included only 8,939 acres under sugarcane. If the latter area was sprayed by means of helicopter, there would have been less expenditure of about Rs. 0.30 lakh, after adjusting higher operational charges for spraying by helicopter (Rs. 0.21 lakh) against the saving in the use of pesticides (Rs. 0.51 lakh).

- (v) Pesticides valuing Rs. 0.15 lakh were issued between 1972-73 and 1975-76 in Hissar in excess of the prescribed scale of consumption for aerial spraying.
- (vi) Pesticides were not purchased in 1975-76 owing to accumulation of stocks. As on 29th February 1976, the department was holding stock valuing Rs. 62.10 lakhs including time-expired pesticides valuing Rs. 34.06 lakhs. Chemical analysis of stock valuing Rs. 28.54 lakhs showed that it could still be used except for 2,174 litres of Metasystox 25% E.C. (purchased in August 1973) valuing Rs. 1.30 lakhs which was found sub-standard. The department stated (January 1977) that replacement of the sub-standard material had since been made by the supplier. The remaining time-expired stock valuing Rs. 5.52 lakhs was not chemically analysed (January 1977).
- (vii) Part of the cost of aerial spraying was recoverable from the beneficiary-cultivators. It was treated as *taccavi* loan to be recovered by the Revenue Authorities in lump sum by 31st December of the same year. The table below shows the position of overdues in Sirsa, Fatehabad and Sonapat areas.

<i>Year in which advance given (upto December)</i>	<i>Area</i>	<i>Amount treated as loan</i>	<i>Amount recovered up to March 1976</i>	<i>Overdues as on 31st March 1976</i>
<i>(in lakhs of rupees)</i>				
1972-73	Sirsa	2.20	2.18	0.02
	Fatehabad	0.15	0.15	..
	*			
1973-74	Sirsa	11.58	9.32	2.26
	Fatehabad	9.36	5.54	3.82
	Sonapat	1.56	0.21	1.35
1974-75	Sirsa	5.14	4.98	0.16
	Fatehabad	3.81	2.65	1.16
	*			
1975-76	Sirsa	7.22	6.27	0.95
	Fatehabad	3.26	..	3.26
	*			
	Total	44.28	31.30	12.98

* No outstandings for Sonapat.

It was also noticed that—

- (a) files (for 1973-74) for creation of demand in the Revenue records were not passed on to the Revenue Department in Sirsa and Fatehabad tehsils and recoveries were directly effected by the Agriculture Department. (Recoveries made by that department from the cultivators and deposits into the treasury were not, however, entered in the cash book). The Revenue Authorities, therefore, could not take any action for the recovery of the outstanding amount of Rs. 6.08 lakhs.
- (b) penal interest was not levied on delayed recoveries.
- (viii) Physical verification of stores under the charge of the Plant Protection Inspector conducted in June 1976 disclosed shortages of pesticides valuing Rs. 0.26 lakh. The amount was recovered from the official and deposited into the treasury in the same month. Departmental action was also stated to have been initiated against the official.
- (ix) Pesticides valuing Rs. 2.56 lakhs were not taken on stock between April 1972 and October 1973 in the field offices located at Yamunanagar, Rohtak, Sirsa and Hissar, the records of which were test checked during March 1976 to June 1976.

The matter was referred to the Government in September 1976; reply is awaited (February 1977).

3.2. Development of soyabean

A scheme for popularising cultivation of soyabean in Haryana was undertaken from 1971-72. The scheme envisaged laying out of demonstration plots on farmers' fields with high yielding varieties of seed with a view to bringing home to the farmers the advantage of soyabean cultivation. Expenditure by Government was to be restricted to Rs. 100 per acre (raised to Rs. 200 from 1972-73), the excess* being borne by the plot owners. A sum of Rs. 7.50 lakhs was spent by the Government between 1971-72 and 1975-76. A test check in three districts, namely, Ambala, Gurgaon and Sonapat, where demonstrations on 754 acres were laid (expenditure : Rs. 7.07 lakhs) from 1971-72 to 1975-76, disclosed the following :—

- (i) The department had not fixed any norm regarding the yield. According to the Haryana Agricultural University, Hissar, a yield of 500 kilograms per acre can be considered satisfactory, though under ideal conditions it can be 880 kilograms per acre. According to the department (May 1976), out of 754 acres actually covered by demonstrations, there was no yield in 254 acres. Average yield per acre in area sown (754 acres) and area matured (500 acres) was 154 kilograms and 232 kilograms respectively. The yearwise details of the area sown, area matured

* Not estimated by the Government. According to "Package Practices for Kharif Crops of Haryana 1972" published by the Haryana Agricultural University, the enterprise budget for soyabean was Rs. 175.29 per acre.

and the range of yield per acre in the area matured were as under :—

Year	Area sown	Area matured	Range of production in area matured
			1-100 Kilograms
(1)	(figures in acres)		(4)
	(2)	(3)	
1971-72	13.00	8.50	8.00
1972-73	62.50	60.00	2.50
1973-74	50.50	47.50	7.00
1974-75	102.50	4.50	4.00
1975-76	525.50	379.75	85.00
Total	754.00	500.25	106.50

Range of production in area matured

Year	101-200 Kilograms	201-300 Kilograms	301-400 Kilograms	401-500 Kilograms	Above 500 Kilograms
	(5)	(6)	(7)	(8)	(9)
	(figures in acres)				
1971-72	0.50	..	..	..	..
1972-73	9.50	18.00	17.00	9.00	4.00
1973-74	7.50	14.00	7.00	9.00	3.00
1974-75	0.50	..	..	:	..
1975-76	145.50	87.25	44.50	9.00	8.50
Total	163.50	119.25	68.50	27.00	15.50

The low yield was attributed by the department to heavy rainfall, severe summer and unsuitable soil.

- (ii) In the spring of 1971-72 and 1973-74, demonstration plots with Bragg and Lee varieties of soyabean seed were laid out in 10 and 4.5 acres respectively, but there was no yield. Even then, plots covering 101.5 and 20 acres were laid out in the spring of 1974-75 and 1975-76 respectively with the same Bragg and Lee varieties of seed at a cost of Rs. 0.24 lakh which also did not yield any crop. The department stated (January 1977) that spring season demonstrations were continued since results of one year were not considered adequate.

Between 1971-72 and 1975-76, 296 quintals of Bragg and Lee variety of soyabean seed were purchased and 222 quintals were used in laying demonstration plots. Seventyfour quintals of seed valuing Rs. 0.32 lakh mainly from the stock acquired during 1975-76 were in stock (January 1977).

- (iii) In anticipation of approval by the Government of India (which was to reimburse to the State the expenditure on the scheme) of the State Government's proposal for free distribution among cultivators of mini-kits containing treated seed and literature explaining the technology for successful cultivation, 1,350 quintals of Bragg/Lee variety of soyabean seed were purchased in May/June 1975 at a cost of Rs. 5.27 lakhs. The Government of India did not approve the proposal. A total of 153 quintals were used leaving a balance of 1,197 quintals valuing Rs. 4.67 lakhs in stock on 31st March 1976. Tests carried out in January 1976 showed that germination strength (normal : 70 per cent) of the seed had gone down to 15-49 per cent in Ambala, 16-26 per cent in Gurgaon and 28-37 per cent in Sonapat. The seed had not been disposed of (January 1977).

The department stated that the scheme was discontinued from 1976-77 as the farmers did not take to soyabean cultivation due to, *inter alia*, low returns from it.

3.3. Orchard-cum-nursery unit at the Morni Hills

For setting up an orchard-cum-nursery unit at the Morni Hills (Ambala District), land measuring about 30 acres was transferred (December 1969) from the Forest Department to the Horticulture Department. A sum of Rs. 1.50 lakhs was spent on its development between 1969-70 and 1971-72. The unit could not commence work owing to lack of water as spring water originally intended for development of horticulture was reportedly diverted for activities of other departments.

Consequently, a building constructed by the Public Works Department (August 1973) at a cost of Rs. 0.49 lakh could not also be made use of. The building was lying vacant and the Horticulture Department had not taken over its possession (January 1977).

3.4. Under-utilisation of tractors

Four tractors were purchased during March 1968 at a cost of Rs. 0.77 lakh for imparting training to the farmers in the area covered by the intensive agri-

cultural district programme. History sheets of these tractors were not maintained by the department. According to the Director, Tractor Training Centre (Government of India), Hissar, expected economic life of such tractor is 10,000 working hours. The period for which each tractor remained in use, idle/under repairs, and the hours it worked, as indicated in the log books, were as under :—

Serial number	Tractor	Date from which brought into use	Date from which lying un-serviceable	Number of days for which tractor worked	Number of days for which the tractor remained idle/under repairs	Number of working hours (hours)
1.	A	11-11-1968	16-1-1973	598	930	2,851
2.	B	1-6-1970	15-5-1972	182	533	909
3.	C	22-7-1968	21-4-1974	412	1,688	1,849
4.	D	20-9-1968	15-3-1974	546	1,457	1,427

The circumstances in which the tractors were under-utilised were not known.

The matter was referred to the Government in July 1976; reply is awaited (February 1977).

3.5. Distribution of taccavi loans in the form of chemical fertilizers

Fertilizers, as *taccavi* loans were issued upto March 1971 on the authority of sanctions/permits issued by the Agriculture, Development and Co-operation departments. The recovery of the loan was to be effected by the Revenue Department at the next harvest. The loan sanctioning/permit issuing authorities were expected to ensure that an applicant did not get loan beyond his needs and had the capacity to repay it. They were also required to satisfy themselves about the identity of the applicant through the Lambardar or the Sarpanch, and about the surety being a person of substance from whom recovery would be possible if it could not be made from the loanee.

A test check (March 1976) of the loans given upto 31st March 1971 in three districts (Hissar, Mohindergarh and Sirsa) disclosed the following :—

(1) Individuals to whom *taccavi* loans amounting to Rs. 1.76 lakhs (Hissar) and Rs. 0.38 lakh (Sirsa) had been given were reported to be not traceable.

(2) In twentythree cases of Hissar District (loans given : Rs. 0.14 lakh), the loanees as well as the sureties had disowned liability for the loans due to their not having received the loans or not having stood as sureties therefor. The cases were stated to be pending in courts of law (March 1976).

(3) Loans amounting to Rs. 0.30 lakh were disbursed during 1966-67 to 1970-71 in the Mohindergarh District but the demands had not been noted in the Revenue records (March 1976). Action for the recovery of the loans could not, therefore, be initiated by the Revenue Department.

The matter was referred to the Government in September 1976; reply is awaited (February 1977).

AGRICULTURE/INDUSTRIES

3.6. Extra expenditure

(i) On receipt of an indent on 13th December 1972 from the Locust Control and Plant Protection Officer, the Controller of Stores invited tenders for the purchase of Aldrin 30% E.C. The tenders were opened on 22nd January 1973. The rates offered by the lowest tenderer were Rs. 12.25 per litre in 1 litre packing, Rs. 10.95 per litre in 5 litres packing and Rs. 10.90 per litre in 20 litres packing, plus sales tax. The rates offered were valid upto 22nd March 1973. The Controller of Stores sought Government's approval to acceptance of the rates of the lowest tenderer on 19th February 1973 which was accorded on 23rd March 1973. A rate contract valid for one year was issued to the firm by the Controller of Stores on 27th March 1973.

On the basis of this rate contract, an order for the supply of 7,000 litres Aldrin 30% E.C. was placed on 3rd July 1973 by the Locust Control and Plant Protection Officer but the supplies were not made by the firm. The Controller of Stores issued notice to the firm on 24th August 1973 for the completion of supply of 7,000 litres within fifteen days failing which risk purchase would be effected. The firm stated on 29th August 1973 that its offer was valid upto 22nd March 1973 and since acceptance of the offer was issued after the expiry of the validity period it was not responsible for making supplies or for making good any extra expenditure to the Government.

The department thereupon purchased 16,972 litres Aldrin 30% E.C. between September 1973 and January 1974 in packings of 1, 5 and 20 litres at higher rates (Rs. 17.50, Rs. 16.00 and Rs. 15.50 per litre respectively). The delay in acceptance of the offer thus entailed an extra expenditure of Rs. 0.86 lakh.

The matter was referred to the Government in September 1976; reply is awaited (February 1977).

(ii) On the basis of a rate contract entered into by the Controller of Stores with a firm and valid for one year from 25th September 1972, the Locust Control and Plant Protection Officer placed an order (February 1973) on a firm for the supply of 450 tonnes B.H.C. 10% at Rs. 347.50 per tonne. The firm supplied only 225 tonnes. Another requisition was sent by the Officer to the Controller of Stores on 6th August 1973 to arrange supplies of various pesticides including 500 tonnes B.H.C. 10% by inviting short term quotations since the firm had refused to supply the material. No supply order for the additional requirement (275 tonnes) was, however, formally placed on the firm.

The Controller of Stores issued a notice to the firm on 24th August 1973 for completing supply of 450 tonnes within fifteen days failing which risk purchase would be effected. There being no response, purchase of 370 tonnes was made from other firms at an extra cost of Rs. 0.61 lakh.

The liability of the rate contract holding firm for the extra expenditure due to non-execution of the orders was limited under the contract to the quantity actually ordered but not supplied. Since no formal order was placed on the firm for 145 tonnes (370-225), extra cost involved in their purchase (Rs. 0.26 lakh) could not be claimed from the firm.

The question of recovery of Rs. 0.35 lakh in respect of 225 tonnes for which order was duly placed was under arbitration (November 1976). Meanwhile the amount had been withheld from the dues of the firm.

The matter was referred to the Government in September 1976; reply is awaited (February 1977).

ANIMAL HUSBANDRY

3.7. Poultry Farm, Ambala

The Poultry Farm, Ambala was started prior to 1947. During 1969-70 to 1975-76, Rs. 20.43 lakhs were spent on its running (budget provision: Rs. 17.35 lakhs) with the object of producing breeding stock and providing hatching facilities to the poultry farmers. In addition, Rs. 4.94 lakhs were spent on construction of sheds for the birds at the farm during this period. A test check of the accounts and records of the farm was carried out by Audit during December 1975 and January 1976. Important points noticed are mentioned below :—

(i) *Working results* : The working results of the farm during 1969-70 to 1975-76 were as under :—

Year	Total income	Total expenditure	Profit (+) Loss (—)
<i>(in lakhs of rupees)</i>			
1969-70	0.34	0.54	(—)0.20
1970-71	0.63	0.53	(+)0.10
1971-72	1.35	0.96	(+)0.39
1972-73	2.14	2.53	(—)0.39
1973-74	2.14	2.32	(—)0.18
1974-75	3.19	3.92	(—)0.73
1975-76	5.80	5.92	(—)0.12

The Government attributed (January 1977) the losses to high price of poultry feed, low production of eggs, low hatchability and high mortality amongst the birds.

(ii) *Bird strength* : The strength of the layers vis-a-vis the targets fixed by the department was as under :—

<i>Year</i>	<i>Targets</i>	<i>Actuals</i>
1969-70	1,000	437
1970-71	2,000	709
1971-72	2,500	1,363
1972-73	4,000	3,042
1973-74	6,000	2,588
1974-75	6,000	4,282
1975-76	6,000	3,055

The Government stated (January 1977) that there was steep rise in the cost of feed and consequently the targeted number of birds could not be maintained.

(iii) *Production of eggs* : According to the Haryana Agricultural University, a white leghorn layer is expected to lay 180 to 250 eggs a year. No norms were fixed by the Government (January 1977). The production of eggs at the farm, which had this variety of birds, was as under :—

<i>Year</i>	<i>Average number of layers maintained</i>	<i>Number of eggs produced</i>	<i>Number of eggs produced per layer per annum</i>
1969-70	437	68,384	157
1970-71	709	1,28,321	181
1971-72	1,363	2,35,883	173
1972-73	3,042	4,62,829	152
1973-74	2,588	3,48,217	135
1974-75	4,282	6,31,923	149
1975-76	3,055	6,43,855	211

Computed with reference to the minimum production of 180 eggs per bird per year, the shortfall in production of eggs during 1969-70 to 1975-76 (except 1970-71 and 1975-76) worked out to 3.54 lakh eggs valued at about Rs. 0.90 lakh.

The Government attributed (January 1977) low production of eggs to the following :—

- (a) The chicks reared at the farm were the left-overs of the chicks hatched after sale of select chicks to poultry farmers. Besides, chicks were sometimes hatched in off-season which affected the normal growth of the birds.
- (b) Disposal of the birds run down with low laying capacity could not be done in time because of lack of demand for dressed meat.

It may be mentioned that the average production of eggs at the poultry farm attached to the Central Jail, Ambala City ranged from 193 to 216 eggs per layer per annum during 1972-73 to 1975-76. The Government stated (January 1977) that production in that farm was higher, *inter alia*, because of better feed and maintenance.

(iv) *Hatchability* : According to the Haryana Agricultural University, hatchability rate should be about 70 per cent of the eggs set for hatching in the incubators. No norms were fixed by the Government (January 1977). The hatching at the farm showed the following results :—

Year	Number of eggs set for hatching in the incubators	Number of chicks hatched	Percentage
1969-70	51,512	24,949	48
1970-71	94,845	52,001	55
1971-72	1,67,918	1,12,693	67
1972-73	2,09,318	1,28,938	62
1973-74	1,97,691	1,15,264	58
1974-75	2,07,852	1,12,761	54
1975-76	2,53,760	1,60,395	63

The percentage of chicks hatched fell short of the norm, though marginally in some years. The low percentage of hatchability was attributed by the Government (January 1977) to off-season hatching, frequent electricity failure and old incubators.

(v) *Mortality* : According to the norms fixed by the composite Punjab Government (October 1966), the mortality among the poultry birds above 12 weeks age should not exceed 7.5 per cent. The mortality at the farm during the 4 years ending 1975-76 was as under :—

<i>Serial number</i>	<i>Particulars</i>	1972-73	1973-74	1974-75	1975-76
1.	Average number of birds maintained (above 12 weeks)	4,813	4,313	6,515	5,515
2.	Total deaths during the year (above 12 weeks)	951	1,256	1,570	723
3.	Percentage of deaths to the average number of birds maintained	19	29	24	13

(vi) *Utilisation of hatching capacity* : The farm had 4 to 5 incubators valuing Rs. 1.08 lakhs between 1970-71 and 1975-76. Their hatching capacity in terms of eggs and the utilisation thereof during 1971-72 to 1975-76 were as under :—

<i>Year</i>	<i>Capacity available (eggs)</i>	<i>Capacity utilised (eggs)</i>	<i>Percentage</i>
1971-72	2,68,800	1,70,435	63
1972-73	2,68,800	2,09,413	78
1973-74	4,44,520	1,97,691	44
1974-75	4,44,520	2,07,852	47
1975-76	4,44,520	2,53,760	57

The under-utilisation of the capacity was attributed by the Government (January 1977) to less number of birds maintained and comparatively less demand for chicks from the farmers.

(vii) *Duck breeding* : With a view to supplying day-old ducklings to the private poultry farmers to enable them to take up duck rearing, a duck breeding farm was started in November 1971 within the premises of the Poultry Farm, Ambala where sheds and hatching facilities were available. A foundation stock of 500 day-old Khakhi Cambel ducklings (100 male and 400 female) was imported from a foreign country in November 1971 at a cost of Rs. 0.06 lakh. Rupees 0.55 lakh were spent upto 31st March 1976 on the maintenance of the farm.

Out of 500 ducklings imported in November 1971, 313 died within 3

weeks of their arrival at the farm. The table below gives some more information :—

<i>Year</i>	<i>Opening stock</i>	<i>Ducklings hatched</i>	<i>Less ducks dressed for meat</i>	<i>Total</i>	<i>Deaths</i>	<i>Closing stock</i>
1971-72	500	..	..	500	342	158
1972-73	158	142	38	262	111	151
1973-74	151	218	50	319	176	143
1974-75	143	48	45	146	60	86
1975-76	86	5	32	59	33	26

The position regarding production of eggs was as under :—

<i>Year</i>	<i>Average number of ducks maintained</i>	<i>Number of eggs produced</i>	<i>Number of eggs per duck per annum</i>
1972-73	114	17,965	158
1973-74	48	6,148	128
1974-75	49	5,563	114
1975-76	57	4,789	84

The average production of eggs showed successive decline from 158 per duck per year during 1972-73 to 128, 114 and 84 during the succeeding three years. No norms in this respect were stipulated by the department (January 1977).

The hatchability of ducklings on the farm was as shown below :—

<i>Year</i>	<i>Number of eggs set for hatching in the incubators</i>	<i>Number of ducklings hatched</i>	<i>Percentage of hatchability</i>
1972-73	4,711	142	3
1973-74	3,039	218	7
1974-75	1,114	48	4
1975-76	199	5	2.5

Against an expenditure of Rs. 0.61 lakh incurred till March 1976 on the

purchase of ducks and maintenance thereof, the income from sale of eggs and meat was only Rs. 0.08 lakh. Not a single duckling had been sold to any prospective duck-breeder (March 1976).

The failure of the duck breeding programme—which was claimed to be of an experimental nature—was attributed by the Government (January 1977) to inability of the imported ducklings to adjust themselves to local climatic conditions.

CO-OPERATION

3.8. Payment of rent

The Co-operative Training Institute, Rohtak hired a private building in April 1963 at a rental of Rs. 593 per month. The rent was raised to Rs. 661 per month from 16th April 1967 on account of provision of two additional rooms.

In April 1973, the owner of the building issued a notice for eviction. He, however, agreed (June 1973) to withdraw the notice if the rent was enhanced. The institute approached (June 1973) the Rohtak Provincial Division for reassessment of rent at the current market rates which reassessed it as Rs. 1,335 per month (August 1973), but pointed out that in accordance with the practice obtaining no reassessment could be made and rent originally assessed was to be paid.

In November 1974, the Registrar, Co-operative Societies sought Government sanction for paying rent at Rs. 1,335 per month stating that the court, on a petition by the owner, had ordered increase in rent from 5th June 1973. The Government issued (November 1974) the sanction accordingly for payment of rent at the enhanced rate of Rs. 1,335 per month from the 5th June, 1973.

On a query by Audit, the Registrar, however, stated (August 1976) that in fact the court had not raised the rent but filed the case as the owner did not pursue it presumably because he had been paid the rent he desired. The rent paid in excess amounted to Rs. 0.22 lakh (upto February 1976).

The matter was referred to the Government in October 1976 ; reply is awaited (February 1977).

