

Notes on
Appropriation Accounts
1957-58

Chapter III—Financial Irregularities
Losses, etc.

and

Chapter IV—Other topics of interest

*(Audit Comments and Departmental Replies—
paragraphs 16-57, pages 14-49)*

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APPROPRIATION ACCOUNTS, 1957-58

CHAPTER III Financial Irregularities, Losses, etc.

Audit comments—

Departmental replies—

LAND AND LAND REVENUE DEPARTMENT

Paragraph 16, page 14

Irregularities in the cash transactions of an office.— A special audit of the accounts for the period from 23rd June, 1950 to 31st March, 1953, of a Tahsil office conducted at the request of the State Government in January-March, 1958, revealed various irregularities which were brought to the notice of Government in June, 1958, for departmental investigation. The results of departmental investigation were received in November, 1958 and the findings were subjected to further local examination. The more important types of irregularities are detailed below:—

(i) A sum of Rs. 110-4-0 realised from the parties towards rent, etc., was not accounted for in the Cash Book. Its credit to Government could not also be traced.

(ii) Proper accounts in respect of Rs. 2,812-4-0 out of the sum remaining undischarged on the 16th May, 1953, could not be produced to Audit.

(iii) Payees' receipts in respect of a sum of Rs. 12,369-6-0 stated to have been refunded to the parties could not be shown to Audit.

(iv) Stamps worth Rs. 3,081-12-0, being the cost of certificate cases realised from the parties, were found not to have been affixed to the relative cases. Accounts showing the details of the cases for which stamps worth Rs. 13,635-8-0 were purchased by withdrawal of cash from time to time, were not available.

Intimation regarding the action taken against the officials concerned is still (February 1959) awaited from Government.

(i) It has been reported by the Deputy Commissioner, Jalpaiguri that the said sum of Rs. 110-4-0 has since been realised and deposited to Government account. It has not, however, been reported as to what steps have been taken by the Deputy Commissioner against the person/persons concerned for not crediting the amount in time. The Deputy Commissioner has already been asked to submit a detailed report in the matter and to take departmental action against the persons at fault.

(ii) This amount of Rs. 2,812-4 relates to price of Court fee stamps and the objection in this respect has been discussed in item (iv) below as these two items are inter-linked.

(iii) The payees' original receipt for a sum of Rs. 7,037-5 has been found out and the payees' certificate of receipts for a sum of Rs. 1,284 has also been obtained.

Regarding the balance of Rs. 4,048 the Deputy Commissioner has stated that a thorough investigation was made by the Subdivisional Land Reforms Officer (Sadar) who contacted the persons concerned to verify if they had actually received the amount said to have been refunded to them. On investigation 8 persons out of 13 persons who were Auction purchasers