FISHERIES

3.9. Development of inland fish-culture

A test check of the accounts and records of schemes for development of fisheries in the State was carried out by Audit during April-June 1976. The following points were noticed:—

- (1) Plan outlay, budget provision and expenditure during 1969-70 to

1975-76 were as under :—

Name of the Scheme	Plan outlay	Budget Provision			Total	Total	Total
		Plan	Non- plan	Total			
(in lakhs of ₹)							
(A) For production of quality fish seed							
(i) Strengthening of seed farms	8.04 (1969-74)	19.22	4.56	23.78	13.72	4.71	18.43
	5.22 (1974-76)						
(B) For fish breeding in Village ponds, lakes and reservoirs by stocking fish seed							
(a) Village ponds							
(i) Impounded waters	..	..	4.96	4.96	..	4.67	4.67
(ii) Ponds under Applied Nutrition Programme	5.99 (1969-74)	3.20	1.62	4.82	2.22	1.50	3.72
(b) Lake fisheries	0.90 (1974-76)	2.82	..	2.82	2.51	..	2.51
(c) Development of fisheries in reservoirs	1.20 (1969-74)	1.89	0.91	2.80	1.35	0.83	2.18
	7.19 (1969-74)	7.91	7.49	15.40	6.08	7.00	13.08
	0.90 (1974-76)						
(C) For renovation/improvement of village ponds and to bring them under fish production							
(i) Fish culture of carps in ponds and tanks	20.76 (1969-74)	23.57	3.89	27.46	16.36	3.48	19.84
	5.61 (1974-76)						
(ii) Centrally sponsored scheme-Crash Scheme for Rural Employment	..	6.00	..	6.00	5.30	..	5.30
	20.76 (1969-74)	29.57	3.89	33.46	21.66	3.48	25.14
	5.61 (1974-76)						
Grand Total	35.99 (1969-74)	56.70	15.94	72.64	41.46	15.19	56.65
	11.73 (1974-76)						

Production of fish seed

(a) At the beginning of the Fourth Five Year Plan (April 1969), three seed farms—Ottu (Sirsa), Saidpur (Karnal), Badkhal (Gurgaon)—with 7 acres water area under nursery—were functioning. By the end of 1975-76, five more seed farms—Bishangarh (Ambala), Damdama (Gurgaon), Sampla (Rohtak), Tohana (Hissar) and Rohat (Sonapat)—with 8 acres water area under nursery—were added with expenditure of Rs. 13.72 lakhs, against 50 acres planned to be added by the end of the Fourth Five Year Plan (1969-74) with an outlay of Rs. 8.04 lakhs. The area of the farms, production potential and actual production of fish seed as per information supplied by the department were as under :—

STATE FARMS

	Ottu	Saidpur	Badkhal	Bishan- garh	Damdama	Sampla	Tohana	Rohat	Total
1. Year from which the farm started functioning	1961-62	1963-64	1963-64	1971-72	1971-72	1973-74	1974-75	1975-76	
2. Total area of the farm (acres)	5.5	7.6	6.3	4.0	10.2	16.0	14.5	7.0	71.1
3. Water area (acres)	4.0	5.6	5.0	1.5	6.0	2.0	7.0	2.0	33.1
4. Water area under nursery (acres)	2.0	1.50	3.50	1.0	3.0	1.0	2.0	1.0	15.0
5. Estimated production potential-fry/fingerlings (lakh numbers)	1.0	0.75	1.75	0.50 (from 1971-72)	1.50 (from 1971-72)	0.50 (from 1973-74)	1.0 (from 1974-75)	0.50 (from 1975-76)	7.50 (in full from 1975-76)
6. Actual production of fingerlings (lakh numbers)									
1969-70	1.00	0.56	1.55	..	..	..	..	..	3.11
1970-71	1.26	0.39	2.03	..	..	..	..	..	3.68
1971-72	1.56	1.06	2.15	0.36	..	..	..	..	5.13
1972-73	..	0.93	2.43	0.18	..	..	..	..	3.54
1973-74	0.87	1.32	1.82	0.19	..	0.40	..	..	4.60
1974-75	..	1.34	1.00	0.13	..	0.28	..	..	2.75
1975-76	2.00	0.99	1.71	0.25	..	0.26	0.34	0.05	5.60
	6.69	6.59	12.69	1.11	..	0.94	0.34	0.05	28.41

@

@Production of the Damdama Farm has not been taken into account since production at the farm was from spawns collected from the overflow of water from the Damdama reservoir and the produce (fingerlings) was again put back in the Damdama reservoir.

The fingerlings produced at the State farms over a period of seven years ending 1975-76 were 28.41 lakhs against their estimated capacity to produce about 36 lakh fingerlings and the Fourth Five Year Plan target of 100 lakhs during 5 years (1969-70 to 1973-74). The new farms produced a meagre quantity of 2.44 lakh fingerlings.

(b) Other points noticed were as under :—

- (i) A tubewell installed at the Sampla Farm in March 1973 at a cost of Rs. 0.10 lakh for subsidiary water supply arrangement had not been commissioned (November 1976) for want of electric connection. The Government stated (January 1977) that the commissioning of the tubewell was being expedited.
- (ii) For setting up the Tohana Farm, land measuring 14.5 acres was purchased at a cost of Rs. 1.14 lakhs in 1971-72. Water area of 7 acres was also excavated at a cost of Rs. 0.81 lakh during 1972-73 and 1973-74. Production was started in the breeding season in 1975-76 by obtaining water supply from a canal through 2 inch diameter pipe-line in May 1974. The supply was not considered adequate for the farm. The department stated (November 1976) that a 3 inch diameter pipe-line had since been sanctioned (estimated cost : Rs. 1,500) by the canal authorities.

(3) Stocking of village ponds, lakes and reservoirs

A survey of village ponds conducted by the department indicated that only 400 acres out of 4,800 acres of culturable water available in the State had been brought under fish production upto the end of 1968-69. The Fourth Plan (1969-74) envisaged that additional area of 2,210 acres under village ponds and 1,000 acres under artificial reservoirs formed for flood and irrigation purposes would be stocked with fry/fingerlings reared at State farms with an outlay of Rs. 5.99 lakhs and Rs. 1.20 lakhs respectively. In addition, culturable water area under natural *tals* at Morni (100 acres) and Chakravarti lake (17 acres) was also to be brought under fish production. Expenditure incurred on schemes relating to stocking of culturable water area during 1969-70 to 1975-76 was Rs. 13.08 lakhs (establishment : Rs. 9.88 lakhs; contingencies : Rs. 3.20 lakhs) which was 85 per cent of the provision (Rs. 15.40 lakhs). The table below shows the culturable water area covered and fingerlings stocked :—

Contents	Years							Total
	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	
Coverage (in acres)								
(a) Village ponds	240.50	341.00	219.00	217.50	224.00	114.00	554.50	1,910.50
(b) Lake fisheries	100.00	75.00	117.00	17.00	117.00	..	17.00	443.00
(c) Development of fisheries in reservoirs	315.00	220.00	350.00	210.00	225.00	300.00	375.00	1,995.00
Grand total (a)+(b)+(c)	655.50	636.00	686.00	444.50	566.00	414.00	946.50	4,348.50

Stocking of fingerlings (fingerlings in lakhs)

(a) Village ponds	2.34	2.78	3.15	1.65	3.22	1.80	5.38	20.32
(b) Lake fisheries	0.01	0.01	0.36	0.30	0.55	..	0.19	1.42
(c) Reservoirs fisheries	0.55	0.83	1.15	1.45	0.83	0.55	2.54	7.90
Grand Total (a)+(b)+(c)	2.90	3.62	4.66	3.40	4.60	2.35	8.11	29.64
Average number of fingerlings stocked per acre								(Average 1969-70 to 1975-76)
(a) Village ponds	973	815	1,438	760	1,438	1,579	972	1,064
(b) Lakes	10	13	308	1,765	470	..	1,118	320
(c) Reservoirs	175	377	328	690	370	183	677	396

The actual coverage was much less than planned and the average stocking per acre was also less than the norm (fixed by the department) of initial stocking with 2,000 fingerlings per acre followed by annual replenishment with 1,000 fingerlings per acre. Besides, stocking was not done on a continuing basis with the result that additional area brought under effective fish production could not be determined. The department stated (September 1976) that fingerlings were supplied from Government farms on payment at the rate of Rs. 50.00 per thousand (Rs. 20 per thousand upto 1970-71 and Rs. 30 per thousand upto 1975-76) and that the panchayats which mostly owned village ponds did not evince much interest in purchasing the fingerlings on the ground that people were mostly vegetarian and averse to taking up fish trade.

(4) Production

(a) The Fourth Plan (1969-74) envisaged that various measures to be undertaken for development of fisheries would result in 1,230 tonnes of fish production during 1973-74. The extent to which this was achieved could not be determined as the department had no statistics of production in village ponds since disposal of produce was entirely within the domain of the panchayats. In respect of village ponds stocked under the scheme Applied Nutrition Programme, UNICEF was to supply equipment and other requirements to gram panchayats and the panchayats were to provide 10 per cent of the fish harvest or cash equivalent thereof to the Development Department. The Fisheries Department had no information as to how far the panchayats fulfilled their obligation. The production between 1969-70 and 1975-76 in *Morni tals* and reservoirs which were in the direct charge of the department was reported to be 12.73 quintals (estimated production : 345 quintals) and 907 quintals respectively.

(b) *Lake fisheries* : Two natural *tals* at Morni having 75 and 25 acres culturable water area were stocked with 0.18 lakh fingerlings (expenditure between April 1969 and March 1974 : Rs. 0.73 lakh) and were expected to yield 345 quintals fish during 1971-74. The actual collection was only 12.73 quintals. The department stated (November 1976) that non-availability of an approach road to the location of the *tals* for a distance of 12 kilometres and the cost of transportation besides the risk of high mortality prevented full exploitation. The department added that fish worth Rs. 1.00 lakh were still available in the *tals*.

(5) *Renovation/improvement of village ponds*

A sum of Rs. 19.84 lakhs (establishment : Rs. 11.96 lakhs ; contingencies: Rs. 7.88 lakhs) was spent by the department during 1969-70 to 1975-76 on the renovation/improvement of 139 ponds with 541 acres culturable water area against the target of 680 acres set for the Fourth Five Year Plan period (1969-74) with an outlay of Rs. 20.76 lakhs.

In consideration of financial assistance extended by the Government, panchayats were to maintain water level of 4 feet in their renovated ponds and to stock them with fingerlings every year failing which money spent by the Government was refundable. The table below shows the yearwise number of ponds renovated/improved together with cost and the number of ponds brought under fish production by the end of 1975-76 by stocking fingerlings.

Year	Number of ponds renovated	Water area (in acres)	Works expenditure by Government (in lakhs of rupees)	Stocking by the end of 1975-76		
				Number of ponds stocked by the end of 1975-76	Water area (in acres)	Cost of renovation (in lakhs of rupees) of the ponds stocked
1969-70	21	104.5	0.48	12	41.5	0.28
1970-71	31	125.0	0.84	23	72.5	0.64
1971-72	18	67.0	0.55	10	40.5	0.33
1972-73	16	73.5	0.64	10	52.0	0.45
1973-74	12	49.0	0.42	6	25.5	0.18
1974-75	28	85.0	1.78	9	24.5	0.71
1975-76	13	37.0	0.75	4	14.0	0.25
Total	139	541.0	5.46	74	270.5	2.84

The department stated (November 1976) that the remaining 65 ponds (water area : 270 acres) could not be stocked due to non-supply of water to the ponds by the Irrigation Department and that a plan to lease them out to private parties was under consideration.

INDUSTRIES

3.10. Rural industrial development centres

Rural Industrial Development Centres were set up during the Third Five Year Plan (1961-66) to provide common facility and extension services to small scale industrial units located within and around the Rural Industrial Estates. These centres were to undertake specific production on behalf of such units and to extend the services of machines so as to help in the mobilisation and utilisation of local resources and generation of employment opportunities for the rural population. Since the programme of setting up of Rural Industrial Estates was not a complete success, new functions by way of training and production were entrusted to these centres in 1970-71 so that the idle staff and equipment could be fully utilised*.

At the time of re-organisation of the Punjab State in November 1966, fourteen such centres were functioning in Haryana, out of which 4 centres were merged with the Rural Artisan Training Centres and another 3 were closed down in 1969. The remaining 7 centres functioning in 1975-76 catered to the trades as under :—

<i>Serial number</i>	<i>District</i>	<i>Location of the centre</i>	<i>Trade</i>
1.	Ambala	Pinjore	Carpentry and Light Engineering
2.	Bhiwani	Barwala/ Bhiwani	Weaving
3.	Gurgaon	Palwal	Leather goods and footwear
4.	Hissar	Fatehabad	Hosiery
5.	Karnal	Beri/Kishanpura	Hosiery
6.	Rohtak	Jhajjar	Leather goods and footwear
7.	Sonepat	Rai	Carpentry and Light Engineering

The working expenses of the centres from 1966-67 to 1975-76 amounted to Rs. 30.58 lakhs ; Rs. 16.57 lakhs were spent on establishment and the rest (Rs. 14.01 lakhs) on other activities of the centres.

* Evaluation by the State Planning Department—August 1973.

A test check by Audit (December 1975) disclosed

(i) *Utilisation of facilities* : According to Officers, the number of artisans utilising machinery/s 1975-76 was as under :—

Machinery utilisation

Serial number	Centre	Number of beneficiaries					
		1970-71	1971-72	1972-73	1973-74	1974-75	1975-76
1.	Pinjore	305	356	185	392	360	Not available
2.	Barwala/Bhiwani	Nil	Nil	Nil	Nil	Nil	Nil
3.	Palwal	8	41	21	Nil	Nil	4
4.	Fatehabad	Nil	Nil	Nil	Nil	Nil	Nil
5.	Beri/Kishanpura						
6.	Jhajjar						
7.	Rai						
							25

Utilisation of common facility service other than the use of machinery

1.	Pinjore	426	470	355	434	332	323
2.	Barwala/Bhiwani	11	11	11	11	11	10
3.	Palwal	12	30	17	Nil	21	5
4.	Fatehabad	Nil	Nil	Nil	Nil	Nil	Nil
5.	Beri/Kishanpura	6	Nil	Nil	Nil	Nil	3
6.	Jhajjar	Nil	Nil	Nil	Nil	Nil	Nil
7.	Rai	140	80	105	64	17	48

The utilisation of machinery (cost : Rs. 5.80 lakhs) at Barwala/Bhiwani, Fatehabad, Beri/Kishanpura, Jhajjar and Rai * was nil. According to an evaluation study of the working of the centres conducted by the State Planning Department in July-August 1973, location of the centres at Fatehabad and Beri/Kishanpura was not proper because no hosiery unit which could utilise the available facility existed in or around these centres.

(ii) *Training* : The centres imparted training of one year's duration in carpentry, light engineering, leather goods, footwear, hosiery and weaving so

* except in 1975-76.

to give functional knowledge in the improved technique of production and consequently to improve the employment opportunities of rural artisans. Against the intake capacity of 370 trainees of all the seven centres during 1970-71* to 1974-75*, 335 persons (90 per cent) were admitted for training out of which 42 dropped out. According to information supplied by the District Industries Officers in December 1975, out of the remaining 293 completing the course, 155 were employed/had started their own work, 83 were unemployed and the position of the remaining 55 was not known.

On the ground that persons trained in hosiery on Jacquard Pattern stood better chances in getting employment, three foreign make knitting machines costing Rs. 4.82 lakhs were purchased in July/August 1973. Out of these, two machines were installed in the Fatehabad Centre in April 1974 and the third in the Kishanpura Centre in September 1975. The delay in the installation of the machine at the Kishanpura Centre was due to non-availability of suitable accommodation. Even after installation, this machine remained idle upto March 1976. According to the District Industries Officer, Hissar (December 1975), out of 11 persons trained on the machine at the Fatehabad Centre during 1974-75 (August-July), 6 persons were unemployed (December 1975).

(iii) *Production* : Production activity at the centres is of two types, one incidental to the training and the other exclusively on orders placed by outside agencies. The stocks of raw material and finished goods held by 4 of the centres at the end of 1975-76 were as under :—

Raw material

Serial number	District (centre in bracket)	Opening stock plus purchases in 1966-67 to 1975-76	Consumption in 1966-67 to 1975-76	Closing stock on 31st March 1976
(in lakhs of rupees)				
1.	Bhiwani (Bhiwani)	0.47	0.25	0.22
2.	Hissar (Fatehabad)	0.76	0.54	0.22
3.	Karnal (Kishanpura)	0.95	0.57	0.38
4.	Sonepat (Rai)	0.78	0.51	0.27
Total		2.96	1.87	1.09

Finished goods

Serial number	District (centre in bracket)	Opening stock and production in 1966-67 to 1975-76	Sales in 1966-67 to 1975-76	Closing balance
(in lakhs of rupees)				
1.	Hissar (Fatehabad)	0.52	0.33	0.19
2.	Karnal (Kishanpura)	0.54	0.46	0.08
3.	Rohtak (Jhajjar)	0.35	0.22	0.13
4.	Sonepat (Rai)	0.59	0.46	0.13
Total		2.00	1.47	0.53

* July/August—June/July

While no reasons for accumulation of raw material at the Bhiwani and Rai centres were given, accumulation at the Fatehabad and Kishanpura centres was attributed by the department to non-raising of the training strength as planned and delay in getting power connection (Kishanpura Centre).

The matter was referred to the Government in September 1976 ; reply is awaited (February 1977).

3.11. Purchase of mono-metal

The Controller of Stores placed an order on firm A on 6th March 1973 for the supply of 5 tonnes mono-metal at Rs. 8,100 per tonne (F.O.R. destination). The supply was to be made to the Printing and Stationery Department. The supply offered was inspected at the firm's premises and samples were drawn for testing (April 1973). The test reports by a Government institute and a recognised institute showed that the supply was not upto the specifications. Instead of pressing the firm to supply the material as per prescribed specifications, the Controller of Stores cancelled the order on 11th July 1973.

Quotations were re-invited on 17th July 1973. The lowest offer did not conform to the specifications. The second lowest offer of Rs. 9,990 per tonne from firm A supported by a test report was ignored on account of past performance, and the third offer of Rs. 10,359 per tonne from firm B was recommended to Government for approval (it was not supported by a test report). The Government did not approve of the proposal and all the offers were consequently rejected.

On 31st October 1973, the Indenting Officer stressed his urgent requirement of 2 tonnes. Quotations were thereupon again invited (31st October 1973) without test reports and an order was placed on 11th December 1973 on firm A at Rs. 10,050 per tonne which was duly executed in January 1974. Tenders, without test reports, for the balance requirement of 3 tonnes were refloatated in June 1974 and an order was placed on 9th August 1974 on firm B at Rs. 14,389 per tonne which was executed in December 1974.

Cancellation of the order placed on 6th March 1973 on firm A, and placement of orders on firms A and B in December 1973 and August 1974 respectively, involved an extra expenditure of Rs. 0.23 lakh.

The matter was referred to the Government in September 1976 ; reply is awaited (February 1977).

3.12. Withdrawals in advance of requirement

According to the rules, moneys required for immediate disbursement should only be withdrawn from the treasury. Any sum remaining unspent should be promptly refunded into the treasury. A sum of Rs. 32.28 lakhs was withdrawn by the Directorate of Industries on the 31st of March 1975 for payment of outright capital subsidy for setting up new industrial units/expansion of existing industrial units in backward districts/areas and for subsidy on purchase of generating sets by industrial units. A sum of Rs. 0.05 lakh was refunded into the treasury in February 1976. Rupees 2.11 lakhs were disbursed within three months of drawal, Rs. 1.07 lakhs within 3-6 months, Rs. 0.05 lakh within 6-12 months and Rs. 13.00 lakhs after one year of the

drawal. Rupees 16.00 lakhs were advanced to the Haryana Financial Corporation in April 1975 for being paid as subsidy on purchase of generating sets by industrial units. The department stated (December 1976) that about a dozen applications had been received by the Corporation for the purpose and the balance after meeting the subsidy element would be refunded into Government treasury.

The matter was referred to the Government in September 1976; reply is awaited (February 1977).

LAND REVENUE

3.13. Overpayment of compensation

In February 1966, the Government sanctioned to two claimants payment of compensation amounting to Rs. 25,455 in lieu of *jagir* resumed in Karnal District under Section 3 of the Punjab Resumption of Jagirs Act, 1957. The compensation was payable in ten annual instalments and an interim payment amounting to Rs. 12,409 made in 1961-62 in pursuance of the court order was deductible. The claimants had been paid upto 18th December 1973 an aggregate amount of Rs. 35,090 including the interim payment of Rs. 12,409. This involved overpayment of Rs. 9,635. On Audit pointing it out (March 1976), the Government ordered (July 1976) its immediate recovery. Further information is awaited (February 1977).

MEDICAL AND HEALTH

3.14. Family planning programme

Important points noticed during test check (April 1975-May 1976) of the accounts of the Chief Medical Officers (Family Planning), Bhiwani, Gurgaon, Hissar, Jind and Rohtak are mentioned below :—

(a) In the Gurgaon District, 6,449 cases of loop insertions (fees paid : Rs. 0.97 lakh) were shown to have been performed during August 1971 to March 1975 as per intra-uterine device register maintained in the office of the Family Planning Officer, Gurgaon. The number of loops issued was, however, only 2,920. Fees paid for 3,529 unaccounted cases of loop insertions at the rate of Rs. 15 per case amounted to Rs. 0.53 lakh.

(b) The departmental instructions prescribe maintenance of a survey register for each village/locality for watching progress of sterilization/intra-uterine device cases, and also to ensure genuineness of the cases. Such registers were not maintained in 4 districts, namely, Bhiwani, Gurgaon, Hissar and Jind during 1973-74 and 1974-75. In the absence of survey registers, the correctness of disbursement of Rs. 4.47 lakhs in connection with sterilization/intra-uterine device cases could not be verified. Again, in the districts of Bhiwani, Gurgaon and Hissar, cases of sterilization/intra-uterine device from other States, involving an expenditure of Rs. 0.50 lakh, were shown to have been performed during 1974-75 without reference to any survey registers or certificates from the Family Planning Officer of the areas where the volunteers were ordinarily-residing. The correctness of payments in these cases could not also be verified.

(c) Medicines valuing Rs. 2.72 lakhs issued from central stocks of the District

Family Planning Officers to the subordinate offices during 1973-74 and 1974-75 were not accounted or were short-accounted in the stock accounts of the latter.

Similarly, medicines valuing Rs. 0.21 lakh issued by the Family Planning Bureau, Chandigarh to the various District Family Planning Officers during 1973-74 to 1975-76 were not accounted for or were short-accounted in their stock registers.

(d) Three chassis costing Rs. 0.90 lakh were sent by the Director, Health Services, to the Nangal Workshop (run by the Bhakra Management Board) in October 1971 for fabrication of audio-visual bodies. Two vans were returned by the workshop after fabrication in October 1972. The third van completed by the workshop in December 1972 was still (November 1976) lying with the workshop reportedly owing to non-settlement of a claim of the workshop for about Rs. 800.

(e) A contingent bill was originally prepared and passed by the Family Planning Officer, Rohtak for Rs. 60 in September 1974. The figure of Rs. 60 was subsequently changed to Rs. 6,000 and the amount embezzled after encashment of the bill from the treasury. The official responsible for preparation of the bill and its encashment was suspended. The case was under investigation by the department (November 1976).

The matter was referred to the Government in October 1976; reply is awaited (February 1977).

3.15. Idle machinery

An advance of Rs. 17.88 lakhs was drawn from the Contingency Fund in March 1975 for purchasing equipment for the General Hospital, Bhiwani whose bed strength was being raised from 200 to 500. Civil works for the purpose were started around July 1973. Equipment costing Rs. 17.88 lakhs was purchased in March 1975 on the basis of short term quotations. Of this, equipment costing Rs. 16.36 lakhs was not installed (November 1976) on account of non-completion of buildings therefor (likely to be completed in June 1977) and that costing Rs. 1.30 lakhs was transferred to other institutions.

The matter was referred to the Government in September 1976; reply is awaited (February 1977).

3.16. Time-barred medicines

In the Civil Hospital, Sonapat, certain medicines valuing Rs. 0.21 lakh were in stock in July 1973. Further stocks of these medicines costing Rs. 0.15 lakh were acquired in July 1973. Out of the total available stock of Rs. 0.36 lakh, medicines valuing Rs. 0.15 lakh were consumed upto August 1974 leaving a stock of Rs. 0.21 lakh, which was unusable because of the expiry of its life. The department stated (June 1976) that the possibility of those medicines being transferred earlier to other hospitals and dispensaries could not be considered as the matter was not brought to the notice of the appropriate authorities.

The matter was referred to Government in September 1976; reply is awaited (February 1977).

3.17. X-Ray machine

In the Civil Hospital, Karnal, a sum of Rs. 0.45 lakh was spent between December 1971 and December 1975 on repairs of the X-ray machine purchased in 1967 at a cost of Rs. 0.29 lakh. The expenditure included Rs. 0.32 lakh on replacement of tubes in the machine which were stated to have fused owing to frequent fluctuations in voltage of electricity in the absence of a stabilizer. The department stated in July 1976 that steps were being taken for providing a stabilizer.

The matter was referred to the Government in October 1976; reply is awaited (February 1977).

GENERAL

3.18. Non-recovery

The Government issued instructions from time to time that the officials should, in respect of official telephones at their residences, pay for telephone calls in excess of the prescribed limit.

A test check by Audit indicated that thirtythree officials belonging to seven offices made calls in excess of the prescribed limit from their residential telephones during February 1971 to January 1976 and Rs. 0.47 lakh due for recovery from them were not recovered. On Audit pointing it out (September 1975), recovery (Rs. 0.14 lakh) from the concerned officials in instalments was ordered by one office; action by the remaining six offices is awaited (February 1977).

3.19. Misappropriations, defalcations, etc.

Cases of misappropriations, defalcations, etc., of Government money reported to Audit upto the end of March 1976, on which final action was pending at the end of August 1976, were as follows :—

	<i>Number</i>	<i>Amount (in lakhs of rupees)</i>
Cases reported upto the end of March 1975 and outstanding on 31st December 1975	234	67.41
Cases reported between April 1975 and March 1976	41	5.96
Total	275	73.37
Cases closed between January 1976 and August 1976	92	54.16
Balance	183	19.21

Of these :

- (i) Seventyfour cases (Rs. 9.86 lakhs) were outstanding for more than five years.
- (ii) One hundred and twentyeight cases (Rs.14.93 lakhs) were outstanding with the departments of Food and Supplies, Buildings and Roads, Irrigation, Education, Agriculture and Transport.

Appendix III shows department-wise and year-wise analysis of cases in which departmental action and criminal prosecution had been completed but recovery was pending on 31st August 1976. Appendix IV shows cases which were still under departmental investigation or criminal prosecution on that date.

3.20 Write off of losses, revenue, etc.

During 1975-76, Rs. 2.82 lakhs representing losses due to theft, fire, irrecoverable revenue, duties, etc., were written off/recoveries were waived. Details are given in Appendix V.

CHAPTER IV

WORKS EXPENDITURE

IRRIGATION

4.1. Jui lift irrigation scheme

The main project of the Jui Lift Irrigation Scheme (estimated cost : Rs. 3,31.10 lakhs) was undertaken to provide irrigation facilities to a culturable command area (CCA) of 65,640 acres in the Bhiwani Tehsil. The main project involved construction of 100 miles of channels and installation of seven pumps to lift water. It was to provide initially seasonal supply (from 1st July to 10th October) to the extent of 300 cusecs from the river Jamuna; perennial supply was to be provided after Haryana got its share of Ravi-Beas waters. (The perennial supply was, however, commenced from January 1973 by utilising a portion of water of the Western Jamuna Augmentation Canal).

Work on the main project was started in November 1969 and water was let into the channels before the monsoon of 1971, by which time Rs. 2,79.48 lakhs had been spent on it. For increasing the water allowance from 3.5 cusecs to 4.5 cusecs per thousand acres of CCA at the distributary heads during the monsoon months and to cover additional CCA of 8,888 acres, another project (called Stage-I-estimated cost : Rs. 1,56.08 lakhs) was undertaken in October 1972. It covered (i) raising of the capacity of the Jui Feeder from 250 cusecs to 410 cusecs, (ii) construction of new minors in the Bhiwani Tehsil and (iii) installation of seven additional pumps parallel to the existing ones for lifting additional supplies by July 1973. Yet another project (called Stage-II-estimated cost : Rs. 71.39 lakhs) for raising the capacity of the channels by extending the existing minors and constructing new minors in the Loharu Tehsil was undertaken in February 1974.

By March 1976, Rs. 4,96.78 lakhs had been spent as under :—

<i>Year</i>	<i>Main Project</i>	<i>Stage I & Stage II</i>	<i>Total</i>
	<i>(in lakhs of rupees)</i>		
1969-70	61.07		61.07
1970-71	1,73.88		1,73.88
1971-72	44.53		44.53
1972-73	..	48.17	48.17
1973-74	..	43.92	43.92
1974-75	..	38.82	38.82
1975-76	..	86.39	86.39
	2,79.48	2,17.30	4,96.78

The following points were noticed during audit (March-April 1976) :—

(1) *Development of irrigation*

According to the irrigation figures, supplied by the Executive Engineer, Jui Canal Division, Bhiwani (March 1976), the development of irrigation in four years ending 1974-75 was as under :—

Year	CCA*	Area actually irrigated	Percentage of development**
	(in acres)		
1971-72	65,828	4,591	6.97
1972-73	65,828	7,264	11.03
1973-74	72,199	12,984	17.99
1974-75	72,199	14,512	20.10

The main factor responsible for less development of irrigation was that water courses through which water is conveyed to the cultivators' fields had not been constructed by them in full length. According to the department, against 263 water courses running over 21.04 lakh running feet to provide coverage to 72,199 acres of CCA planned to be constructed before the monsoon of 1971, 263 water courses running over 8.41 lakh running feet which could cover 23,504 acres of CCA were constructed by April 1976.

(2) *Inadequacy of water*

The designed capacity of 8 minors of the main project, discharge required based on 278.15 capacity days (146.50 for *kharif* and 131.65 for *rabi* as fixed by

*Denotes the CCA actually covered by the infrastructure as against 74,528 acres estimated for the main project and Stage I, no addition to CCA being envisaged under Stage II.

**The project reports did not indicate yearwise phasing of development. In some of the adjoining canals of the Bhakra Canal system, the projected development of irrigation was 15, 25, 35 and 35 per cent (*kharif* only) in the 1st, 2nd, 3rd and 4th year respectively, the actual development being 11, 21, 15 and 22 per cent in those years.

the department) and the actual discharge were as under :—

Name of minor	Design- ed capacity (in cusecs)	Discharge required		Actual discharge			
		Kharif	Rabi	1972-73		1973-74	
				(in cusec days)	(in cusec days)	Kharif	Rabi
Keharpura	7.80	1143	1027	420	108	543	483
Chainpura	6.60	967	869	405	104	493	426
Khariawas	23.60	3457	3107	907	266	1616	1524
Patherwali	31.20	4570	4107	1114	228	1792	1577
Obra	24.70	3619	3252	398	91	518	404
Bijlana	14.20	2080	1869	577	92	706	718
Gokalpura	33.50	4908	4410	725	149	975	777
Kasni	11.30	1655	1488	298	20	525	457

According to the department (January 1977), the shortfall in actual discharge was due mainly to inadequacy of water and it was expected that the channels would have full discharge when Haryana State gets its share of Ravi-Beas waters.

For increasing the water allowance to 4.5 cusecs per 1000 acres of CCA between April and September, the capacity of the Jui Feeder was increased from 250 cusecs to 410 cusecs, of the Jui Canal from 217 cusecs to 337 cusecs and of the Behal Distributary from 91.5 cusecs to 136 cusecs at an aggregate estimated cost of Rs. 50.61 lakhs. Additional seven pumps parallel to the existing ones for lifting additional supplies were to be installed and were to be connected with the main channels through link channels at a total estimated cost of Rs. 15.31 lakhs. But these works, which were due to be completed by July 1973, had not been completed (April 1976); reasons for the delay were not known (February 1977). By March 1976, a sum of Rs. 8.14 lakhs had been spent on the construction of civil structure of the additional pumps and link channels.

(3) Distribution system

The system was designed in a "conventional" manner, *i.e.*, by keeping the length of water courses at about 2 miles each. In October 1972, the department felt that this length did not suit the sandy and undulating areas in the Bhiwani Tehsil where losses on account of absorption and evaporation were higher as compared to flat areas with clayey soils. Consequently, water did not reach the tail end of the water courses. Difficulties were also experienced in excavation of water courses through sand dunes and in their maintenance due to their frequent filling up with sand. To overcome these

difficulties, the Chief Engineer decided (October 1972) to restrict the length of water courses to about one mile in each *chak* (area irrigated from one outlet) and instead to construct new minors in a length of 44 miles and extend tails of the existing minors in a length of 11 miles at a cost of Rs. 67.44 lakhs. Meanwhile, 56 water courses with a length of over one mile each had been constructed by the Agriculture Department and the expenditure on construction of extra length (3.30 lakh feet), representing length beyond 5,000 feet where water could not reach at all or could reach but much below the minimum water allowance fixed, worked out to about Rs. 0.86 lakh.

In the absence of *chakbandi* of the command area, temporary outlets were fixed on *ad hoc* basis and the Agriculture Department constructed *katcha* water courses between 1971-72 and 1973-74 connecting the outlets. The permanent outlets sanctioned in December 1975 were less in number than temporary outlets and in some cases locations of outlets were also changed. Expenditure on construction of 57 water courses in 3.15 lakh running feet length that would be rendered redundant/abandoned as a result would work out to Rs. 1.26 lakhs.

(4) Deviation from specifications

The project provided for a free board of one foot on minors having a discharge capacity of less than 20 cusecs. However, nine minors with a free board of 1.5 feet, instead of one foot, were constructed by September 1974. Computed at the rate of Rs. 2.00 to Rs. 2.50 per running foot, as estimated by the department, extra expenditure on provision of excess board in 87,880 running feet length would work out to about Rs. 2 lakhs.

(5) Keharpura Minor

This minor off-taking from RD 1200-R of the Jui Canal to provide irrigation facilities to 2,480 acres of CCA was constructed in 1971 with a designed capacity of 7.8 cusecs at a cost of Rs. 1.45 lakhs. The irrigation on this minor was developed to the extent of 20, 23 and 39 per cent of CCA in 1971-72, 1972-73 and 1973-74 respectively. In 1974, the Titani Minor and 1-R Sub Minor were constructed and a large area (1,510 acres) under the command of the Keharpura Minor was transferred to the former to attain better efficiency. The discharge required to flow in the Keharpura Minor came down to 3 cusecs from 7.8 cusecs. Construction of the minor with a capacity of 3 cusecs instead of 7.8 cusecs would have cost about Rs. 0.28 lakh less on a proportionate basis.

(6) Galvanised iron pipes

Pipes of various sizes measuring 1.91 lakh metres (value : Rs. 51.08 lakhs) were procured, of which 1.32 lakh metres were transferred to other divisions on completion of the projects, 0.01 lakh metres were consumed on works and 0.56 lakh metres were on hand, thus leaving the balance 0.02 lakh metres valuing Rs. 0.20 lakh unaccounted for.

(7) Extra coping

Concrete coping with a width of 1.25 feet was provided on the banks to protect the lining from penetration by rain water. Later, the banks were raised varying from 2.26 feet in the upper reaches to 0.64 foot in the tail

reaches of the channels so that these could carry additional supplies. The original coping came under the earthen bank and fresh coping with a width of 0.75 foot was done on the raised banks which involved an extra expenditure of Rs. 1.09 lakhs.

The matter was referred to the Government in June 1976 ; reply is awaited (February 1977).

4.2. Payment for earthwork

Earthwork undertaken departmentally under the Crash Scheme for Rural Employment between January 1973 and March 1973 on a bund in the Mohindergarh Tehsil was stated to be 19.75 lakh cubic feet for which payment amounting to Rs. 2.44 lakhs by way of wages, etc., was made. The work remained suspended from April 1973 to October 1973 owing to a stay order granted by the Court. Fresh levels taken in October 1973 in the context of getting the work resumed through other agencies indicated that the work executed was only 8.44 lakh cubic feet. Proportionate cost of work shown to have been executed but not found at site works out to Rs. 1.40 lakhs.

The department stated (May 1976) that the matter was being enquired into. Further developments are awaited (February 1977).

4.3. Avoidable expenditure

(i) Some stretches of right and left banks of the lined Delhi Parallel Branch, completed and commissioned in December 1971, were found by the department (June 1972) to be higher than the designed level and dangerous to the safety of the canal. The banks were, therefore, lowered between February 1975 and November 1975 and 5.27 lakh cubic feet earth had to be removed at a cost of Rs. 0.23 lakh. The cost of putting up the embankment initially was about Rs. 0.39 lakh.

The matter was referred to the Government in August 1976 ; reply is awaited (February 1977).

(ii) The Augmentation Canal Division No. I, Yamunanagar purchased 50 and 100 iron cribs locally in September 1972 and October 1972 respectively at a cost of Rs. 0.30 lakh for use in shuttering on construction works at the head and cross regulators of the Augmentation Canal. The other division which was to design, fabricate or procure cribs was not consulted. Actually the other division was holding stock for supply when the cribs were received. As a result of local purchases, 129 cribs valued at Rs. 0.26 lakh with the other division were rendered surplus (August 1976).

The matter was referred to the Government in September 1974 ; reply is awaited (February 1977).

4.4. Breaches and damages in a newly constructed canal

The Western Jamuna Augmentation Canal was completed in December 1972 and water was let into the canal on the 10th January 1973. According to a communication (February 1973) from the Chief Engineer, Irrigation Works to the Government, a breach occurred on 1st February 1973 at kilometre 61 on the left bank of the canal due to defects in compaction in 50 feet length.

The water flowing out of the breach also caused damage to standing crops in the nearby fields. A sum of Rs. 0.14 lakh was spent on closing the breach and strengthening the bank and another Rs. 0.52 lakh were paid to cultivators by way of compensation for the damage to crops.

In July 1973, tile lining between 0.29 to 0.71 kilometre of the canal was damaged. A sum of Rs. 0.11 lakh was spent on stone pitching of side slopes as a temporary measure to repair the lining. Due to dry stone pitching, seepage continued. To stop further seepage, double tile lining was carried out at a further cost of Rs. 0.29 lakh. The Government stated in March 1975 that the damage was due to slipping on account of fluctuations in supplies and high back pressure.

A test check of the Gauge Registers, however, indicated that discharge in the canal was much less than its designed capacity and was not widely fluctuating either.

The matter was referred to the Government in September 1976 ; reply is awaited (February 1977).

4.5. Damage to a bridge

The *pucca* road from Tosham to Bahal crosses the Nigana Canal at RD 31494. A bridge was constructed at the site in November 1974 at a cost of Rs. 0.29 lakh. It was opened to traffic in February 1975. The canal was lined but a gap of 50 feet downstream of the bridge was left unlined for use as diversion road prior to opening of the bridge to traffic and for facilitating the shifting of water supply line.

For construction requirements, supply was run in the canal and the cross regulator at the head of the Alampur Distributary at RD 30683 of the Nigana Canal was closed by putting *karries* for storage of water upstream of the bridge. A small earthen bund was also put across the Nigana Canal approximately 50 feet downstream of the cross regulator to check seepage of water, if any, from flowing downstream to the bridge site. However, on 17th March 1975, water overflowed *karries* of the cross regulator and the earthen bund and flowed to full supply depth at the bridge site. This caused a breach in the unlined gap of the channel, erosion of soil under foundations of the abutments of the bridge and complete damage of the bridge constructed at a cost of Rs. 0.29 lakh. The bridge was reconstructed in September 1975 at a cost of Rs. 0.93 lakh with deeper abutments and R.C.C. raft foundation.

The data obtained from the department in September 1976 showed that overflowing was the result of pumping water into the Nigana Canal (25 lakh cubic feet) beyond its dead storage capacity (12 lakh cubic feet) between the Pump House and the Head of the Alampur Distributary.

The matter was referred to the Government in October 1976 ; reply is awaited (February 1977).

4.6. Recoveries due from contractors

The work "Constructing Pump House No. 1 (Second phase) at R.D.O. Loharu Canal" was allotted to two contractors by the Executive Engineer,

Loharu Canal Division No. 1, Charkhi Dadri on work order basis in April 1971. The work was started in April 1971 and completed in October 1974. The rates provided in the work order were subject to approval of the competent authority. The rates approved by the Chief Engineer in May 1973 were, however, lower. Meanwhile, payments were made by the Executive Engineer at the provisional rates. By the time the final bill was prepared, overpayment of Rs. 0.16 lakh had been made after adjustment of the security deposit. The overpayment is yet to be recovered (January 1977).

The matter was referred to the Government in September 1976 ; reply is awaited (February 1977).

BUILDINGS AND ROADS

4.7. Recoveries due from a contractor

In the Ambala Provincial Division, the work of constructing protection work on Tangri Nadi (estimated cost : Rs. 5.90 lakhs) was entrusted to a contractor in March 1972 for Rs. 4.50 lakhs for completion within six months exclusive of the rainy season. Before the start of the rainy season of 1972, the contractor completed nearly 30 per cent of the work as against 56 per cent of work stipulated for completion by that time. Despite several notices issued to the contractor, he did not resume the work after the rainy season. In November 1972 the department levied 10 per cent compensation amounting to Rs. 0.45 lakh and instructed the contractor to accelerate the progress failing which further action to get the work done at his risk and cost would be taken. The contractor did not resume the work.

Tenders were thereupon invited in December 1972 for the residual work and the work was entrusted to another contractor in March 1973. The work was completed in October 1973 at an extra cost of Rs. 0.42 lakh. The department stated (November 1976) that notice for the recovery of extra cost (Rs. 0.42 lakh) from the first contractor would be issued shortly.

Against the recoverable amount of Rs. 0.87 lakh (compensation and extra cost), Rs. 0.12 lakh representing amounts withheld as security from running payments and the value of work done since last payment were available with the department.

The matter was referred to the Government in September 1976 ; reply is awaited (February 1977).

4.8. Motor grader

A motor grader purchased in 1956 at a cost of Rs. 0.89 lakh was delivered to a firm of Ambala City in April 1964 for preparing a detailed estimate for repairs. It was expected to run another four years after repairs. The grader was dismantled by the firm and it sent to the department an estimate of Rs. 0.27 lakh for repairs. Since the estimate furnished by the firm was considered to be on a high side, it was decided to repair the grader departmentally. In March 1965, the firm asked the department that the grader in dismantled condition be shifted ; otherwise Rs. 100 per day would be charged. The team of officials deputed (March 1965) for shifting the grader reported that it could not be removed without being assembled. The firm did not allow departmental persons to assemble the grader in its premises

and claimed Rs. 30,200 (April 1973) towards store. The grader is still (February 1977) with the firm.

The Government accorded sanction only institution of a civil suit against the firm for no value of the suit was determined at Rs. 3.10 lakh (a) value of the grader (Rs. 0.42 lakh), (b) loss suffered by Government on retention of machinery by the firm (Rs. 2.10 lakhs) and (c) differences between the current cost of repair and the cost of repair in 1964 (Rs. 0.58 lakh). Further developments are awaited (February 1977).

4.9. Irregular payments

An order for the supply of 176 tonnes of mild steel rounds of 20 mm and 40 mm sizes was placed by the Controller of stores on a firm of Delhi in August 1971 on behalf of various circles/divisions of the Public Works Department (Buildings and Roads Branch). Delivery was to be made within 15 days. Ten per cent of the value of the contract was to be deposited with Government as security (Rs. 0.27 lakh) within a week of the supply order. The firm did not furnish any security deposit.

The supply order provided for payment of 98 per cent of the value only after inspection and despatch of the material. Two Sub-Divisional Engineers paid to the firm Rs. 0.31 lakh as advance payment in October and November 1971 for supply of 20 tonnes of mild steel rounds. Actual supplies received were 8.55 tonnes in October 1971 (4.72 tonnes) and in 1973 (3.83 tonnes). An amount of Rs. 0.16 lakh, after adjustment of Rs. 0.01 lakh deposited by the firm in cash on 30th September 1973, is recoverable from the firm for supplies paid for but not received.

The department stated (November 1976) that the whereabouts of the firm were since not known.

The matter was referred to the Government in January 1976 ; reply is awaited (February 1977).

PUBLIC HEALTH

4.10. Rural Water Supply

The Government undertook rural piped water supply schemes initially under the 'National Water Supply and Sanitation Programme' initiated by the Government of India in 1954. According to the programme, upto the Third Five Year Plan period (1961-66), the Government of India and the State Governments were to share 50 and 38 per cent of the cost respectively, the balance 12 per cent being recoverable from the beneficiaries (5 per cent in cash and 7 per cent in the form of land and labour). In the Fourth Five Year Plan period (1969-74), the Central assistance was reduced to 30 per cent by way of block grants. In order to give relief to the people of drought affected/sub-mountainous areas, the State Government also met, on occasions, 5 per cent share payable in cash by the beneficiaries out of famine relief grants.

In 1972-73, the Government of India introduced another programme under which 100 per cent Central assistance was provided for schemes to be

in up in difficult regions or areas where the population was in urgent need of assured and safe source of drinking water or where the economically weaker section of society lived.

In January 1967, the State Government constituted a Sanitary Board to deal with water supply schemes in the urban and the rural areas. The schemes were to be approved by the Board which was also responsible for seeing that grants were properly expended on the objects for which they were released. The Government placed annually a lump sum amount at the disposal of the Board which sanctioned funds for execution of individual water supply schemes. The schemes were executed through the State's Public Works Department, (Public Health Branch).

The funds representing Central and State Government's share released to the Sanitary Board and cash contribution of the beneficiaries were adjusted in the accounts as deposits on behalf of the panchayats.

Between 1966-67 and 1975-76, Rs. 11,56.88 lakhs were provided from the following sources for rural water supply schemes within Haryana :—

Government of India

Specific grants Rs. 2,55.62 lakhs

Government of Haryana

Plan provision Rs. 7,99.74 lakhs

Non-Plan provision—
out of famine relief grants

Rs. 1,01.52 lakhs

Rs. 11,56.88 lakhs

The expenditure aggregated Rs. 10,44.75 lakhs. The balance of Rs. 1,12.13 lakhs remained as deposit with the Public Works Department (Public Health Branch).

The schemes approved by the Board between 1966-67 and 1975-76, their estimated cost and expenditure during these years were as under :—

Year	Number of schemes approved	Estimated cost	Expenditure
		(in lakhs of rupees)	
1966-67	10	13.19	14.55
1967-68	49	8,96.12	28.39
1968-69	47	95.46	48.13
1969-70	20	33.10	78.45
1970-71	140	4,26.43	1,09.26
1971-72	65	2,68.46	2,32.45
1972-73	82	12,94.28	1,67.39
1973-74	25	2,80.25	1,47.74
1974-75	77	4,53.05	1,07.73
1975-76	44	3,71.46	1,10.66
Total	559	41,31.80	10,44.75

According to the information furnished by the department, at the end of March 1976, 186 schemes (estimated cost : Rs. 8,12.34 lakhs; expenditure : Rs. 6,55.38 lakhs) were completed/ commissioned, 100 (estimated cost : Rs. 8,16.59 lakhs ; expenditure : Rs. 3,88.48 lakhs) were under execution, 34 (estimated cost : Rs. 2,01.75 lakhs ; expenditure : Rs. 0.89 lakh) were not started after survey, etc., 65 (estimated cost : Rs. 4,51.43 lakhs) were not started due to non-receipt of beneficiaries' share and 174 (estimated cost : Rs. 18,49.69 lakhs) were not taken up for want of funds.

The Chief Engineer, Public Health stated that by March 1976, safe drinking water had been supplied to a population of 11.45 lakhs.

Important points noticed during test-check by Audit (July-August 1976) are mentioned below :—

(i) Only such schemes which could be completed by March 1974 were to be undertaken under the programme introduced by the Government of India in 1972-73, referred to above. Eight schemes approved by the Government of India, for which grants of Rs. 80 lakhs and Rs. 60 lakhs were paid to the State Government during 1972-73 and 1973-74, were as under :—

Serial number	Name of water supply scheme	Number of villages	Estimated cost (in lakhs of rupees)	Expenditure during 1972-73	Expenditure during 1973-74	Expenditure to the end of 1975-76
Hissar District						
1.	Rawalwas group of villages	14	47.97	6.58	15.86	24.90
2 @	Biran group of villages (now in Bhiwani District)	7	19.41	18.49	1.62	20.53
Gurgaon District						
3.	Khushpura group of villages (now in Mohindergarh District)	24	32.64	30.02	1.84	38.99
4.	Kherla group of villages	12	10.73	7.53	(—)1.57	8.50
5.	Seekri group of villages	28	38.27	10.56	9.03	27.29
Mohindergarh District						
6.	Khatod group of villages	15	24.97	6.08	6.48	14.38
7.	Palri group of villages	11	20.06	2.01	2.32	8.17
8.@	Mandoli group of villages (now in Bhiwani District)	24	56.28	41.34	7.31	54.62
		135	250.33	122.61	42.89	197.38

@Schemes at serial nos. 2 and 8 were already under execution but were included in the programme introduced in 1972-73.

Out of the above 8 schemes, two (serial nos. 2 and 3, expenditure: Rs. 59.52 lakhs) were stated (December 1976) to have been completed in July 1974 and six (serial nos. 1,4,5,6, 7 and 8, expenditure : Rs. 1,37.86 lakhs) were under execution (December 1976).

(ii) *Recovery of cost from the beneficiaries*

A sum of Rs. 51.77 lakhs in respect of 169 schemes remained to be recovered from the beneficiaries (March 1976).

(iii) *Non-recovery of maintenance charges*

The maintenance and running of the schemes was the responsibility of the Public Works Department. According to a decision taken by the Government in January 1965, the maintenance charges of water supply schemes except those falling in hilly and sandy areas were to be recovered from the panchayats. In April 1976, the Government decided that from the year 1976-77 such charges may be recovered from the panchayats of all areas in the form of water rate on the basis of house tax.

Rupees 2,23.72 lakhs were spent on maintenance of water supply schemes during 1966-67 to 1975-76. The amount which was due to be recovered from the panchayats of areas other than hilly and sandy areas was not worked out and recovered (September 1976). While the Public Works Department, Public Health Branch considered that recovery was to be made by the Panchayat Department, the latter stated (September 1976) that recovery was the business of the former.

As against the above recovery due from the panchayats, charges were collected from private connection holders by the Public Works Department during that period towards supply of water on behalf of the panchayats; details of and aggregate collections were not readily available (February 1977).

(iv) *Non-recovery of water charges in respect of private domestic connections*

It was noticed during test check of six divisions that a sum of Rs. 0.77 lakh due on dates between July 1975 and March 1976 was outstanding at the end of March 1976 against 1,086 private connection holders; amount due during this period in respect of 566 connections was not worked out (March 1976).

The department ordered disconnection of 325 unauthorised domestic connections between May 1975 and August 1975. A sum of Rs. 2.09 lakhs, calculated by the department on the basis of the maximum rates applicable to the relevant consumers and the period during which water was used, however, remained to be recovered from the beneficiaries (December 1976).

(v) In the Public Health Division, Ambala Cantonment, machinery valuing Rs. 0.11 lakh purchased in 1972 and 1974 was lying unused as the design/specification of the works on which it was to be installed was changed subsequently.

(vi) In the Industrial Area Public Health Division, Faridabad, seven works (estimated cost : Rs. 1.68 lakhs) were entrusted to a contractor who executed the works to the extent of Rs. 1.54 lakhs upto April 1975. In June 1975, the contractor informed the department that he was unable to carry out the left-over portion of works due to illness. Recovery of Rs. 0.82 lakh was due from the contractor on account of material issued to him in excess of requirements but not returned to the department (Rs. 0.42 lakh) and penalty (Rs. 0.40 lakh). Only a sum of Rs. 0.16 lakh was with the division as security deposit of the contractor. The contractor is stated to have died in March 1976.

In the same division, a Sectional Officer was found taking away material worth Rs. 0.14 lakh outside Haryana in a truck on 8th March 1975. On physical verification of stores the following day, shortages valuing Rs. 0.32 lakh were noticed. The Sectional Officer was placed under suspension on 30th April 1975. The case was pending in the Court (December 1976).

(vii) *Scheme for providing safe potable water supply to village Thurana (District Bhiwani)*

The above scheme was completed in September 1972 at a cost of Rs. 5.01 lakhs to meet the needs of a population of 7,800. It was complained by the people that the water supplied gave foul smell. In a communication to the circle office (July 1976) the division stated that the quality of water being supplied was not satisfactory owing to the factors mentioned below :—

(a) The canal supply to the water works from the Petwar Distributary through a *Katcha* inlet channel got contaminated by the salt peter present in large quantity in the earth.

(b) The water level which was about 6.5 feet below the ground level had risen in recent years and was above the bed level of storage tanks, filter beds, etc. The various structures at water works were not initially designed to prevent the percolation of sub-soil water and the highly brackish water with contents of salt peter percolated into the storage tanks, and contaminated the canal supplies leading to foul smell, scour and saline taste.

The department proposed to overcome these difficulties by lining the inlet channel and laying layers of cement concrete in the bed of storage tank, filter beds, clean water tank, storage and sedimentation tanks and suction and scour wells at a cost of Rs. Rs. 3.31 lakhs ; estimates were awaiting sanction (October 1976).

(viii) *Scheme for providing water supply to village Kakrod (District Jind)*

A sum of Rs. 2.29 lakhs was spent on the scheme upto November 1974. It was partly commissioned in December 1974 with two stand posts against 15 provided in the estimate for the work. There were complaints about cracks in *pucca nallah* and pump chamber and the work having not been carried out according to specifications. The matter was under investigation by the Vigilance Department since November 1974. Further developments are awaited (February 1977).

4.11. Excess issue of material

The rules provide that material should not be issued to a contractor in excess of immediate requirements. In the Public Health Division, Ambala Cantonment, five works of providing water supply and sewerage installations (aggregate estimated cost : Rs. 2.24 lakhs) and one work of providing and fixing laboratory table in a Government High School (estimated cost : Rs. 0.94 lakh) were entrusted to a contractor in 1971-72 and 1972-73. The works were completed or nearly completed by September 1972 but final bills were not passed (November 1976). It was noticed in audit (January 1976) that material worth Rs. 0.46 lakh (at issue rate) which was returnable was not returned by the contractor. According to the terms of the agreement, recovery of material not returned is to be effected at double the issue rate

After setting off the value of work done (Rs. 0.02 lakh) since last running payment made in April 1973 and amount of security (Rs. 0.11 lakh) available with the department, the amount recoverable from the contractor works out to Rs. 0.79 lakh. The whereabouts of the contractor were stated to be not known to the department (January 1977).

The matter was referred to the Government in September 1976 ; reply is awaited (February 1977).

4.12. Recovery due from a contractor

In the Project Public Health Division, Faridabad, the work of providing estate sewerage and water supply in Industrial-cum-Housing Estate, Faridabad (estimated cost : Rs. 2.90 lakhs) was entrusted to a contractor in March 1966 for completion within 12 months. The date of completion was later extended upto 31st December 1967. The contractor executed work of the value of Rs. 2 lakhs by December 1967 when he stopped the work. The department levied in June 1968 ten per cent compensation amounting to Rs. 0.29 lakh for delay in execution of the work. In August 1968, the contractor represented against the levy of compensation on the ground that he was not responsible for the delay. The representation was considered by the Superintending Engineer on 19th February 1969 when the contractor stated that he had taken up the work in hand and would complete it before 30th June 1969. The Superintending Engineer ordered that a report be sent to him about the state of work in the middle of June 1969 and meanwhile the amount of Rs. 0.29 lakh be withheld and running payments for work done be made to the contractor.

The contractor did re-start the work in February 1969 but did not complete it. The matter remained under correspondence between the department and the contractor and a final notice was issued to the contractor on 7th February 1972 requiring him to resume the work within 10 days failing which the work would be completed through another agency at his risk and cost. Eventually the contract was rescinded in May 1972 and the residual work was entrusted to another contractor at an estimated cost of Rs. 0.58 lakh which would involve extra expenditure of Rs. 0.21 lakh when compared with the cost of work at the original contractor's rates. The second contractor also stopped the work sometime in 1974 after executing work of the value of Rs. 0.47 lakh and the residual work was allotted to still another contractor in July 1976 at the risk and cost of the second contractor. The work was in progress (January 1977).

In March 1975, the compensation levied on the first contractor was reduced as a result of arbitration from Rs. 0.29 lakh to Rs. 290. The department made final payment to the contractor (Rs. 2,166) and released security (Rs. 0.23 lakh) in December 1975 after making deduction of Rs. 290 but without withholding any amount towards the extra cost (Rs. 0.21 lakh) recoverable from him which was not referred for arbitration. Information as to the action taken for effecting recovery of Rs. 0.21 lakh was called for from the department in April 1976 ; reply is awaited (February 1977).

The matter was referred to the Government in September 1976 ; reply is awaited (February 1977)

GENERAL

4.13. Delay in issue of posting orders

According to the rules, the period of compulsory waiting by a Government servant pending orders of Government posting him to a particular post is treated as duty for all purposes and the Government servant gets full pay and allowances without performing any duty. In the Public Works Department (Buildings and Roads and Irrigation branches), during May 1974 to June 1976, treatment of such period as duty was ordered by the Government in the case of 32 Gazetted Officers involving payment of about Rs. 0.51 lakh, as under :—

<i>Compulsory waiting</i>	<i>Public Works Department (Irrigation Branch)</i>			<i>Payment allowed</i>	<i>Public Works Department (Buildings & Roads Branch)</i>			<i>Payment allowed</i>
	<i>No. of cases</i>	<i>Period</i>			<i>No. of cases</i>	<i>Period</i>		
		<i>Mini-</i>	<i>Maxi-</i>			<i>Mini-</i>	<i>Maxi-</i>	
		<i>imum</i>	<i>imum</i>			<i>imum</i>	<i>imum</i>	
	(in days)	(in rupees)		(in days)	(in rupees)		(in rupees)	
(a) after being relieved from a particular charge	7	18	66	8,045	2	171	215	11,285
(b) after reporting for duty on re-instatement	7	18	66	10,401	..	..	..	..
(c) after reporting for duty on return from leave/deputation/foreign service	2	30	85	4,309	3	34	68	5,171
(d) after reporting for duty consequent upon closing down of divisions/circles	11	13	71	12,071	..	..	..	..
Total	27			34,826	5			16,456

The matter was referred to the Government in September 1976 ; reply is awaited (February 1977).

CHAPTER V

STORES AND STOCK

5.1. Synopsis of important stores accounts

A synopsis of important stores accounts for 1975-76 (other than those relating to Government commercial and *quasi*-commercial departments/undertakings) received upto January 1977 is given below :—

Serial number	Department/Stores	Opening balance	Receipts	Issues	Closing balance
(in lakhs of rupees)					
1.	Stamps—				
	Revenue-judicial and non-judicial stamps	52,81.39	31,04.19	13,38.86	70,46.72
2.	Public Health—				
	Iron, cement, bricks, stone, timber, pipes, fuel, lubricants, paints, sanitary fittings, etc.	2,62.77	8,59.44	7,56.63	3,65.58
3.	Irrigation—				
	(a) Bhakra Canals—				
	Building materials, timber, fuel, lubricants, paints, electrical goods, etc.	25.83	18.41	16.70	27.54
	(b) Other than Bhakra Canals—				
	Cement, iron, bricks and miscellaneous stores	(—)1,20.05	14,29.24	11,89.57	1,19.62
4.	Public Relations—				
	Films, etc.	15.47	8.43	8.17	15.73
5.	Forest—				
	Consumable Stores, felled timber and other produce collected departmentally including livestock and non-consumable stores	15.43	34.63	34.70	15.36

<i>Serial number</i>	<i>Department/Stores</i>	<i>Opening balance</i>	<i>Receipts</i>	<i>Issues</i>	<i>Closing balance</i>
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(in lakhs of rupees)

6. Buildings and Roads—

Iron, cement, bricks, stone, timber, fuel, lubricants, paints, electrical goods, etc.	(—)1,26.64	11,38.78	10,65.88	(—)53.74
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The position (February 1977) of arrears in receipt of stores accounts where the value of annual purchases exceeded Rs. 5 lakhs is given in Appendix VI.

It would be seen therefrom that the Agriculture, Animal Husbandry, Industrial Training and Medical departments have not sent their store accounts for seven years from 1969-70 to 1975-76.

5.2. Reserve limit of stock

According to the rules, the value of stores held in stock by a division should not exceed the limit prescribed for that purpose. During 1975-76, limits had not been prescribed for 45 out of 125 divisions holding stock. In 10 divisions the value of stock at the end of 1975-76 exceeded the prescribed limits. The details are given below :—

<i>Serial number</i>	<i>Department</i>	<i>Total number of divisions in which stock was held</i>	<i>Number of divisions for which ceiling limits were not prescribed for 1975-76</i>	<i>Divisions in which value of stock held exceeded the prescribed limit</i>	<i>Excess amount (in lakhs of rupees)</i>
1.	Irrigation—				
	(a) Bhakra Canals	6	—	2	10.44
	(b) Other than Bhakra Canals	49	19	3	20.88
2.	Buildings and Roads	45	23	1	0.13
3.	Public Health	25	3	4	54.66
Total		125	45	10	86.11

5.3. Half-yearly closing of stock registers

The rules require that 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 the stores are priced having regard to the prevailing market rates. The stock registers have not, however, been closed in a number of divisions for several years although, to expedite clearance of arrears, the Government had been granting relaxation from time to time for exhibiting the value of stores in in the stock registers. The arrears in the closing of these registers at the end of March 1976 and the preceding two years are shown below :—

Serial number	Department	Number of registers of which closing was in arrears at the end of			Number of divisions in which the arrears existed in 1975-76	Earliest month to which the arrears on 31st March 1976 pertained
		1973-74	1974-75	1975-76		
1.	Irrigation—					
	(a) Bhakra Canals	37	82	85	6	March 1967
	(b) Other than Bhakra Canals	166	88	60	17	March 1972
2.	Buildings and Roads	226	242	169	21	March 1968
3.	Public Health	45	49	*	..	..
	Total	474	461	314	44	

5.4. 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 1975-76 were not received by Audit (February 1977) from 57 out of 125 Public Works divisions as shown below :—

1.	Irrigation—	
	(a) Bhakra Canals	2
	(b) Other than Bhakra Canals	42
2.	Buildings and Roads	7
3.	Public Health	6
	Total	57

*"Bin card" system has been introduced in all Public Health divisions.

AGRICULTURE

5.5. Idle machinery

Five machines purchased for Rs. 0.23 lakh between February 1970 and October 1971, for use in the Agriculture Workshop at Karnal for undertaking machining job of jeep and tractor engines under the Intensive Agricultural District Programme Project, Karnal, remained idle (November 1976) since their purchase. The department stated (November 1976) that since it was not found economical to operate these machines, the work was entrusted to private workshops. It was only in October 1975 that the Agriculture Department offered the machines to the Public Works Department at cost price. Further developments are awaited (February 1977).

The matter was referred to the Government in September 1976 ; reply is awaited (February 1977).

5.6. Shortages

In the following cases, shortages came to notice during physical verification/at the time of change in incumbency of Sectional Officers, etc.:—

BUILDINGS AND ROADS DEPARTMENT

Name of division/office and value of shortage

Remarks

- (i) Sirsa Provincial Division—
Rs. 1.95 lakhs
- (a) Shortages of bitumen and stone metal valuing Rs. 1.04 lakhs were noticed at the time of change in incumbency of two Sectional Officers in September 1971 (Rs. 0.96 lakh and Rs. 0.08 lakh) ; and
- (b) stores valuing another Rs. 0.91 lakh were found unaccounted for as per details given below :—

(in lakhs of rupees)

- | | |
|--|------|
| (a) non-accountal of bitumen (67.30 tonnes) issued from the Public Works Department stores during March 1971 against indents from two Sectional Officers | 0.35 |
| (b) non-accountal of 1.94 lakh bricks received in December 1971 | 0.24 |
| (c) non-accountal of 1,500 bags of cement received in March 1971 from the divisional stores | 0.18 |

(d) non-accountal of stores in material-at-site accounts between April 1974 and June 1974 0.14

Further developments are awaited (February 1977).

(ii) Narnaul Construction Division—
Rs. 0.23 lakh

Physical verification of stores in the Mohindergarh Sub-division was conducted in August 1974 and shortages valuing Rs. 0.23 lakh were noticed. Further developments are awaited (February 1977).

(iii) Jind Provincial Division—
Rs. 0.33 lakh

Stores and Tools and Plants articles valuing Rs. 0.12 lakh and Rs. 0.21 lakh respectively were found short at the time of physical verification of stores (April 1974). The Sectional Officer was suspended in May 1974. In June 1975, a report was lodged with the police. Further developments are awaited (February 1977).

(iv) Nuh Construction Division—
Rs. 0.11 lakh

Stone metal (Rs. 0.30 lakh) received in July/August 1972 was checked by a departmental official in March 1973 on receipt of complaint & was found short to the extent of Rs. 0.11 lakh. Further developments are awaited (February 1977).

IRRIGATION DEPARTMENT

(v) Kaithal Drainage Division—
Rs. 0.29 lakh

A test check of the half-yearly stock returns for the period ending March 1972 to September 1974 and the Tools and Plants returns for the period ending September 1974 and September 1975 disclosed shortages valuing Rs. 0.25 lakh and Rs. 0.04 lakh respectively. Further developments are awaited (February 1977).

AGRICULTURE DEPARTMENT

(vi) Plant Protection Inspectorate, Sirsa—
Rs. 0.27 lakh

Shortages of 32 cases of pesticides (24 cases of Dithane Z-78 of 25 kilograms each and 8 cases of Dimecron 100% E.C. of 15 litres each, together valuing Rs. 0.27 lakh) in the stores of the Plant Protection Inspector, Sirsa were reported on 30th August 1974 by a Storekeeper who took over charge of the stores from another Storekeeper. A departmental enquiry was conducted in November 1974. The case was reported to the police authorities in March 1976 for registering a case against both the Storekeepers. Further developments are awaited (February 1977).

MEDICAL AND HEALTH DEPARTMENT

(vii) Civil Hospital,
Sonepat—
Rs. 0.18 lakh

Shortages of stores including medicines valuing Rs. 0.18 lakh were noticed at the time of change in the incumbency of the Pharmacist of the Civil Hospital, Sonepat in October 1974. The department stated (August 1976) that dues of the official have been withheld pending investigation. Further developments are awaited (February 1977).

CHAPTER VI

GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES

SECTION A

GENERAL

6.1. This chapter deals with the results of audit of :—

- (i) Statutory Corporations,
- (ii) Government Companies; and
- (iii) Departmentally managed Government commercial/*quasi*-commercial undertakings.

SECTION B

STATUTORY CORPORATIONS

6.2. There were three Statutory Corporations in the State on 31st March 1976, *viz.*, Haryana State Electricity Board, Haryana Financial Corporation and Haryana Warehousing Corporation.

A general analysis of the capital structure, working results, etc., of these Corporations is given as under, separately in respect of (i) Haryana State Electricity Board; and (ii) Other Statutory Corporations.

(i) Haryana State Electricity Board

6.3. The Haryana State Electricity Board was formed on 3rd May 1967. The accounts of the Board for 1975-76, duly certified together with the audit certificate and report thereon, were forwarded to the State Government in September 1976 for being placed before the State Legislature in terms of Section 69(5) of the Electricity (Supply) Act, 1948.

6.4. Capital and borrowings

The capital of the Board comprises loans obtained from the State Government and borrowings from other sources. The table below indicates the balance of loans outstanding at the end of 1975-76 :—

<i>Source</i>	<i>Amount (in lakhs of rupees)</i>
State Government	2,24,09.48
Public borrowings (by issue of bonds)	29,23.61
Life Insurance Corporation of India, banks and others	49,57.63
Total	<hr/> 3,02,90.72 <hr/>

6.5. Working results

The working results of the Board for the three years ending 31st March 1976 are summarised below:—

	1973-74	1974-75	1975-76
	<i>(in lakhs of rupees)</i>		
(i) Revenue receipts	28,84.39	31,17.83	39,71.67
(ii) Revenue expenditure	21,88.48	26,17.09	30,80.68
(iii) Net surplus	6,95.91	5,00.74	8,90.99
(iv) Appropriation towards general reserve, interest on bonds, etc.	4,87.40	5,00.74	6,74.82
(v) Balance available towards interest on loans from Government.	2,08.51	—	2,16.17
(vi) Interest due on loans from Government :—			
(a) For the year	8,09.25	10,51.81	11,16.90
(b) Arrears for previous years	10,46.10	16,46.84	26,98.65
Total interest due	18,55.35	26,98.65	38,15.55
(vii) Arrears of interest on loans from Government shown in accounts as contingent liability	16,46.84	26,98.65	35,99.38

A synoptic statement showing the summarised results of working of the Board for 1975-76 is given in Appendix VII.

6.6. Generation and sale of energy

The table below indicates the installed capacity for generation of power, power generated, power available for sale, power sold and lost in transmission and distribution for the three years up to 1975-76 :—

	1973-74	1974-75	1975-76
	<i>(In Mkw h)</i>		
(i) Installed capacity—			
(a) Internal combustion (Diesel)	36.73	36.73	36.73
(b) Thermal	738.47	738.47	1,264.07
(c) Hydel	3,532.91	3,532.91	3,532.91
Total	4,308.11	4,308.11	4,833.71

(ii) Power generated—	1973-74	1974-75	1975-76
(a) Internal combustion (Diesel)	0.44	0.61	0.09
(b) Thermal	449.43	474.14	681.00
(c) Hydel	1,919.83	1,318.54	2,000.99
Total	2,369.70	1,793.29	2,682.08
(iii) Power used for auxiliaries	38.27	40.01	63.07
(iv) Power purchased	177.51	342.54	206.18
(v) Power available for sale	2,508.94	2,095.82	2,825.19
(vi) Power sold—			
(a) Within the State	1,425.74	1,215.78	1,618.88
(b) Outside the State (Share of power sold by Bhakra Management Board)	660.97	483.54	729.32
(c) Free supply to employees	5.46	6.18	5.63
Total sales	2,092.17	1,705.50	2,353.83
(vii) Loss in transmission and dis- tribution	416.77	390.32	471.36
(viii) Percentage of power generated to installed capacity	55.0	41.6	55.5
(ix) Percentage of loss in trans- mission and distribution to power available for sale	22.6	24.2	22.5
(x) Average cost of energy sold (including free supply to staff) per Mkwh (in lakhs of rupees)	1.34	1.79	1.65
(xi) Average revenue per Mkwh (in lakhs of rupees)	1.38	1.83	1.69

6.7. Faridabad Thermal Power Station Extension Project

In order to meet the power shortage in the State, the composite Punjab State Electricity Board planned in 1965 to set up a 55/60 M.W. thermal plant at Faridabad, to be followed by another unit of equal capacity. The proposed plants were expected to be in addition to a 15 M.W. thermal plant which was under completion at that time. This was completed in 1966 at a cost of Rs. 2,48.48 lakhs. After bifurcation of the composite Board in May 1967, the

Haryana State Electricity Board took some time to establish its own organisation and the project at Faridabad was taken up in 1969-70. Keeping in view the demand for power and the expected saving that could be effected if installation of the second unit was also taken up along with the first unit, the State Government accorded approval in August 1970 to take up erection of the second unit of 55/60 M.W. simultaneously. The second unit was taken up in 1971-72. The thermal generating system had been so designed as to work in combination with the Bhakra Nangal system. The idea was that the thermal plants working in the grid would not be run when the demand could be met by hydroelectric power.

For erection of the extension plant, the Board set up a separate office on 6th June 1969 under the charge of a Superintending Engineer (Thermal). To coordinate and exercise control over the work of the project, the Board further constituted on 25th July 1969, a committee of its Whole time Members, known as Thermal Standing Committee, vested with administrative, technical and financial powers.

(2) Appointment of consultants

The Central Water and Power Commission was appointed on 29th August 1969, as consultants for construction of both the units subject to payment of consultancy charges within the following limits :—

	<i>(in lakhs of rupees)</i>
(i) For Unit I	13.63
(ii) For Unit II	8.00
Total	21.63

The Commission had been paid Rs. 20.40 lakhs up to March 1976 as consultancy charges.

(3) Cost estimates

According to a project report prepared in 1970, the project was estimated to cost Rs. 27.25 crores (Rs. 15.75 crores for Unit I and Rs. 11.50 crores for Unit II). The table given below indicates the estimates as per the project report *vis-a-vis* the actual expenditure incurred thereagainst up to January 1977 :—

<i>Item of work</i>	<i>Provision as per the project report</i>			<i>Actual expenditure</i>
	<i>Unit I</i>	<i>Unit II</i>	<i>Total</i>	
	<i>(in lakhs of rupees)</i>			
Generation	13,19.94	10,08.91	23,28.85	22,66.13
Transmission plant	28.75	19.90	48.65	1,37.29
General equipment	1,33.25	45.50	1,78.75	2,00.43
Miscellaneous (including establishment)	97.50	72.50	1,70.00	2,09.96
Total	15,79.44	11,46.81	27,26.25	28,13.81
Say	15,75.00	11,50.00	27,25.00	28,14.00

Apart from the aforesaid expenditure of Rs. 28,14.00 lakhs, adjustments relating to additional expenditure of Rs. 4,07.88 lakhs in respect of stocks and advances to suppliers, have not been carried out (January 1977). After taking into account these, the total cost of the project works out to Rs. 32,22 lakhs approximately as compared to the estimated cost of Rs. 27,25 lakhs.

The excess of expenditure over the estimates was attributed by the Management to increase in the cost of equipment as the cost indicated in the project report was based on the prevailing rates in 1969-70 and ever since, the cost of equipment had risen due to increasing price trend.

(4) *Execution of works*

As per the project report, the commercial operation of Unit I and Unit II was expected to start by the end of 1973-74 and 1975-76 respectively. Trial operation of Unit I was, however, carried out in November 1974 while its commercial operation started in April 1975. Commercial operation of Unit II was started in May 1976. The Management informed the Board in November 1975 that the late commissioning was mainly caused by delay in (a) erection, testing and commissioning of boilers, (b) non-delivery of turbo-generating sets with complete auxiliaries, equipment on schedule, and (c) erection of steel structure for the main powerhouse building.

(a) *Erection, testing and commissioning of boilers*

The work of erecting, testing and commissioning of boilers of both the units was allotted to a firm of Gujarat in September 1972 at its quoted rates of Rs. 36.20 lakhs with a stipulation that the Board should advance Rs. 3.50 lakhs free of interest. The boilers of Unit I and Unit II were required to be ready for commissioning by 5th May 1974 and 5th May 1975 respectively.

Over and above the advance contemplated in the agreement, the Board advanced Rs. 2.00 lakhs in September 1974 to help the firm out of financial difficulties without deciding the rate of interest applicable on it. The interest chargeable on the advance has not been determined (February 1977).

Despite grant of the financial accommodation, the firm was not able to accelerate the progress of work. By December 1974, the firm had erected total weight of 2697 tonnes for the 1st boiler and 1023 tonnes for the 2nd boiler against the required erection of 2750 tonnes (approximately) on each boiler. The remaining work was completed departmentally and through sub-contractors. The total cost up to commissioning of the two boilers (including payments made to the Gujarat firm) worked out to Rs. 65.89 lakhs as against cost of Rs. 39.23 lakhs assessed at the firm's rates.

The Board's claim for recovery of extra cost, damages, etc., amounting to Rs. 85.76 lakhs from the firm was under arbitration (February 1977).

(b) *Supply, erection and commissioning of turbo-generating sets*

A letter of intent conveying the decision of the Board for purchase of turbo-generating sets with auxiliaries and boiler plant for Unit II of 60 M.W. was issued to Bharat Heavy Electricals Limited (BHEL) on 30th March 1971. The equipment were required to be delivered by the second half of 1974-75. In the case of supply being delayed, BHEL was liable to pay liquidated damages

equivalent to 0.25 per cent of the contract price of the equipment per week of such delay or part thereof, limited to 5 per cent of the contract price. The erection work of both the units was entrusted to another firm for a lump sum amount of Rs. 19.76 lakhs.

The delivery of the turbo-generating sets was completed by March 1975 but the supply of auxiliary equipment was not completed as per schedule with the result that there was delay in erection, testing and commissioning of the equipment by the erector firm. This necessitated payment of over-run charges amounting to Rs. 1,18,590 to the erector firm, for its overstay at site between January 1976 and April 1976. Apart from this, Rs. 49,510 were paid to the erector firm in June 1976 on account of rectification, modification or re-doing of work at site to rectify the defects in the material supplied by BHEL.

No claim for liquidated damages on account of the delay in the supply of material by BHEL and for recovery of Rs. 1.68 lakhs paid to the erector firm was preferred. The project authorities stated (September 1976) that "the payment of Rs. 49,510 on account of rectification, modification or re-doing work at site made on behalf of BHEL shall be made good by recovery from BHEL from their pending bills. The recovery on account of over-run charges from BHEL shall also be made from their pending bills in case the delivery period is not suitably amended and these charges become recoverable from BHEL." It may be stated that BHEL had not sought for any amendment to the delivery schedule.

(5) *Thermal generation*

(a) *Utilisation of capacity*

The table below indicates the percentage of thermal power actually generated as compared to the installed capacity and projected capacity during the three years up to 1975-76 :—

	1973-74	1974-75	1975-76	
	15 M.W. plant	15 M.W. plant	15 M.W. plant	Unit I of 60 M.W.
Date of commissioning	February 1966	February 1966	February 1966	April 1975
Installed capacity (Mkwh)	131.40	131.40	131.76	527.04
Projected capacity (Mkwh)@	84.000	84.000	84.000	324.000
Total hours available	8760	8760	8784	8784
Actual hours operated	6313	7057	4297	5516
Units actually generated (Mkwh) (including station auxiliary consumption) @@	67.346	68.405	44.188	269.445
Percentage of generation to projected capacity	80.2	81.4	52.6	83.2

@Project capacity has been assessed on the basis of plant operation for 6000 hours in a year at 60 per cent load factor and 90 per cent plant factor,

@@Figures taken from the Board's records.

During the period from April 1976 to November 1976, the generation of electricity in Unit I of 60 M.W. was 75 Mkw which worked out to 35 per cent of the projected capacity for that period. This was attributed by the Management mainly to rotary trouble in turbine during July 1976 to October 1976.

(b) Outages

The outages during 1975-76 were mainly due to the following reasons :—

	<i>Off-steam hours due to lack of demand in rainy season</i> (hours)	<i>Off-steam hours due to unscheduled break-downs defects/ other causes</i> (hours)	<i>Loss of generation due to forced out-ages</i> (Mkwh)
15 M.W. Plant	3366	1121	16.815
Unit I of 60 M.W.	1239	2029	121.740

In the monthly progress reports submitted by the Project Officer to the Board, the forced outages were attributed mainly to :—

- (i) Leakage in plate in super-heater tube;
- (ii) steam washing of turbine due to rise in Curtis wheel pressure;
- (iii) rise in axial shift;
- (iv) operation trouble due to system troubles like low voltage ; and
- (v) electric faults.

(c) Station auxiliaries consumption

The table below shows the power consumed in the station auxiliaries during the three years ending 1975-76 :—

<i>Plant</i>	<i>Year</i>	<i>Units generated (Mkwh)</i>	<i>Consumption by auxiliaries (Mkwh)</i>	<i>Percentage of consumption to units generated</i>
15 M.W.	1973-74	67.346	8.161	12.1
	1974-75	68.405	8.964	13.1
	1975-76	44.188	5.367	12.1
60 M.W. Unit I	1975-76	269.445	23.510	8.7

The consumption of power by station auxiliaries was estimated by the Board at 8 per cent of the total units generated. Excess consumption in Unit I during 1975-76 works out to 1.954 Mkw and on 15 M.W. plant to 2.773, 3.492 and 1.832 Mkw during 1973-74, 1974-75 and 1975-76 respectively. Reasons for the excessive consumption in 15 M.W. plant had not been intimated (February 1977).

(d) *Consumption of fuel*

(i) During 1975-76, Unit I generated 269,445 Mkw by consuming 147,395 tonnes of coal as against the anticipated consumption of 144,423 tonnes. The cost of coal consumed in excess (292 tonnes) at the average purchase rate of Rs. 150 per tonne works out to Rs. 4.46 lakhs. The project authorities stated in September 1976 that 2 per cent variation was marginal as the plant was in the initial stages of stabilisation.

(ii) The project report envisaged that furnace oil would be pumped into the storage tanks for consumption from the receiving yard. No meters had been installed for measuring the receipt and consumption of oil by Unit I. During 1975-76, furnace oil was directly taken into the storage tanks from suppliers and its consumption was calculated at the notional rate of 0.3 kl. per burner per hour as provided in the sanctioned estimates. The comparative position of oil received and consumed during 1975-76 as worked out from the records made available, is given below :—

<i>Description of oil</i>	<i>Receipt including opening balance for 1975-76 (kl.)</i>	<i>Total burning hours</i>	<i>Consumption as per estimate (kl.)</i>	<i>Actual consumption (kl.)</i>	<i>Consumption Excess (+) / Less (—) (kl.)</i>
Light diesel oil	1633.686	2168.20	650.460	699.916	(+)49.456
Heavy furnace oil	3056.870	7477.03	2243.109	2040.517	(—)202.592

Shortage of 110 kl. of furnace oil costing Rs. 80,000 (approximately) was also noticed in October 1974 at the time of change in incumbency of different officials. The matter was reported to the Police in December 1974. The case was pending in the Court (February 1977).

(6) *Production cost*

According to the project report, the estimated cost per unit of thermal power (Unit I) should work out to 12 paise. As a result of increase in the capital outlay and operation and fuel charges, the cost of production per unit for the year 1975-76 at bus was 21 paise per unit.

The average revenue realised per unit sold for the hydroelectric and thermal energy taken together during 1974-75 and 1975-76 was 19.6 paise and 19.2 paise respectively. The Board stated (December 1975) that the cost of generation had increased owing to increase in the cost of coal as well as on account of increase in the capital cost.

(7) *Under-utilisation of machinery*

A wagon tippler costing Rs. 13.27 lakhs (including the cost of tippler weigh-bridge Rs. 2.76 lakhs) was installed and put into operation in March 1975. During the period from 15th March 1975 to 31st March 1976, the total quantity of slack coal received by the project was 2,29,220 tonnes. Out of this, about 1,99,229 tonnes of coal was received in open wagons while the remaining quantity was received in closed wagons. Out of 1,99,229 tonnes of coal received in open wagon, about 1,49,912 tonnes were unloaded through the wagon tippler and the remaining quantity was unloaded manually at a cost of about Rs. 0.72 lakh. The project authorities had also to pay Rs. 1.34 lakhs during July 1975 to March 1976 as demurrage charges to the Railway authorities for delayed release of wagons. The Board attributed (December 1975) manual unloading of coal and payment of demurrage charges to wet and oversized coal and also to mechanical defects in the tippler.

(8) *Other points of interest*(i) *Station lighting system*

Tenders for a station lighting system comprising design, supply of fixtures and accessories and installation thereof were invited on 16th July 1973. Part I of the tenders was to be opened in the first instance for technical evaluation, while part II was to be opened after satisfying about the completeness of the technical bid. Part I of the tenders received from three firms 'A', 'B' and 'C' were opened on 10th September 1973.

The tender of firm 'C' was valid up to 10th October 1973 whereas the tenders of firms 'A' and 'B' were valid up to 10th March 1974. Firm 'A' had quoted rates for supply of fixtures only and accordingly, its offer was found to be deficient. Firm 'C' s offer was valid up to 10th October 1973 and it did not agree to offer validity for six months as per the tender specifications. The only valid and complete offer was that of firm 'B' which, according to the Board's consultant, had no past experience in lighting system. The firm, however, claimed that it had the benefit of association with Philips India Limited for design of system and procurement of material. Part II of the tender of firm 'B' was opened on 7th November 1973 and the tendered rate was Rs. 9,09,654 less 2 per cent discount as per the details given below :—

<i>Particulars</i>	<i>Amount (Rupees)</i>
Supply of 1792 fixtures including cost of wiring conduit pipes and installation up to the distribution board.	7,01,237
Supply of accessories	1,27,600
Installation, testing and commissioning	55,272
Supply of 106 fixtures for tunnel lighting	18,547
Installation of tunnel lighting	848
Tools	6,150
Total	9,09,654

The break up of the first item of Rs. 7,01,237 into various components was intimated by the firm on 29th November 1973 only in terms of percentages and based on that, the cost of each component worked out as indicated below :—

	<i>Rupees</i>
(a) Supply of Philips make fittings with lamps at the rate of 60 per cent of the total price	4,20,742.20
(b) Supply price of wires at the rate of 20 per cent of the total price.	1,40,247.40
(c) Supply of conduit and brackets at the rate of 10 per cent of the total price.	70,123.70
(d) Installation of point wiring up to distribution board at 10 per cent of the total price.	70,123.70
Total	7,01,237.00

The Store Purchase Committee of the project decided on 7th December 1973 to open part II of the tender of firm 'A' also, for comparing the prices of firm 'B' for the supply portion of Philips make material. The price quoted by firm 'A' for fixtures *vis-a-vis* the rates of firm 'B' was as indicated below :—

	<i>Rupees</i>
Rates of firm 'A' for 1792 fittings with lamps	2,82,118
Rates of firm 'B' for 1792 fittings with lamps	4,20,742

Thus the rates of firm 'B' were higher. Nevertheless, the Store Purchase Committee decided on 23rd December 1973 to place order on firm 'B' at its quoted rates, variable upto a ceiling of 15 per cent. This decision was confirmed by the Thermal Standing Committee on 5th January 1974 and order was placed on 24th January 1974 notwithstanding the wide margin in the overall cost of the light fittings as per the two quotations. The Board stated (December 1975) that the work would have been delayed indefinitely if the order had not been placed on the firm.

Firm 'B' had offered delivery of the material on firm rates provided the purchase order was placed by 10th December 1973. Since the order was placed on 24th January 1974, the firm claimed payment amounting to Rs. 1.11 lakhs under price variation clause of the offer/order.

The project authorities stated in September 1976 that the break-up furnished by the firm on 29th November 1973 for billing purposes showed only percentages (and that was not accepted by the project) and the cost computed on the basis of these percentages could not be the basis for comparison with the price bid of firm 'A' in respect of fixtures and that the order could not be placed before 10th December 1973 since it took 3 to 6 months to decide on a two part tender. It may be pointed out in this connection that if the Board had not accepted this break up of cost given by the firm, there was hardly any need then

to open part II of tender (price bid) of firm 'A' on the 17th December 1973 and this had delayed the decision on award of the contract.

(ii) *Coal accounts*

Prior to 15th March 1975, the project did not have the facility of weigh-bridge and wagon tippler and accordingly, consignments of coal received were accepted and accounted for on the basis of weights mentioned in the railway receipts. There was also no system to weigh the coal before use in the boiler of the 15 M.W. power house and issues were shown on estimate basis. The ground balance of coal had not been physically verified with the result that the book balance and ground balance had not been reconciled (February 1977).

In respect of coal wagons unloaded through wagon tippler after 15th March 1975, the weight recorded by the weigh-bridge was at variance with that mentioned in railway receipts and paid for. These shortages during the period between May 1975 and January 1976 aggregated 9803.58 tonnes, valued at Rs. 14.70 lakhs (approximately). The Divisional Superintendent, Central Railway, Jhansi intimated (May 1975) to the project authorities that the coal having been booked by the Railways at owner's risk, was not required to be re-weighed in each and every case although the Railways might have granted permission for re-weighment on merits when there was abnormal delay in transit or a wagon was involved in transshipment enroute. Transit losses, if any, prior to installation of the weigh-bridge in March 1975 were not ascertained and no claim was lodged.

(iii) *Missing consignments*

Between December 1973 and December 1975, 150 coal wagons despatched from collieries did not reach destination. Sixteen claims of amounts totalling Rs. 7.11 lakhs were lodged by the project authorities with the Railways upto March 1976, but these had not been settled (February 1977).

6.8. Transformer manufacturing workshop

A workshop for manufacturing transformers of aggregate capacity 100 MVA per annum was set up at Dhulkote during 1970-71, at a cost of Rs. 5.28 lakhs. It went into production in August 1971. The manufactured transformers had been supplied to stores for use in the field offices.

The following table indicates the relative data of transformer capacity available, the estimated and actual utilisation for the three years up to 1975-76 :—

Year	Capacity available (in M.V.A.)	Capacity to be utilised as per the annual estimates (in M.V.A.)	Anticipated value of outturn (in lakhs of rupees)	Capacity actually utilised (in M.V.A.)	Actual value of outturn (in lakhs of rupees)
1973-74	100	66.30	68.12	35.58	34.23
1974-75	100	48.42	77.62	24.78	46.30
1975-76	100	79.94	101.65	58.44	75.85

The Superintending Engineer of the workshop attributed (June 1976) the under-utilisation of the workshop to delay in procurement of raw materials.

6.9. Purchase of power transformers

Tenders for supply of 35 transformers of 4 M.V.A. 33/11 K.V.A. capacity for meeting the requirements of 1970-71, were opened on 16th September 1969. After examining the technically acceptable offers and delivery periods, the Store Purchase Committee considered the following three alternatives for purchase of transformers.

(i) Purchase of 20 transformers from firm 'A' and 15 from firm 'B' with 1 per cent discount for quantities 10 to 19.

(ii) Purchase of 19 transformers from firm 'A' and 16 from firm 'C' with 5 per cent discount for a minimum order of 16 transformers.

(iii) Purchase of 15 transformers from firm 'A' and 20 from firm 'B' with 2 per cent discount for minimum order of 20.

The three alternatives were estimated to cost Rs. 84.06 lakhs, Rs. 84.00 lakhs and Rs. 84.07 lakhs respectively. The Store Purchase Committee recommended the second alternative. The Board, however, decided on 6th November 1969 to place order as per alternative (i) as the period of delivery was considered suitable. Later, on 14th November 1969, it had to revert back to alternative (ii) after receipt of firm 'B's telegraphic communication on 6th November 1969 revising its rates for iron losses as a result of which it became virtually out of the picture. As the extended date of validity of firm 'C's offer was upto 14th November 1969, telegraphic acceptance of the firm's terms was put in the course of transmission on 14th November 1969. A detailed purchase order in continuation of the telegram of 14th November 1969 was issued on 28th November 1969, which contained a clause under which the firm was to communicate unconditional acceptance of the terms and conditions within 7 days of receipt of the purchase order, and in the event of non-receipt of acceptance it was to be deemed that the firm had declined to accept the offer and the Board would be at liberty to make the purchase from elsewhere.

Firm 'C' expressed its inability to accept the order on the ground that acceptance of the offer had been received after the expiry of the validity period. Consequently, the transformers were purchased in the next year against a fresh enquiry on 11th August 1970 at the rate of Rs. 1,60,915 per unit (equivalent capitalised rate : Rs. 2,82,618) as compared to equivalent capitalised rate of Rs. 2,42,859 per unit of firm 'C'. The Board had thus to incur extra expenditure of about Rs. 6.36 lakhs on purchase of 16 transformers.

The Legal Section of the Board advised (April 1970) that no legal action could be taken against firm 'C' in view of (i) issuance of telegraphic acceptance at the eleventh hour and (ii) the detailed purchase order being in the nature of a counter offer.

In February 1976, the Management had stated that (a) the detailed purchase order was issued on the *pro forma* inherited from the composite Punjab State Electricity Board, the defects of which enabled the firm to wriggle out of its commitments and that (b) business relations with firm 'C' had been suspended for two years by way of administrative action.

6.10. Purchase of material below specification

Three supply orders for 47,600 mild steel bolts with nuts of three different sizes at a total cost of Rs. 0.48 lakh, were placed by a Superintending Engineer on two firms in January 1973, although samples required to be furnished with their offers had not been received. A condition stipulating that samples be got approved before commencement of the supply was incorporated in the supply orders. The two firms, however, made the supplies and obtained 90 per cent payment amounting to Rs. 0.29 lakh and Rs. 0.15 lakh in February 1973 and April 1973 respectively, without obtaining prior approval of samples.

The material was inspected in September 1973 and rejected as it was not in accordance with the specifications. The firms, which were called upon in September 1973 to refund the amount received by them within a fortnight, had not refunded the amount (February 1977). The Management stated in October 1976 that the firms had agreed to refund the amount through adjustment of their pending bills with the Board. Further developments were awaited (February 1977).

The matter was referred to Government in August 1976 ; reply is awaited (February 1977)

6.11. Extra expenditure

Tender enquiry for purchase of 15 indoor type transformers of 1000 K.V.A. was floated and the tenders were opened on 15th May 1973. The lowest offer of Rs. 42,000 per transformer (equivalent price : Rs. 67,780) was received from firm 'A'. The offer was valid up to 15th August 1973. The firm was asked to extend the validity of the offer up to 25th August 1973, and to state if it was willing to withdraw its claims against an earlier order placed in January 1970 which was cancelled by the Board on the ground that the material was no longer required. The firm, while extending the period of validity, made the price subject to variation as per the Indian Electrical Manufacturers Association price variation clause with a ceiling of 10 per cent. On 11th September 1973, firm 'A' had withdrawn its earlier claims in order to enable the Board to place orders on it, against the pending as well as future requirements, but no order was placed. Even after taking into account this modification, the offer of firm 'A' was the lowest. The second lowest tenderer (Firm 'B'), had quoted a rate of Rs. 46,500 (equivalent price : Rs. 75,200) per transformer less 2 per cent discount. This was also valid up to 15th August 1973. Firm 'B' by its letter of 29th August 1973, extended the validity period of its offer by one month on the condition that 2 per cent discount would not be allowed. The two offers were considered on 29th August 1973 and it was decided that order be placed on firm 'B' at its quoted rates and tenders be re-invited if firm 'B' refused to accept the order.

Accordingly, a telegraphic letter of intent was issued to firm 'B' on 31st August 1973 at its quoted rates with a delivery schedule of 6—8 weeks. The firm did not accept as the same was not in accordance with its revised terms, and imposed certain other conditions which were not accepted by the

Board. In June 1974, the Legal Adviser of the Board advised that on the facts and circumstances of the case, no legal agreement had come into force and that the purchase order could not be legally enforced.

Finally, the Board placed a purchase order on firm 'C' for supply of 25 transformers of 1000 K.V.A. in November 1974 at its quoted rate of Rs. 81,000 (equivalent price : Rs. 1,14,085) each against a fresh tender enquiry opened in May 1974. Failure to avail of the offer of firm 'A' resulted in extra expenditure of Rs. 6.31 lakhs on the purchase of 15 transformers of 1000 K.V.A.

In December 1975, the Board stated that it had suffered no loss since there was no valid contract with firm 'B' and the offer of firm 'A' could not have been accepted under threats.

6.12. Non-handing over charge of material

A Sectional Officer, after serving 24 hours notice of resignation and depositing one month's pay left the service of the Board on 9th June 1971 without handing over the charge of materials/documents assigned to him. In June—July 1971, instructions were issued by the Executive Engineer to the Sub-divisional officer to arrange for taking over charge of the material. In September 1971, another Sectional Officer was deputed to take over charge but charge was not handed over by the former Sectional Officer. Ultimately, the materials were got physically verified in January 1972 by two Sub-divisional Officers, who pointed out shortages valued at Rs. 19,487. It was decided in April 1973 to register a case against the former Sectional Officer for misappropriation of materials/documents.

The challan was put up by the Police in April 1976 and the case was pending in Court (February 1977).

6.13. Misappropriation, defalcations, etc.

The details of cases of misappropriation, defalcations, etc., of the Board's money upto the end of March 1976, for which final action was pending at the end of February 1977 are as follows :—

	Number of cases			Amount (in lakhs of rupees)
	Valued	Value not known	Total	
Cases pending action as on 31st March 1975	795	367	1,162	26.23
Addition during April 1975 to March 1976	178	105	283	6.16
Total	973	472	1,445	32.39
Cases closed between April 1975 and February 1977	127	6	133	2.96
Balance	846	466	1,312	29.43

Of these, 620 cases (Amount : Rs. 8.26 lakhs) were more than three years old.

6.14. Store accounts

The value of stores held as on 31st March 1976 was Rs. 19,48.42 lakhs, out of which stores worth Rs. 23.74 lakhs had been declared as obsolete and unserviceable. Further, excesses and shortages amounting to Rs. 0.83 lakh and Rs. 0.77 lakh respectively were awaiting adjustment at the end of 1975-76. The reserve stock limit for the year 1975-76 had not been fixed (February 1977).

6.15. Outstanding audit objections

As on 31st December 1976, 27,068 audit objections (Rs. 40.11 crores) raised by the Chief Accounts Officer of the Board pertaining to the period up to 31st March 1976 were outstanding as per the details given below :—

	<i>Earliest year since outstanding</i>	<i>Amount (in crores of rupees)</i>
(a) Want of sanctions	1952-53	28.27
(b) Want of detailed contingent bills	1966-67	1.86
(c) Want of payees' receipts	1970-71	2.88
(d) Want of agreements/purchase orders	1968-69	7.10
	Total	40.11

(ii) Other Statutory Corporations

6.16. The accounts of the Haryana Warehousing Corporation for 1975-76 had not been prepared (February 1977). The Haryana Financial Corporation earned a net profit of Rs. 81.26 lakhs (before tax) during 1975-76, against profit of Rs. 50.33 lakhs during 1974-75. This represented 27.1 per cent of the Corporation's paid-up capital of Rs. 3.00 crores. The Corporation declared dividends of Rs. 6.20 lakhs during 1974-75 and Rs. 11.38 lakhs during 1975-76, including Rs. 2.72 lakhs and Rs. 5.31 lakhs respectively, payable to the State Government.

A statement showing the summarised financial results of working of the two Corporations on the basis of the latest available accounts is given in Appendix VII.

SECTION C

GOVERNMENT COMPANIES

6.17. Introduction

On 31st March 1976, there were 14 Government Companies (including four subsidiaries) in the State. During the year one company viz., Haryana State Handloom and Handicrafts Corporation Limited was incorporated.

Of the fourteen Companies, nine Companies close their accounts on 31st March and five Companies on 30th June every year. The first accounts of Haryana State Handloom and Handicrafts Corporation Limited are not due. The accounts of the following Companies have not been received (February 1977) for the period shown against each :—

- | | |
|---|---------------------|
| (i) Haryana State Minor Irrigation
(Tubewells) Corporation Limited | 1972-73 to 1975-76 |
| (ii) Haryana Harijan Kalyan Nigam
Limited | 1974-75 |
| (iii) Haryana Dairy Development Corpo-
ration Limited | 1974-75 and 1975-76 |
| (iv) Haryana Tourism Corporation
Limited | 1974-75 and 1975-76 |

Further, there was one Company coming within the ambit of Section 619 B of the Companies Act, 1956, viz., Haryana Polysteels Limited with a paid up capital of Rs. 1,06.92 lakhs as on 31st March 1976. Out of this, share capital of Rs. 73.40 lakhs was held by the State Government, other Governments, and Companies and Corporations owned or controlled by Governments. The working results of the Company for the year ended 31st March 1976 showed a net loss of Rs. 38.24 lakhs.

A statement showing the summarised results of working of Government Companies on the basis of latest available accounts is given in Appendix VIII.

HARYANA AGRO-INDUSTRIES CORPORATION LIMITED

6.18. The Haryana Agro-Industries Corporation Limited was incorporated on 30th March 1967 as a joint venture of the State Government and the Government of India for promoting agro-industrial development in the State.

The authorised capital of the Company was raised from Rs. 2 crores to Rs. 3 crores in November 1975. The paid-up capital on 30th June 1975 was Rs. 1,89.66 lakhs, contributed equally by the Central and State Governments. In addition, the Company borrowed money from scheduled banks and the Haryana State Co-operative Bank. The outstanding loans on 30th June 1975 aggregated Rs. 1,31.45 lakhs. The Company also availed of deferred payment facilities to the extent of Rs. 54.50 lakhs between 1969-70 and 1973-74, for import of tractors and combines and the amount payable as on 30th June 1975 was Rs. 33.93 lakhs.

Mention about some aspects of working of the Company was made in Paragraph 46 of the Report of the Comptroller and Auditor General of India for the year 1971-72.

(2) *Financial position and working results*

The table below summarises the financial position of the Company for the year 1972-73 to 1974-75 (ending June). Accounts for the year 1975-76 have not been prepared (February 1977).

	1972-73	1973-74	1974-75
	<i>(in lakhs of rupees)</i>		
<i>Liabilities—</i>			
Paid-up capital	1,80.11	1,89.66	1,89.66
Reserves and surplus	47.98	44.67	44.65
Borrowings	29.12	48.99	1,77.04
Trade dues and other current liabilities (including provisions)	80.76	92.28	1,18.87
Total	3,37.97	3,75.60	5,30.22
<i>Assets—</i>			
Gross block	1,24.71	1,48.16	2,87.34
Less depreciation	32.54	52.84	78.47
Net fixed assets	92.17	95.32	2,08.87
Capital works-in-progress	10.37	23.71	17.96
Investment	—	1.77	2.49
Current assets, loans and advances	2,35.25	2,54.58	3,00.82
Miscellaneous expenditure	0.18	0.22	0.08
Total	3,37.97	3,75.60	5,30.22
Capital employed	2,46.66	2,57.62	3,90.83
Net worth	2,27.91	2,34.11	2,34.23

Notes—(1) "Capital employed" represents net fixed assets (excluding capital works-in-progress) plus working capital.

(2) "Net worth" represents paid-up capital plus reserves less intangible assets.

Working results

The table below indicates the working results of the Company for the years 1972-73 to 1974-75 (ending June).

	1972-73	1973-74	1974-75
	<i>(in lakhs of rupees)</i>		
Profit (+)/ Loss(—) before tax	(+)12.32	(+)3.23	(—)10.94
Tax and other provisions	6.25	5.07	7.51
Profit(+)/Loss(—) after tax and provisions	(+)6.07	(—)1.84	(—)18.45

The Company has not declared any dividend except during 1971-72.

The Management attributed (November 1976) the loss during 1974-75 to :—

- (i) increase in interest charges from Rs. 1.98 lakhs in 1973-74 to Rs. 10.85 lakhs in 1974-75,
- (ii) loss of Rs. 13.88 lakhs on custom hiring of tractors, and
- (iii) setting apart a sum of Rs. 4.75 lakhs and Rs. 0.76 lakh as provision for development rebate and for major repairs of combines respectively.

(3) Performance

The Company concentrated mainly on the following activities :

- (i) Manufacture of agricultural implements;
- (ii) custom services ;
- (iii) manufacture of cattle and poultry feed and sale thereof ;
- (iv) manufacture of NPK granulated fertilizer and sale thereof ;
- (v) manufacture of soft drinks (fruit juice) and sale thereof ; and
- (vi) other activities like construction of cold storage, import of sprayers, etc.

(4) Manufacture of agricultural implements

(i) In December 1968, the Company took over the workshop of the State Agriculture Department at Nilokheri for assembling tractors. During the years 1969-70 to 1971-72, 4300 tractors imported in semi-knocked down (S.K.D.) condition were assembled. The tractor assembly work was transferred to the Hindustan Machine Tools Limited, Pinjore in 1972-73 and the Company was appointed (August 1973) as the sole distributors of these tractors for Haryana State.

(ii) After discontinuance of assembly work, the workshop was intended to be utilised for manufacture of agricultural implements. As on 30th June 1976, capital investment in the workshop was Rs. 7.84 lakhs (provisional). The Research and Development Wing of the Company prepared a project report in July 1975 for production of agricultural implements worth Rs. 1,01.45 lakhs per annum with additional capital outlay of Rs. 20.73 lakhs. A profit of Rs. 13.13 lakhs per annum was expected on the total investment of Rs. 39.70 lakhs. The project report has not been approved (January 1977). The workshop management reported to the Board (September 1975) that a programme of production of agricultural implements worth Rs. 50.00 lakhs during 1975-76 had been planned. In each of the three preceding years up to 30th June 1976, agricultural implements costing Rs. 5.50 lakhs, Rs. 6.39 lakhs and Rs. *13.91 lakhs were produced. Value of sales during the same period were Rs. 5.13 lakhs, Rs. 8.97 lakhs and Rs. 18.98* lakhs respectively.

(iii) Machinery costing Rs. 0.98 lakh (depreciated value) received on transfer of the workshop to the Company have been lying idle since 1969-70. The Management stated (February 1977) that machinery costing Rs. 0.55 lakh had been earmarked for final disposal.

(5) Custom services

(i) *Farmers Service centres*—The centres provide custom hiring services and repairing facilities to agriculturists. Sales of spare parts, cattle and poultry feed, fertilizers, etc., are also channelised through the service centres.

There were 17 centres as on 30 June 1974 which increased to 23 by the end of June 1975. During 1974-75, all the centres were running at loss. Total loss on running these centres during 1974-75 was Rs. 17.28 lakhs. It was stated by the Agriculture Department in July 1975 that running of the centres was a losing proposition and that since it was the fundamental job of the Company to do service to the farmers, these centres were being continued to run. The table below indicates the working results of some of the important activities of the centres :—

	1973-74 Profit (+)/ Loss(—) (in lakhs of rupees)	1974-75 Profit (+)/ Loss(—)
1. Custom hiring of :		
(i) Tractors	(—)6.93	(—)13.88
(ii) Combines	(+)2.09	(—)5.78
(iii) Bulldozers	(+)0.49	(+)0.76
2. Sales and service	(+)2.82	(+)1.62
Total	(—)1.53	(—)17.28

Reasons for these losses have not been analysed (January 1977).

* Figures given by Management are provisional as the Accounts were under compilation.

In January 1976, the Company considered that custom hiring of tractors might be left to private custom hiring units and that its centres should concentrate on custom hiring of heavy machinery (combines, bulldozers, etc.), besides sale of tractors, spare parts, agricultural implements and machinery, cattle feed and fertilizers, servicing and re-conditioning of tractors and other machinery. It was decided to close ten centres. It was also decided that out of 127 tractors with the centres, 33 might be retained and the remaining 94 be transferred to specified categories of people on hire purchase basis. Up to November 1976, three tractors were sold, 68 were allotted, out of which 60 were lifted and the remaining (31) were awaiting disposal (November 1976).

(ii) The table below shows the extent of utilisation of tractors, combines and bulldozers as compared to the available capacity.

(a) Tractors

Year	Fleet strength	Available hours as per norms		Actual hours utilised	Percentage of utilisation (productive hours)
		Total hours	Productive hours	(Productive hours)	
1972-73	95	1,42,500	1,18,750	65,842	56
1973-74	127	1,90,500	1,58,750	87,883	55
1974-75	127	1,90,500	1,58,750	70,293	44

(b) Combines

Year	Fleet strength	Acreage to be covered as per norms	Acreage actually covered	Percentage of coverage
1972-73	33	20,750	9,011	43
1973-74	33	30,000	12,186	40
1974-75	33	30,000	8,871	29

(c) Bulldozers

Year	Fleet strength	Available hours as per norms	Actual hours utilised	Percentage of utilisation
1972-73	3	6,000	1,716	29
1973-74	4@	6,250	1,994	32
1974-75	9*	12,200	2,479	20

@ One purchased in May 1974.

* Two purchased each in October 1974 and May 1975 and one in March 1975.

The Management attributed (February 1977) the under-utilisation of the capacity in respect of tractors to considerable decrease in demand for custom hiring consequent to increase in the population of tractors in the State and in respect of combines to lesser area available for harvesting and farmers' preference for harvesting the crop manually.

(iii) No additional charge is recovered from the customers for running of tractors from the centre to their fields within 10 kilometres and back. On this basis it was expected that the unproductive hours would not exceed 20 per cent of the productive hours. A test check of records of a few centres revealed that the actual unproductive hours had exceeded this limit as shown in the table below :—

Year	Maximum permissible unproductive hours	Actual unproductive hours	Excessive unproductive hours
1972-73	7,821	12,065	4,244
1973-74	11,620	18,342	6,722
1974-75	9,426	18,722	9,296

Reasons for the excessive unproductive hours have not been analysed (January 1977).

(iv) In August 1974, the Management fixed norms for consumption of diesel in various types of tractors. Diesel consumption in twelve centres in 1974-75 was found to be 3.66 lakh litres against the consumption of 3.19 lakh litres as per the norm, involving excess consumption of 0.47 lakh litres costing Rs. 0.54 lakh. Reasons for the excess consumption have not been investigated (February 1977).

(v) *Purchase of hay baler*

An old hay baler of GDR make purchased in April 1973 from Punjab Agro-Industries Corporation Limited at a cost of Rs. 0.23 lakh was used for four to five hours only for demonstration purposes in May 1973. Thereafter, it has been lying idle. Though the Management had stated (July 1976) that the baler was being disposed of, it has not been sold (February 1977).

(6) *Cattle-cum-poultry feed plant, Jind*

(i) Mention was made in paragraph 46(b) of the Report of the Comptroller and Auditor General of India for the year 1971-72 about delay in commissioning of a cattle-cum-poultry feed plant at Jind. The plant which was scheduled to be completed by February 1972, was actually completed in June 1974 at a cost of Rs. 45.35 lakhs, with indigenous machinery. Imported machinery costing Rs. 8.59 lakhs was received in November 1974. The machinery have been kept in reserve for setting-up another plant at Bhiwani which has not been taken up (February 1977).

(ii) Production performance

Prior to commissioning of the plant in July 1974, balanced cattle and poultry feed used to be produced on a small scale with the help of grinding and mixing units at Yamunanagar, Nilokheri, Jind and Hissar. After commissioning of the cattle and poultry feed plant at Jind, the feed processing units at Yamunanagar and Nilokheri were merged with the Jind plant. The unit at Hissar continues to function separately and cattle-cum-poultry feed is being produced there with grinders and mixers.

The performance of the plant and that of other units for the period ending 1975-76 was as in the table given below :—

<i>Year</i>	<i>Particulars of feed</i>	<i>Assessed capacity on single shift</i>	<i>Production</i>
			(in quintals)
(a) Cattle Feed Plant			
1974-75	Cattle feed	1,20,000	32,047
1975-76	Cattle feed	1,20,000	26,833
(b) Other units			
1973-74	Cattle-cum-poultry feed	50,000	27,659
1974-75	Cattle-cum-poultry feed	50,000	39,305
1975-76	Cattle-cum-poultry feed	50,000	23,919

The Management stated (July 1976) that the plant was not run to full capacity owing to lack of demand.

(iii) Purchase of Rice bran and its subsequent sale

Rice bran (oiled) was a controlled item during the year 1973-74 and 1974-75. The Company had 2,087 quintals of rice bran (oiled) in stock and purchased 47,560 quintals in 1973-74 against which consumption during the year was only 4,783 quintals. Further purchase of 33,476 quintals at the average rate of Rs. 27.60 per quintal was made during 1974-75 though 44,864 quintals were already lying in stock. Consumption during 1974-75 was only 20,185 quintals and the stock in hand on 30th June 1975 was 58,155 quintals.

Owing to its inability to consume the stock, the Company, after obtaining permission from the Food Department, decided to sell rice bran from October 1974 onwards by calling open tenders, and 22,259 quintals were sold at rates ranging from Rs. 45 to Rs. 55 per quintal. In 1975-76, the Company sold 2,000 quintals to a party at the rate of Rs. 51 per quintal but the party lifted 500 quintals only. The contract was rescinded on 21st July 1976 and the party's security deposit of Rs. 5,000 was released without recovery of storage and interest charges (Rs. 13,264) recoverable in terms of the sale order.

In April 1976, 3,000 quintals of bran were sold to each of two other parties at Rs. 27.50 per quintal, against which one party had lifted the entire quantity sold; while the other lifted 2,589 quintals (November 1976). The sale of about 6,000 quintals to the two latter parties at Rs. 27.50 per quintal were distress sales which resulted in a loss of Rs. 1.69 lakhs on the quantity lifted (based on cost plus storage and other overhead charges).

The Management stated (November 1976) that purchases of rice bran during 1973-74 and 1974-75 were made keeping in view the installed capacity of the plant and in anticipation of good demand for cattle feed which did not materialise.

(iv) As the Company had more stock of rice bran than its requirements, it decided in February 1976 to extract oil from the rice bran. Extraction of oil was entrusted to a firm in March 1976. Out of 831.95 quintals of rice bran sent for the purpose, 76.97 quintals of oil were extracted and 800.85 quintals of rice bran (de-oiled) were returned to the Company. The oil extracted was sold to the same firm at a negotiated rate of Rs. 290 per quintal. The Company suffered a loss of Rs. 0.26 lakh in this deal.

(v) The Company fixed in July 1972, various norms for driage, handling and rehandling in respect of different ingredients of feed. On a test check it was observed that the actual shortages were in excess of the laid down limits. The value of excessive loss of ingredients amounted to Rs. 0.74 lakh (Rs. 0.07 lakh in 1973-74 and Rs. 0.67 lakh in 1974-75) over and above the norms laid down.

The Management stated (July 1976) that most of the godowns were in the open and heavily infested by rodents, insects, pests and birds.

(7) *Cattle feed plant, Bhiwani*

In September 1974, the Company decided to set up another cattle feed plant at Bhiwani at a total cost of Rs. 50 lakhs. It received a subsidy of Rs. 10 lakhs from the State Government in 1974-75 for purchase of machinery. A sum of Rs. 10.25 lakhs (including Rs. 8.59 lakhs being the cost of machinery imported in November 1974 for the Jind plant but kept in reserve for Bhiwani plant) was spent on setting up of this plant up to the end of October 1976. Construction of the building and erection of the Plant has been deferred for reasons not on record. The Management stated (February 1977) that it was deferred on the verbal orders of the then Managing Director.

(8) *N. P. K. granulated fertilizer and chemical plant, Shahbad*

In August 1973, the Company decided to establish a plant at Shahbad with capacity to produce 50,000 tonnes of fertilizer annually (on three shifts). The project was estimated to cost Rs. 40 lakhs and was expected to yield annual profit of Rs. 14.59 lakhs. The plant was commissioned in March 1975. Production during March 1975 to October 1976 was 6,487 tonnes which represented 22.2 per cent of the rated capacity during this period on single shift basis. Sales during the same period were 5,062 tonnes.

(9) *Haryana Agro foods and fruits processing plant, Murthal*

(i) In September 1974, the Company decided to set up a fruit processing plant at Murthal. According to a techno-economic report prepared by a

consultant, the project was estimated to cost Rs. 52.12 lakhs, and to yield profit of Rs. 10.38 lakhs in the first year on single shift basis, and Rs. 46.37 lakhs in the second year on two shifts basis, with a working capital of Rs. 20 lakhs. The annual outturn from third year was expected to be 288 lakh bottles of apple juice and 144 lakh bottles of mango beverage on three shifts basis. Detailed estimates of various works were, however, not prepared. The plant was expected to go into production in March 1975. Cottage scale production through manual operation was started from 29th May 1975. As on 30th June 1976, capital expenditure on the plant was Rs. 27.83 lakhs (provisional).

(ii) An order for supply of a vacuum filler and a 'three head rotary crowner and bottle washer' for the plant was placed in August 1974 on a Bombay firm, at Rs. 1.08 lakhs and Rs. 1.64 lakhs respectively, to be delivered by 31st January 1975. These were received on 18th March 1975 and 13th June 1975, respectively. These machines were put on trial run in August 1975, but their performance was not found satisfactory. While the Company attributed this to manufacturing defects, the supplier disowned its responsibility saying that the machines were designed according to normal specification of bottles used by other soft drink manufacturers and that the bottles of the Company were not of proper size. The machines have been sent to the supplier in November 1976 for rectification of defects.

(iii) *Purchase of boiler*

To meet the steam requirements of the plant, the Company placed an order in July 1974 for supply of a coal-fired boiler capable of producing 500 kg of steam per hour, on a Bombay firm for Rs. 0.76 lakh, with a delivery period of 12 to 14 weeks. The boiler was received in April 1975 and commissioned on 27th September 1975. Another boiler (Veporase oil-fired) capable of producing 1,500 kg of steam per hour was purchased in February 1976 from a Delhi firm at a cost of Rs. 1.55 lakhs (ex works) to meet the additional requirement of steam. The second boiler was purchased even before the plant was in a position to use the full capacity of the first boiler.

The Management stated (August 1976) that the oil-fired boiler had been purchased to meet the expansion requirement and to serve as a standby and that an oil-fired boiler was more suitable from hygienic and sanitary point of view.

(iv) *Production and sale*

Production and sale of mango beverage (in bottles) between 29th May 1975 and 31st March 1976 were 1.75 lakh and 1.74 lakh bottles respectively against the plant production capacity of 48 lakh bottles of beverage in the first year on single shift basis. Production of apple juice has not been taken up (November 1976). Bottling was mainly being done manually. Owing to meagre utilisation of the plant capacity and competition in the field, the plant had suffered a loss of Rs. 10.88 lakhs (approximately) for the period from May 1975 to June 1976.

(v) The Company purchased 82 tonnes of mangoes at a cost of Rs. 2.69 lakhs in the 1974 mango season i.e. July-August 1974. Mango pulp weighing 28 tonnes was extracted by the Company and stored (24th August 1974) in the

cold storage of the Horticultural Research Institute, Saharanpur. On 26th April 1975, three samples of the pulp were taken and sent to Central Food Technological Institute, Mysore for test. The test reports received in June 1975 showed that pulp had been contaminated and was not fit for use in manufacture of beverage. The company was also advised that where fermentation had not started, pulp could be used to some extent by removing mould layer. The entire pulp was divided into three lots. The first lot (4.8 tonnes) was visibly free from yeast, mould and fungus odour. This lot was treated at Saharanpur and transferred to the plant at Murthal for manufacture of beverage (May 1975). The second lot which had developed mould growth and some fermentation was left in the cold storage and the third lot which had become useless was kept in an unrefrigerated room. Out of 4,841 kg of pulp transferred to Murthal plant, 3,109 kg were again found unfit for use which was drained out. The loss of Rs. 2.58 lakhs (being the cost of mango pulp which could not be used) was written off on 28th January 1976.

It was also noticed that :—

(a) according to the norms fixed by the Central Food and Technological Research Institute Mysore, the quantity of pulp from mangoes ought to have been 37.41 tonnes against the actual yield of 28 tonnes,

(b) the maximum capacity of containers was 23.890 tonnes as against 28 tonnes claimed to have been stored, and

(c) the aggregate quantity of pulp used and pulp drained out both at Murthal and Saharanpur was estimated to be 10.688 tonnes as against 28 tonnes stored.

The loss suffered by the Company on this account works out to Rs. 3.54 lakhs as detailed below :—

	Rs.
Rent of cold storage up to 30th June 1975	15,430
Charges for extraction of pulp	5,279
Cost of aluminium containeres (these have scrap value only)	75,410
Loss of mango pulp	2,57,608
	<hr/>
	3,53,727
	<hr/>

The matter was reported to be under Police investigation (August 1976). Further developments are awaited (February 1977).

(10) Shortages

All shortages found on physical verification of cash and stores are booked under a 'Suspense Account' pending investigation. As on 30th June 1975, suspense account showed a debit balance of Rs. 1,23,458.

A test check of some of the items booked under the 'Suspense Account' showed that :—

(i) a sum of Rs. 13,480 representing shortages in stores, was recoverable from a Storekeeper of Farmer Service Centre, Nilokheri. Services of the Storekeeper were terminated in 1973-74;

- (ii) a sum of Rs. 14,848 representing the value of shortages in stores pertaining to 1972-73 and 1973-74 was recoverable from five employees of Central Stores and Production Wing, Nilokheri. The employees were no longer in the employ of the Company;
- (iii) a sum of Rs. 10,594 representing the value of material short received in 1972-73 and 1973-74 from suppliers was recoverable from them but the Management had not lodged any claim with the suppliers (February 1977);
- (iv) a Storekeeper of the cattle feed plant, Jind left the office on 13th August 1974 by submitting his resignation and keys but without handing over charge of stores. The stores were got verified in January 1976 by a committee constituted for the purpose. The verification showed shortages and excesses worth Rs. 40,914 and Rs. 12,946 respectively. The excess was adjusted against the shortages without analysing the reasons therefor. The matter was reported to the Police in May 1975. Audited accounts called for by the Police in December 1975 have not been supplied and the case has not been registered (January 1977); and
- (v) a sum of Rs. 9,381 representing the value of shortages in stores was recoverable from a Storekeeper of Gurgaon unit. His services were terminated on 15th January 1975. The matter was reported to the Police in September 1975. Further developments were awaited (February 1977).

(11) Inventory control and turnover

The following table shows the comparative position of inventory at the close of each of the three years upto June 1975: —

	1972-73	1973-74	1974-75
	<i>(in lakhs of rupees)</i>		
(a) Raw material and components	15.45	50.36	72.68
(b) Stores and spares including sundry stores	63.20	68.09	93.20
(c) Works-in-progress	0.65	0.15	0.84
(d) Finished goods including goods on consignment	2.90	2.15	30.30
(e) Others	0.26	..	0.72
Total	82.46	120.75	197.74
Turnover (including hiring and servicing)	328.40	219.08	629.92

The stock-in-trade at the close of the year was equal to 3 months' turnover in 1972-73, 6.5 months' turnover in 1973-74 and 3.8 months' turnover in 1974-75.

(ii) The Company introduced in January 1976, measures for inventory control by fixing minimum and maximum limits for various items. As a result, spare parts of tractors worth Rs. 16.26 lakhs purchased in 1969-70 to 1974-75 were found surplus. In addition, slow-moving/surplus articles worth Rs. 11.20 lakhs, including iron and steel materials valuing Rs. 8.91 lakhs, were also noticed in February 1976.

The Management stated (November 1976) that spare parts valuing Rs. 3 lakhs had been sold.

HARYANA DAIRY DEVELOPMENT CORPORATION LIMITED

6.19. Recovery of dues

In December 1974, the Company agreed to supply 20,000 litres of milk per day to a private dairy of Saharanpur on credit, without entering into a formal agreement incorporating the various terms and conditions of supplies. A letter of understanding dated 7th January 1975 between the dairy and the Company provided that the former would try to make payment on every alternate day except on bank holidays and that there might be further delay of one or two days on account of certain unavoidable circumstances. Between 31st December 1974 and 21st March 1975, the Company supplied 11,30,168 litres of milk, valued Rs. 22.62 lakhs, to the dairy against which Rs. 16.85 lakhs were paid up to 11th April 1975, leaving a balance of Rs. 5.77 lakhs. Though the Board of the Directors of the Company decided (March 1976) to institute legal proceedings against the dairy, no suit has been filed in a Court of law (July 1976). Government stated (October 1976) that legal notice had been served on the private dairy for recovery of the amount and interest thereon.

6.20. Free supply of semen

A Model Exotic Animal Farm was set up by the Company in October 1973. A sum of Rs. 2.80 lakhs was received as loan and Rs. 11.09 lakhs as grant from the Indian Dairy Corporation.

One of the functions of the farm is to maintain bulls for production of doses of diluted semen for use in artificial insemination. According to the model scheme, 40 per cent, 50 per cent and 60 per cent of the production of semen was to be sold during the first, second and the third year, respectively, at Rs. 2 per dose (each dose consisting of 2 c.c.). The Company, however, supplied doses of diluted semen free of cost to Haryana Agriculture University, Government Livestock Farm and for Intensive Cattle Development Programme. On an objection being taken by the representative of the Indian Dairy Corporation in August 1975, the Board of Directors of the Company decided on 20th August 1975 to stop the free supply and to charge Rs. 2 per dose for subsequent supplies. Upto 21st September 1975, 1,38,263 doses worth Rs.2.77 lakhs were supplied free. Between 22nd September 1975 and 30th June 1976, 22,916 doses were supplied at the aforesaid rate but payment had not been received up to July 1976. No justification for free supply of diluted semen worth Rs. 2.77 lakhs up to 21st September 1975 has been furnished (January 1977).

HARYANA STATE MINOR IRRIGATION (TUBEWELLS) CORPORATION LIMITED

6.21. Shortage of stores

A Sectional Officer working in a Sub-division was transferred to another Sub-division in September 1973 but he did not hand over the charge of stores in his custody. Accordingly, the Sub-divisional Officer was asked in January 1974 to conduct physical verification and prepare a list of shortages/excesses against the Sectional Officer. Physical verification conducted in January 1974 disclosed shortage of stores and tools of value Rs. 1.15 lakhs and Rs. 0.10 lakh respectively. A show cause notice was served upon the Sectional Officer in May 1974 to which he replied in January 1975.

In April 1975, a committee of two Executive Engineers was formed to look into the case. After considering the report of the committee submitted in August 1975, shortages valued Rs. 1.62 lakhs against Sectional Officers was reported in February 1976 to the higher management by the Superintending Engineer. Shortage of tools valued Rs. 0.10 lakh was not investigated by the committee.

One of the Sectional Officers, against whom shortage of Rs. 1.53 lakhs was alleged, was suspended in December 1975. In May 1976, the case was reported to the Police who did not register the case but sought clarification for the delay in reporting. Further developments are awaited (February 1977).

SECTION D

DEPARTMENTALLY MANAGED GOVERNMENT COMMERCIAL/ QUASI-COMMERCIAL UNDERTAKINGS

6.22. Introduction

On 31st March 1976, there were seven departmentally managed Government commercial and *quasi*-commercial undertakings in the State. The *pro forma* accounts of two undertakings, *viz.*, Veterinary Vaccine Institute, Hissar and Provincial Reserve Food Scheme for 1975-76 have been received upto January 1977. Appendix IX indicates the arrears in preparation/finalisation of *pro forma* accounts of other undertakings. Summarised financial results of four undertakings on the basis of the latest available accounts are given in Appendix X.

AGRICULTURE

6.23. Seed Depot Scheme

A Scheme for procurement of improved seed from open market, registered growers and departmental seed farms, was started in 1926 with the object of distributing the same to the cultivators. The scheme was to run on "no profit no loss" basis. Government declared the scheme as commercial in 1926. There is one seed depot in each district under the charge of a Deputy Director of Agriculture.

(1) Working results

Prior to September 1969, seed used to be sold through non-official agents/co-operative societies on commission basis. After 1969, seed is sold on cash basis through Agricultural Inspectors posted in the block areas.

(a) Consolidated *pro forma* accounts of the Scheme have not been prepared by the Department since the formation of Haryana in November 1966. Even district-wise quantitative *pro forma* accounts have been prepared only upto 1973-74. The table below summarises (i) the quantitative account of seeds purchased and sold and (ii) value of seeds sold, amounts deposited into treasury and outstanding at the end of each of the four years up to 1973-74 :

(i) Particulars	1970-71	1971-72	1972-73	1973-74
	(in quintals)			
Opening Stock	14,127	14,850	19,533	13,482
Purchases	27,985	26,615	20,215	13,604
Receipt by transfer, etc.	18,264	14,875	12,614	9,791
Total	60,376	56,340	52,362	36,877
Sale	27,093	21,472	25,582	16,349
Issue by transfer, etc.	18,293	15,162	12,700	11,029
Shortages	138	152	245	127
Closing balance	14,852	19,554	13,835	9,372
Total	60,376	56,340	52,362	36,877
	1970-71	1971-72	1972-73	1973-74
	(in lakhs of rupees)			
(ii) Sales of the year	49.27	36.54	42.84	35.63
Deposits against the sales of the year	45.30	35.59	41.91	34.21
Outstandings of the year	3.97	0.95	0.93	1.42
(iii) Outstandings of the previous year	19.33	18.34	17.87	16.69
Deposits against the previous years' outstanding	1.08	1.45	1.94	0.99
Balance outstanding	18.25	16.89	15.93	15.70

Note : The variation in the figure of opening and closing balances each year was due to non-reconciliation of inter-block and inter-district transfers.

It may be observed from the above that —

- (i) the closing balances of stock were heavy ;
- (ii) the amounts remitted into treasury were less than the sales made during the year, which shows that either all receipts were not being remitted into the treasury regularly or sales were being made on credit.

(b) As on 31st March 1971, Rs. 14.92 lakhs were outstanding for recovery from co-operative societies/commission agents for the period 1957-58 to 1969-70. Against this, Rs. 4.15 lakhs had been adjusted/recovered upto 31st March 1976, leaving a balance of Rs. 10.77 lakhs as per the details given below :—

<i>Recoverable from</i>	<i>Amount (in lakhs of rupees)</i>
(i) Commission agents	3.28
(ii) Agriculture co-operative societies	4.74
(iii) Marketing co-operative societies	2.08
(iv) Government officials	0.67
	<hr/>
Total	10.77
	<hr/>

It was stated (November 1976) by the Department that the matter was being referred to the Co-operation Department for help in effecting recoveries from co-operative societies and that action had been taken against Government officials.

Further progress of recovery is awaited (February 1977).

(c) It was also noticed that sale proceeds of seed by Agricultural Inspectors aggregating Rs. 3.24 lakhs were deposited late, the delay in depositing the amounts ranging from one month to one year. It was stated (November 1976) by the Department that provision for charging 9 per cent interest had since been made to discourage the tendency of late deposit.

(2) *Old seed*

As on 31st March 1974, seeds valuing Rs. 4.71 lakhs were lying in four districts for more than 2 years. In two other districts, seeds more than three years old, valuing Rs. 2.47 lakhs were lying in stock as on 31st March 1975. Progress regarding disposal of the old stock is awaited (February 1977).

(3) *Non-reconciliation of stores*

There was no system of reconciliation of balances shown in the central stock registers maintained at the district headquarters with those shown in the books

of the Agricultural Inspectors. The table below indicates the details of difference as on 31st March 1974, which are yet to be reconciled (January 1977).

<i>Item</i>	<i>Balance as per the stock registers of Inspectors</i>	<i>Balance as per the central stock registers</i>	<i>Difference</i>	<i>Approximate rate per quintal (Rs.)</i>	<i>Value of difference (in lakhs of rupees)</i>
	<i>(in quintals)</i>				
Wheat	854.28	1,389.99	535.71	100.00	0.54
Paddy	368.70	584.61	215.91	140.00	0.30
Maize	9.38	126.38	117.00	145.00	0.17
Bajra	466.73	699.31	232.58	650.00	1.51
Gram	4.25	105.05	100.80	92.00	0.09
Cotton	258.08	1,123.85	865.77	150.00	1.30
Dhaincha	34.01	117.63	83.62	52.00	0.04
Empty gunny bags (all sizes and in numbers)	53,493	1,07,020	53,527	1.00	0.54
				Total	4.49

PROVINCIAL RESERVE FOOD SCHEME

6.24. Extra payment of labour charges

The market charges for filling and sewing of bags were fixed by the Haryana State Agricultural Marketing Board in May 1972 at 5 paise and 2 paise per bag respectively.

It was noticed that labour was engaged at various centres for filling and sewing of bags at rates higher than those fixed by the Board which resulted in extra payment of Rs. 0.73 lakh (Rs. 0.45 lakh in 1972-73 and Rs. 0.28 lakh in 1973-74). During 1974-75, however, the work was got done at the rates prescribed by the Board.

It was stated (March 1976) by the Department that in a large scale operation of wheat procurement, employment of labour departmentally instead of depending on labour in the employment of *katcha arhtias* was necessary for quality control.

CHAPTER VII

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

7.1. General

According to the provisions of Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, bodies and authorities substantially financed by grants or loans from the Consolidated Fund are to be audited by the Comptroller and Auditor General.

For this purpose, a body or authority is deemed to be substantially financed if the grant or loan to it in a financial year is not less than Rs. 5 lakhs and the amount of such grant or loan is not less than 75 per cent of the total expenditure of that body or authority. The table below* gives the year-wise number of bodies/authorities that were paid grants/loans of Rs. 5 lakhs and more, the number of bodies/authorities of which accounts were received by the Accountant General and the number of bodies liable to be audited under Section 14 of the Act :—

<i>Year</i>	<i>Number of bodies/ authorities that were paid grants/ loans of Rs. 5 lakhs or more</i>	<i>Number of accounts received by the Accountant General</i>	<i>Number of bodies liable to be audited under Section 14</i>
(1)	(2)	(3)	(4)
1973-74	17	17	12
1974-75	14	14	9
1975-76	19	17	14

The results of audit of some of these bodies were mentioned in the Audit Reports for the years 1973-74 and 1974-75. Important points noticed during audit of some more bodies and authorities and in relation to financial assistance by Government to others are given in the succeeding paragraphs.

LOCAL GOVERNMENT

7.2. Kurukshetra Development Board

The Kurukshetra Development Board was registered in September 1968 as a society under the Societies Registration Act, 1860 for the overall comprehensive development of Kurukshetra. The overall management of the Board is

* Information is based on the documents available with Audit. Complete information called for from the Government in April 1974 is awaited (February 1977).

vested in a Board of Governors consisting of a Chairman and ten official/non-official members. The day-to-day management is entrusted to the Chairman who is appointed by the Government.

The receipts and expenditure of the Board for the five years ending 31st March 1976 were as under :—

	Years				
	1971-72	1972-73	1973-74	1974-75	1975-76
<i>Receipts</i>	(in lakhs of rupees)				
Opening balance	21.34	11.86	4.43	20.68	13.37
Grants from the State Government	20.00	35.00	57.00	5.55	10.00
Board's own receipts	..	..	0.05	0.07	..
Interest	0.42	0.39	0.28	0.35	0.63
Total	41.76	47.25	61.76	26.65	24.00
<i>Expenditure</i>					
Revenue expenditure	0.55	0.61	0.91	1.57	2.37
Capital expenditure	29.35	42.21	40.17	11.71	14.38
Closing balance	11.86	4.43	20.68	13.37	7.25
Total	41.76	47.25	61.76	26.65	24.00

The audit of the Board is conducted by the Examiner, Local Fund Accounts, who had (September 1976) completed audit upto the year 1974-75.

A test check (September 1976) by Audit disclosed, *inter alia*, the following :—

(1) Main Kurukshetra Tank

(i) Weed problem

The Board decided in 1968 to deepen the eastern part of the tank from its depth of 6 to 8 feet so as to prevent the growth of weeds. No estimate was prepared. The work was entrusted to the State Irrigation Department as a deposit work in 1969 and was completed (earthwork executed : 1.80 crores cubic feet) by May 1973 at a cost of Rs. 24.35 lakhs. Water was let into the tank during June 1973. Estimates (Rs. 24.99 lakhs) were sanctioned only between January 1972 and May 1975. According to the records relating to the Board's

meeting in June 1975, despite the deepening, the weed problem persisted. Under the advice of the Fisheries Department of the Government, 2,000 fish fingerlings were released in the tank by October 1975 but the weed problem did not cease. The Government stated (October 1976) that the problem had since been referred to the Principal Senior Architect and the Haryana Agricultural University for their advice.

(ii) *Rehandling of earth*

The earth excavated during deepening of the main tank undertaken from 1969 was to be placed in formation for bathing benches and steps, *parkarma* and ramps. However, part of the excavated earth was dumped (1969-73) on some portion of the southern side of the tank even though dumping in that area was not envisaged; the dumped earth had to be rehandled during 1974-75 and 1975-76 at a cost of Rs. 1.80 lakhs.

(iii) *Red stone pavement*

In 1973, 1½ inches to 1¼ inches thick Dholpur red stone slab pavement was laid on *parkarma* and entrance ramp on the south-eastern side of the tank at a cost of Rs 5.11 lakhs and Rs. 0.51 lakh respectively. The slabs placed on the steps and the floor, however, started cracking in 1975. The specification was thereupon changed to 3 inches thick Dholpur red sand-stone blocks in August 1975. Rupees 0.13 lakh were spent (up to January 1977) on replacement of 2,820 square feet cracked slabs. The Government stated (January 1977) that the tank being a public place was open to massive stress and strain and rough use at the time of religious fairs and as such the development of cracks was a natural outcome.

(iv) *Augmentation of water supply through tubewells*

The Haryana State Minor Irrigation (Tubewells) Corporation Limited was approached by the Board (June 1973) for installation of two tubewells in the Kurukshetra tank area. The Board agreed to bear the cost of water supplied through the tubewells.

The Corporation installed one tubewell and supplied water from November 1973. Rupees 0.86 lakh were paid towards water charges till March 1976. This involved an extra expenditure of Rs. 0.43 lakh as the cost of water supply from the tubewell was twice the cost of water supplied from the canal. As supply from the canal was available and sufficient and the system of augmentation through the tubewell was uneconomical, the proposal for the second tubewell was withdrawn in August 1973. The first tubewell was, however, purchased by the Board for Rs. 0.30 lakh in May 1976 for supplying water to the green belt and lawns.

(2) **Jyotisar lake**

In May 1974, a lake at Jyotisar was developed at a cost of Rs. 15.98 lakhs. The full supply level of the lake was kept at RL 822 and embankment was placed upto RL 825 after allowing free board of three feet. For supply of water to the lake, a feeding arrangement of 2.5 cusecs capacity through 9 inches diameter pipe was provided in 1973 at RL 823.42 from RD 1175 of the Saraswati Feeder at a cost of Rs. 0.29 lakh. No outlet for feeding water from this point was, however, sanctioned by the Irrigation Department and the feeding arrangement

could not be brought into use. In June 1974, another outlet was fixed at RL 819.35 from RD 3140 of the Saraswati Feeder and water was fed into the lake through that outlet thereafter. As the lake could not be filled beyond RL 819 from the outlet at RL 819.35, embankment above RL 822 (full supply level at RL 819 plus three feet free board) would appear not necessary. Expenditure on the three feet embankment between RL 822 and 825, stone pitching along its inner slope and back filling amounted to Rs. 3.41 lakhs.

(3) General

Building material worth Rs. 0.35 lakh was supplied by the Board to three private institutions for their use between July 1975 and June 1976 but the cost thereof had not been recovered (January 1977).

CIVIL AVIATION

7.3. Aviation clubs, Hissar and Karnal

The Hissar Aviation Club, Hissar was registered in March 1965 under the Societies Registration Act, 1860.

The Karnal Aviation Club, Karnal was similarly registered in November 1966.

The affairs of the clubs are managed by a Managing Committee through its Secretary/Honorary Secretary. The accounts of the clubs are audited by Chartered Accountants who have audited accounts upto the year 1975-76 (Hissar) and 1974-75 (Karnal). Between 1971-72 and 1974-75, grants given to the two clubs by the Government of India and the State Government were as under :—

<i>Name of the club</i>	<i>Grants given by</i>	
	<i>Government of India</i>	<i>State Government</i>
	<i>(in lakhs of rupees)</i>	
Hissar Aviation Club	4.89	6.76
Karnal Aviation Club	2.30	4.89

The grants by the Government of India were to enable the clubs to provide flying facilities to its members on payment of charges at rates prescribed by the Government. Similarly, grants by the State Government were made to enable the clubs to meet their expenses.

A test check by Audit (March 1976 to May 1976) disclosed the following points :—

(a) Hissar Aviation Club

Rupees 0.90 lakh were paid to the club by the State Government towards grant for 9,500 additional gliding launches during 1971-72, 1973-74 and 1974-75, over and above the normal 2,500 launches per year. The unspent balance at the

close of the financial year was to be refunded. Only 3,209 additional launches were undertaken during these three years; consequent unspent balance of Rs. 0.57 lakh had not been refunded (November 1976). The department stated in November 1976 that the club had submitted certificate of full utilisation of the grant, but in view of the facts brought out by Audit, the club was asked to refund the amount. The department added (February 1977) that a sum of Rs. 0.22 lakh was refunded in January 1977 and the balance would be refunded by the club when funds became available with it.

(b) Karnal Aviation Club

(i) The club had been providing flying facilities to the cadets of the National Cadet Corps at Karnal. Rupees 0.77 lakh were paid to the club by the National Cadet Corps between 1969-70 and 1973-74; Rs. 0.40 lakh were accounted for in the accounts of the club (upto January 1974) leaving a balance of Rs. 0.37 lakh unaccounted for.

(ii) Flying charges amounting to Rs. 0.11 lakh (for 1973-74) were not recovered from the parties concerned.

(iii) According to the daily petrol and oil registers, cash sales amounting to Rs. 0.36 lakh were made to the visiting aircrafts during 1966-67 to 1973-74, but Rs. 0.18 lakh only were accounted for in the accounts upto 31st March 1974.

(iv) According to the agreement between the Director General, Civil Aviation and the club, the latter had to recover from members all charges in respect of membership, flying facilities, etc., in advance and no credit whatsoever in respect of any facility could be made available. As on 31st March 1974, a sum of Rs. 0.39 lakh was, however, shown as unsecured dues from the members although all such charges due from members were recoverable in advance. The amount continued to remain outstanding (February 1976).

The department stated (November 1976) that the above cases had since been reported to police; further developments are awaited (February 1977).

7.4. Financial assistance to co-operative institutions

Investment by the Government in the share capital and debentures of the co-operative institutions at the close of 1974-75 and 1975-76 and the return thereon were as under :—

Year	Number of institutions	Amount invested	Dividend/ interest received	Percentage
(in crores of rupees)				
1974-75	2,730	15.53	0.51(a)	3.3
1975-76	2,054*	20.35	0.58(b)	2.8

*Number of institutions is reduced as a result of amalgamation of Agricultural Service Societies.

(a) From 23 institutions.

(b) From 42 institutions.

The loans and subsidies/grants paid by the Government to various co-operative institutions during 1974-75 and 1975-76 were as under :—

Year	Loans				Subsidies/ Grants paid during the year
	Balance at the end of the previous year	Disbursed during the year	Repaid during the year	Balance at the end of the year	
	(in lakhs of rupees)				
1974-75	93.58	0.38	5.60	88.36	8.34
1975-76	88.36	0.75	9.04	80.07	14.07

According to the information furnished by the department, the principal and interest overdue for recovery upto 31st March 1976 amounted to Rs. 18.12 lakhs and Rs. 11.55 lakhs respectively. Its break-up was as under :—

Period	Principal	Interest	Total
	(in lakhs of rupees)		
Below three years	9.64	5.06	14.70
Three years and above but less than five years	4.38	2.69	7.07
More than five years	4.10	3.80	7.90
Total	18.12	11.55	29.67

7.5. Co-operative banks

As on 30th June 1975, there were 12 Central Co-operative Banks in the State, acting as financing bodies for primary societies. Besides, there were two apex institutions, namely, the Haryana State Co-operative Bank Limited and the Haryana State Land Development Bank Limited. The former provides medium and short term finance to the co-operative institutions while the latter provides long term finance to the agriculturists. According to their audited accounts, Government investment in these institutions as on 30th June 1974 and 30th June 1975, and other financial data as on those dates, were as under :—

Serial number	Name of the institution	Number of bank s	Paid up Capital		Government invest- ment in share capital	
			30th June 1974	30th June 1975	30th June 1974	30th June 1975
			(in lakhs of rupees)			
1.	Central Co-operative Banks	12	6,10.66	7,53.46	1,35.77	2,05.05
2.	Haryana State Co- operative Bank Limited	1	2,14.33	2,28.21	95.90	95.90
3.	Haryana State Land Development Bank Limited	1	2,54.00	2,61.07	69.78	69.78

Serial number	Net profit		Reserves and Funds		Loans by Government	
	1973-74	1974-75	30th June 1974	30th June 1975	1973-74	1974-75
1.	59.72	1,03.38	2,42.26	2,88.28	1.06	0.86
2.	47.15	66.88	1,36.45	1,74.33	8.69	4.86
3.	45.23	52.72	83.89	63.11	..	..

In 12 Central Co-operative Banks and the Haryana State Co-operative Bank Limited, the amounts of overdue loan and interest as on 30th June 1975 were Rs. 15,70.75 lakhs and Rs. 94.74 lakhs respectively. Out of these, Rs. 2,06.82 lakhs and Rs. 6.47 lakhs were outstanding for more than three years.

In respect of the Central Co-operative Banks, there were 8,347 indebted co-operative societies as on 30th June 1975. Out of these, 5,746 societies had defaulted in repayment of loans. Debts considered bad and doubtful amounted to Rs. 3,89.93 lakhs (principal : Rs. 3,31.97 lakhs and interest : Rs. 57.96 lakhs), against which there was a reserve of Rs. 1,28.00 lakhs only.

7.6. Co-operative consumers stores

There were 14 Central Co-operative Consumers Stores in the State as on 30th June 1975 ; one of them had not started functioning. Besides, there was one apex institution, namely, the Haryana State Federation of Consumers Co-operative Wholesale Stores Limited.

According to their audited accounts, the financial data of the Central Co-operative Consumers Stores for the years 1973-74 and 1974-75 were as under:—

Year	Number of stores	Paid up capital	Government investment in share capital	Loans obtained and outstanding	Reserves and Funds	Turnover	Net profit
1973-74	10	16.11	10.97	22.99	8.90	6,13.47	2.64
1974-75	13	24.61	18.30	23.32	11.80	9,42.63	8.81

(amounts in lakhs of rupees)

During 1974-75, twelve stores earned a net profit of Rs. 9.53 lakhs while the remaining one store (Faridabad) sustained a loss of Rs. 0.72 lakh.

A perusal of the audited accounts of these stores for the year ended 30th June 1975 disclosed the following :—

- (a) In eleven stores, Rs. 6.40 lakhs (cash/stores) were alleged to have been mis-appropriated/embezzled.

- (b) In seven stores, debts to the extent of Rs. 3.18 lakhs were considered bad and doubtful against which there was a provision of Rs. 2.55 lakhs only.
- (c) Six stores were advanced loans/subsidies by the Government aggregating Rs. 5.17 lakhs for the construction of godowns/buildings and acquisition of delivery van, furniture, equipment, etc. Out of this, a sum of Rs. 2.13 lakhs was utilised for purposes other than that for which it was intended.
- (d) In eight stores, the closing stock included damaged stock valuing Rs. 0.91 lakh.
- (e) In the Stores at Jind, no Purchase Committee was constituted as required under the bye-laws. The purchases during the year (Rs. 62.37 lakhs) were made mostly from the local market and other places, without calling quotations and placing formal orders.

CHAPTER VIII

OUTSTANDING AUDIT OBSERVATIONS AND INSPECTION REPORTS

8.1. Outstanding audit observations

Audit observations on financial transactions are reported to the departmental authorities concerned so that appropriate action can be taken to rectify the defects and omissions. Half-yearly reports of such observations outstanding for more than six months are also forwarded to the Government to expedite their settlement.

The following table shows the number of audit observations issued upto the end of March 1976 and outstanding at the end of December 1976 as compared with the position indicated in two preceding Reports.

	<i>As at the end of December 1974</i>	<i>As at the end of December 1975</i>	<i>As at the end of December 1976</i>
@ Number of observations	19,407	16,483	17,296
@ Amount involved (in crores of rupees)	34.42	26.66	26.99

The following departments have comparatively heavy outstanding observations :—

<i>Serial number</i>	<i>Department</i>	<i>Number</i>	<i>Amount invol- ved (in lakhs of rupees)</i>
1.	Transport	3,196	7,51.36
2.	Buildings and Roads	2,482	6,71.60
3.	Agriculture	1,495	2,44.75
4.	Irrigation	3,733	1,87.99
5.	Co-operation	104	1,86.66
6.	Medical	908	1,77.59
7.	Public Health	1,276	1,32.41
8.	Industries	431	100.41

@ Excludes those relating to the Haryana State Electricity Board.

The following are some of the major reasons for which audit observations have remained outstanding :—

<i>Serial number</i>	<i>Nature of observation</i>	<i>Number</i>	<i>Amount involved (in lakhs of rupees)</i>
1.	Payees' receipts not received	10,951	10,40.26
2.	Detailed bills for lumpsum draws on abstract bills not received	1,082	5,33.31
3.	Vouchers not received	1,780	5,03.93

It will be seen that a sizable portion of the outstandings is due to non-submission of payees' receipts and vouchers. In the absence of these receipts and vouchers, it is not possible for Audit to verify whether the whole payments have been made or made for due consideration. The departments with comparatively heavy outstandings on this account are :—

<i>Serial number</i>	<i>Department</i>	<i>Number</i>	<i>Amount involved (in lakhs of rupees)</i>
1.	Buildings and Roads	2,283	4,77.40
2.	Agriculture	1,388	2,43.32
3.	Transport	2,155	2,43.07
4.	Medical	738	1,70.79
5.	Irrigation	2,871	1,25.15

Rupees 5,33.31 lakhs are held under observation (December 1976) as detailed contingent bills have not been received in the Audit Office. A major part (Rs. 5,06.69 lakhs) of this outstanding pertains to the Transport Department. The facility of drawing advances on abstract contingent bills by Disbursing Officers is intended to expedite payment in certain cases, but the abstract contingent bills are to be followed by detailed contingent bills (containing all particulars of expenditure with supporting documents) which should be sent to the Audit Office by the 15th of the month succeeding that to which the abstract contingent bills relate. In the absence of detailed contingent bills, it is not possible for Audit to know whether the whole amount has been spent on the purpose or purposes for which the advances were drawn.

8.2. Outstanding inspection reports

Audit observations on financial irregularities and defects in initial accounts, noticed during local audit and not settled on the spot, are communicated to the Heads of Offices and to the next higher departmental authorities through audit inspection reports. The more important irregularities are

reported to the Heads of Departments and the Government. The Government has prescribed that first replies to inspection reports should be sent within six weeks.

At the end of December 1976, six thousand nine hundred and ten inspection reports issued upto March 1976 were not settled as shown below with figures for the earlier two years :—

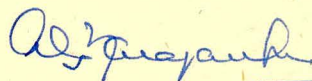
	<i>As at the end of December 1974</i>	<i>As at the end of December 1975</i>	<i>As at the end of December 1976</i>
Number of inspection reports*	6,389	6,629	6,910
Number of paragraphs*	27,645	29,930	31,289

(*Includes those relating to the Haryana State Electricity Board.)

Of the reports outstanding at the end of December 1976, 5,702 reports related to civil departments, 919 to commercial departments and 289 to revenue receipts. These included 204 inspection reports (85 civil, 108 commercial and 11 revenue receipts) for which even the first replies had not been received.

CHANDIGARH :

Dated 23 MAY 1977



(A.G. NARAYANASWAMI)
Accountant General, Haryana

Countersigned

NEW DELHI :

Dated 25 MAY 1977



(A. BAKSI)
Comptroller and Auditor General of India

APPENDICES

APPENDIX I

(Reference : paragraph 1.14, page 20)

UTILISATION CERTIFICATES FOR GRANTS PAID UP TO 31ST MARCH 1975
OUTSTANDING AS ON 31ST DECEMBER 1976

Department	Year of payment of grants	CERTIFICATES					
		Due		Received		Outstanding	
		Number	Amount (in lakhs of rupees)	Number	Amount (in lakhs of rupees)	Number	Amount (in lakhs of rupees)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
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	289	59.84	..	..	289	59.84
	1966-67	18	32.73	..	20.25	18	12.48
	1967-68	41	2,43.15	4	43.45	37	1,99.70
	1968-69	641	64.30	270	35.16	371	29.14
	1969-70	192	37.27	..	0.03	192	37.24
	1970-71	741	72.80	..	0.07	741	72.73
	1971-72	495	1,16.69	1	1.09	494	1,15.60
	1972-73	531	92.82	..	0.13	531	92.69
	1973-74	715	67.26	..	..	715	67.26
	1974-75	806	58.37	..	..	806	58.37
Total		5,132	9,77.40	275	1,00.18	4,857	8,77.22
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	7	93.43	..	..	7	93.43
	1970-71	1	0.50	..	..	1	0.50
	1971-72	2	0.69	..	..	2	0.69
	1972-73	1	0.35	..	..	1	0.35

Appendix I—contd.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	1973-74	2	1.42	..	..	2	1.42
	1974-75	20	2,82.08	..	..	20	2,82.08
	Total	55	5,72.00	..	..	55	5,72.00
Education	1965-66	4	0.12	4	0.12	..	..
(a) Education	1966-67	2	0.35	1	0.02	1	0.33
	1969-70	4	0.02	4	0.02	..	..
	1970-71	2	0.28	..	..	2	0.28
	1971-72	5	2.58	1	1.16	4	1.42
	1972-73	10	23.30	5	19.60	5	3.70
	1973-74	14	33.64	4	31.53	10	2.11
	1974-75	70	2,28.96	46	1,67.33	24	61.63
	Total	111	2,89.25	65	2,19.78	46	69.47
(b) N.S.S.	1973-74	2	4.19	..	..	2	4.19
Education	Total	2	4.19	..	..	2	4.19
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	163	7.43	..	..	163	7.43
	1970-71	73	2.10	..	..	73	2.10
	1971-72	54	6.20	..	..	54	6.20
	1972-73	10	3.86	..	..	10	3.86
	1973-74	1	0.02	..	..	1	0.02
	1974-75	6	18.92	..	..	6	18.92
	Total	562	45.57	..	..	562	45.57
Local Government	1963-64	3	2.15	..	..	3	2.15
	1964-65	2	0.02	..	..	2	0.02
	1965-66	2	0.71	..	..	2	0.71
	1967-68	1	0.12	..	..	1	0.12

Appendix I—*contd.*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	1970-71	8	4.08	4	2.98	4	1.10
	1971-72	8	24.48	1	20.33	7	4.15
	1972-73	8	24.28	..	..	8	24.28
	1973-74	5	23.06	2	20.08	3	2.98
	1974-75	2	0.67	..	..	2	0.67
	Total	39	79.57	7	43.39	32	36.18
Technical Education	1970-71	5	20.09	5	20.09	..	..
	1971-72	8	35.79	8	35.79	..	..
	1972-73	9	14.45	6	12.95	3	1.50
	1973-74	11	37.33	6	21.35	5	15.98
	1974-75	11	39.77	8	36.90	3	2.87
	Total	44	1,47.43	33	1,27.08	11	20.35
Social Welfare	1973-74	18	1.31	12	0.72	6	0.59
	1974-75	69	26.84	18	9.08	51	17.76
	Total	87	28.15	30	9.80	57	18.35
Political	1970-71	1	6.00	..	..	1	6.00
	1971-72	8	11.34	..	..	8	11.34
	1972-73	1	0.40	..	..	1	0.40
	1973-74	1	0.28	..	..	1	0.28
	Total	11	18.02	..	..	11	18.02
Urban Development	1974-75	46	20.95	43	5.95	3	15.00
	Total	46	20.95	43	5.95	3	15.00
Industries	1959-60	1	1.63	..	..	1	1.63
	1960-61	1	2.31	..	..	1	2.31
	1961-62	1	1.09	..	..	1	1.09
	1967-68	1	0.01	..	..	1	0.01
	1968-69	1	0.06	..	..	1	0.06

Appendix I—contd.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	1969-70	2	0.58	..	..	2	0.58
	1970-71	2	0.11	..	0.04	2	0.07
	1971-72	3	1.02	1	0.60	2	0.42
	1972-73	5	1.10	..	0.01	5	1.09
	1973-74	4	1.41	..	..	4	1.41
	1974-75	7	9.50	7	9.50	..	..
	Total	28	18.82	8	10.15	20	8.67
Medical and Health—							
(a) Medical							
	1966-67	1	0.02	..	..	1	0.02
	1969-70	2	1.09	..	..	2	1.09
	1970-71	4	0.14	..	..	4	0.14
	1972-73	2	0.44	..	..	2	0.44
	1973-74	1	4.75	..	..	1	4.75
	1974-75	22	25.28	17	23.33	5	1.95
	Total	32	31.72	17	23.33	15	8.39
(b) Health							
	1969-70	1	0.50	..	..	1	0.50
	1974-75	15	46.59	13	45.94	2	0.65
	Total	16	47.09	13	45.94	3	1.15
Housing							
	1971-72	1	0.37	..	..	1	0.37
	1972-73	1	2.07	..	..	1	2.07
	1973-74	5	4.62	..	..	5	4.62
	Total	7	7.06	..	..	7	7.06
Civil Aviation							
	1970-71	8	1.30	8	1.30	..	..
	1971-72	6	2.00	6	2.00	..	..
	1972-73	6	2.75	6	2.75	..	..
	1973-74	1	0.50	1	0.50	..	..
	1974-75	5	2.20	5	2.20	..	..
	Total	26	8.75	26	8.75	..	..

Appendix I—concl.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Other departments	1965-66	2	1.27	..	..	2	1.27
	1969-70	1	0.02	..	..	1	0.02
	1970-71	6	0.17	..	..	6	0.17
	1971-72	1	1.00	..	..	1	1.00
	1972-73	1	1.52	..	..	1	1.52
	1973-74	3	0.07	..	..	3	0.07
	1974-75	29	4.71	7	0.19	22	4.52
	Total		43	8.76	7	0.19	36	8.57
Grand Total		6,241	23,04.73	524	5,94.54	5,717	17,10.19

APPENDIX II

(Reference : paragraph 2.4, page 24)

SAVINGS UNDER GRANTS AND CHARGED APPROPRIATIONS

Serial number	Number and name of grant/appropriation	Original/Supplementary	Total grant/appropriation	Expenditure	Saving	Percentage of saving	
(in lakhs of rupees)							
Revenue portion							
1.	3—Home	O	20.14	25.79	17.18	8.61	33
	Charged	S	5.65				
2.	23—Transport	O	28,40.26	28,40.26	24,56.01	3,84.25	14
	Voted	S	..				
3.	24—Tourism	O	6.93	15.74	11.20	4.54	29
	Voted	S	8.81				
Capital portion							
1.	6—Finance	O	..	3.81	1.65	2.16	57
	Charged	S	3.81				
2.	7—Other Administrative Services	O	16.00	16.00	0.85	15.15	95
	Voted	S	..				
3.	11—Urban Development	O	10,50.00	10,50.00	6,36.02	4,13.98	39
	Voted	S	..				
4.	14—Food and Supplies	O	98,68.19	98,68.19	50,54.31	48,13.88	49
	Voted	S	..				
5.	16—Industries	O	85.06	85.06	70.07	14.99	18
	Voted	S	..				
6.	17—Agriculture	O	6.00	6.00	..	6.00	100
	Charged	S	..				
7.	22—Co-operation	O	31,01.41	31,01.41	10,58.69	20,42.72	66
	Voted	S	..				
8.	23—Transport	O	4,43.20	4,43.20	3,30.08	1,13.12	26
	Voted	S	..				

APPENDIX III

(Reference : paragraph 3.19, page 52)

CASES OF MISAPPROPRIATIONS AND DEFALCATIONS IN WHICH DEPARTMENTAL ACTION AND CRIMINAL PROSECUTION HAD BEEN COMPLETED BY AUGUST 1976 BUT RECOVERY WAS PENDING

Serial number	Department	Cases pertaining to				Total	
		1970-71 and earlier 1971-72 to 1975-76 years					
		Number	Amount	Number	Amount	Number	Amount
(Amount in lakhs of rupees)							
1.	Agriculture	8	1.30	1	0.10	9	1.40
2.	Land Revenue	2	0.51	..	..	2	0.51
3.	Transport	4	0.21	10	0.30	14	0.51
4.	Industrial Training	1	0.02	5	0.33	6	0.35
5.	Education	5	0.09	7	0.24	12	0.33
6.	Public Health	2	0.25	..	..	2	0.25
7.	Police	1	0.10	1	0.13	2	0.23
8.	Industries	1	0.23	..	..	1	0.23
9.	Irrigation	1	0.12	1	0.11	2	0.23
10.	Medical	1	0.05	..	..	1	0.05
11.	Printing and Stationery	..	..	1	0.04	1	0.04
12.	Development and Panchayats	1	0.02	..	..	1	0.02
13.	Fisheries	1	0.02	..	..	1	0.02
14.	Buildings and Roads	..	..	1	0.02	1	0.02
15.	Civil Secretariat	1	0.01	..	..	1	0.01
Total		29	2.93	27	1.27	56	4.20

APPENDIX

(Reference : paragraph

CASES OF MISAPPROPRIATIONS, DEFALCATIONS, ETC., UNDER
AT THE END OF

Serial number	Department	Departmental investigation cases pertaining to			
		1970-71 and earlier years		1971-72 to 1975-76	
		Number	Amount	Number	Amount
				(Amount in lakhs)	
1.	Food and Supplies	2	4.18	6	0.36
2.	Buildings and Roads	5	0.39	21	3.36
3.	Irrigation	19	0.97	5	1.31
4.	Education	..	..	8	0.24
5.	Transport	1	0.02	24	0.62
6.	Printing and Stationery	..	..	1	0.64
7.	Medical	1	0.04	2	0.07
8.	Fisheries	..	..	..	..
9.	Development and Panchayats	2	0.05	..	..
10.	Election	..	..	..	..
11.	Forest	2	0.15	..	..
12.	Housing	1	0.09	..	..
13.	Animal Husbandry	..	..	..	..
14.	Agriculture	..	..	..	..
15.	Other Departments	1	0.01	..	..
	Total	34	5.90	67	6.60

*N.K. —Not known

IV

3.19, page 52)

DEPARTMENTAL INVESTIGATION OR CRIMINAL PROSECUTION (POSITION
AUGUST 1976)*Criminal prosecution cases pertaining to*

1970-71 and earlier years		1971-72 to 1975-76		Grand total	
Number	Amount	Number	Amount	Number	Amount
of rupees)					
1	0.11	..	..	9	4.65
..	..	..	..	26	3.75
..	..	..	..	24	2.28
1	0.15	7	1.08	16	1.47
3	0.14	2	0.09	30	0.87
..	..	..	..	1	0.64
..	..	1	0.30	4	0.41
1	0.23	1	N.K.*	2	0.23
2	0.16	..	..	4	0.21
1	0.17	..	..	1	0.17
..	..	..	..	2	0.15
..	..	..	..	1	0.09
1	0.05	..	..	1	0.05
1	0.02	..	..	1	0.02
..	..	4	0.01	5	0.02
11	1.03	15	1.48	127	15.01

APPENDIX V

(Reference : paragraph 3.20, page 53)

LOSSES DUE TO THEFT, FIRE, IRRECOVERABLE REVENUE, DUTIES, ETC.,
WRITTEN OFF/RECOVERIES WAIVED DURING 1975-76

<i>Serial number</i>	<i>Department</i>	<i>Number of cases</i>	<i>Amount Rs.</i>
1.	Transport	2	1,78,795
2.	Industrial Training	3	76,484
3.	Food and Supplies	22	10,482
4.	Public Relations	4	4,297
5.	Animal Husbandry	1	2,492
6.	Education	3	2,282
7.	Police	2	2,250
8.	Buildings and Roads	1	1,800
9.	Agriculture	1	1,500
10.	Other Departments	14	1,196
	Total	53	2,81,578

APPENDIX VI

(Reference : paragraph 5.1, page 68)

ARREARS IN RECEIPT OF STORES ACCOUNTS

<i>Serial number</i>	<i>Name of the department</i>	<i>Period for which these are in arrears</i>
1.	Agriculture	1969-70 1970-71 1971-72 1972-73 1973-74 1974-75 1975-76
2.	Animal Husbandry	1969-70 1970-71 1971-72 1972-73 1973-74 1974-75 1975-76
3.	Industrial Training	1969-70 1970-71 1971-72 1972-73 1973-74 1974-75 1975-76
4.	Medical	1969-70 1970-71 1971-72 1972-73 1973-74 1974-75 1975-76
5.	Jails	1975-76
6.	Police	1975-76
7.	Printing and Stationery	1975-76

APPENDIX VII

(Reference : paragraphs 6.5 and 6.16,

FINANCIAL RESULTS OF

<i>Serial number</i>	<i>Name of the Corporation</i>	<i>Name of the Department</i>	<i>Year of incorporation</i>	<i>Period of accounts</i>	<i>Total capital invested (A)</i>	<i>Profit (+)/ Loss (-)</i>
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<i>(Figures in Columns</i>						
<i>(i) Electricity Board</i>						
1.	Haryana State Electricity Board	Irrigation and Power	1967	1975-76	3,11,44.25	(+) 90.19*
<i>(ii) Other Statutory Corporations</i>						
2.	Haryana Financial Corporation	Industries	1967	1975-76	..	(+)81.26
3.	Haryana Warehousing Corporation	Agriculture	1967	1974-75	2,17.72	(+)4.18

(A) Capital invested represents paid-up capital *plus* long term loans and free reserves.

(B) Capital employed represents net fixed assets (excluding capital works-in-progress) *plus* working capital.

(C) Represents mean capital employed *i.e.* mean of the aggregate of opening and closing balances of (i) paid-up capital, (ii) bonds and debentures, (iii) reserves, (iv) borrowings including refinance, and (v) deposits.

* Represents contribution to General Reserve.

pages 75 and 88)

STATUTORY CORPORATIONS

<i>Total interest charged to profit and loss account</i>	<i>Interest on long term loans</i>	<i>Total return on capital invested (7+9)</i>	<i>Percentage of total return on capital invested</i>	<i>Capital employed (B)</i>	<i>Total return on capital employed (7+8)</i>	<i>Percentage of total return on capital employed</i>
(8)	(9)	(10)	(11)	(12)	(13)	(14)
6 to 10, 12 and 13 are in lakhs of rupees)						
7,96.75	7,44.94	8,35.13	2.68	1,71,62.24	8,86.94	5.17
90.32	89.53	..	..	(C) 19,71.86	1,71.58	8.70
..	..	4.18	1.92	2,00.92	4.18	2.08

APPENDIX VIII

(Reference : paragraph 6.17,

SUMMARISED FINANCIAL RESULTS OF

Serial number	Name of the Company	Name of the Department	Date of incorporation	Year of account	Total capital invested (A)	Profit (+)/ Loss (-)
(1)	(2)	(3)	(4)	(5)	(6)	(7)

(Figures in columns 6 to 10,12

I. Running Concerns

1.	Haryana State Small Industries and Export Corporation Limited	Industries	1967	1975-76 (Ended 30th June 1976)	57.73	(-)0.32
2.	Haryana Seeds Development Corporation Limited	Agriculture	1974	1975-76 (Ended 30th June 1976)	12.12	(-)11.68
3.	Haryana State Minor Irrigation (Tubewells) Corporation Limited	Irrigation	1970	1971-72 (Ended 31st March 1972)	5,97.29	(+)14.67
4.	Haryana Harijan Kalyan Nigam Limited	Social Welfare	1971	1973-74 (Ended 30th June 1974)	79.55	(-)0.30

II. Promotional and Development Undertakings

5.	Haryana State Industrial Development Corporation Limited	Industries	1967	1975-76 (Ended 31st March 1976)	..	(+)2.99
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(A) Capital invested represents paid-up capital, plus long term loans and free reserves.

(B) Capital employed represents net fixed assets (excluding capital works-in-progress) plus working capital.

(C) Represents mean capital employed i.e. mean of aggregate of opening and closing balances of (i) paid-up capital, (ii) reserves and surpluses and (iii) borrowings.

(D) Represents net profit before charging interest, tax provision and reserve under Section 36(I)(VIII) of the Income Tax Act.

page 88)

GOVERNMENT COMPANIES

<i>Total interest charged to profit and loss account</i>	<i>Interest on long term loans</i>	<i>Total return on capital invested (7+9)</i>	<i>Percentage of total return on capital invested</i>	<i>Capital employed (B)</i>	<i>Total return on capital employed (7+8)</i>	<i>Percentage of total return on capital employed</i>
(8)	(9)	(10)	(11)	(12)	(13)	(14)
and 13 are in lakhs or rupees)						
1.36	0.23	(-)0.09	..	72.99	1.04	1.42
5.36	..	(-)11.68	..	24.87	(-)6.32	..
10.96	10.80	25.47	4.26	5,46.90	25.63	4.69
..	..	(-)0.30	..	79.35	(-)0.30	..
0.49	..	..	..	(C) 2,97.79	(D) 3.48	1.17

APPENDIX VIII—concl'd.

(1)	(2)	(3)	(4)	(5)	(6)	(7)
<i>III. Subsidiaries of Haryana State Industrial Development Corporation Limited</i>						
6.	Haryana Tanneries Limited	Industries	1972	1975-76 (Ended 31st March 1976)	74.23	
7.	Haryana Breweries Limited	Industries	1970	1975-76 (Ended 31st March 1976)	2,07.51	(E) (—)16.46
8.	Haryana Minerals Limited	Industries	1972	1975-76 (Ended 31st March 1976)	43.97	(—)18.81
9.	Haryana Matches Limited	Industries	1970	1975-76 (Ended 31st March 1976)	12.50	(—)1.72

(E) It includes a credit of Rs. 19.00 lakhs due to switching over to straight line method of Depreciation from written down value method adopted in previous years.

(8)	(9)	(10)	(11)	(12)	(13)	(14)
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The Company is in construction stage and the entire expenditure is to be capitalised; hence figures are not given.

24.22	19.78	3.32	1.6	1,69.89	7.76	4.57
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3.51	3.22	(-)15.59	..	27.13	(-)15.30	..
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0.07	..	(-)1.72	..	6.81	(-)1.65	..
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APPENDIX IX

*(Reference : paragraph 6.22, page 101)***ARREARS IN PREPARATION OF PROFORMA ACCOUNTS OF GOVERNMENT
COMMERCIAL/QUASI-COMMERCIAL DEPARTMENTAL UNDERTAKINGS**

<i>Name of the Undertaking</i>	<i>Years for which accounts are in arrears</i>
Seed Depot Scheme	1966-67 to 1975-76
Colonization Scheme	1966-67 to 1975-76
Purchase and distribution of pesticides	1966-67 to 1975-76
Nationalised Text Book Scheme	1973-74 to 1975-76
Typewriter Workshop Scheme*	1973-74
Haryana Roadways	1974-75 and 1975-76

*Scheme stands decommercialised with effect from 1st April 1974.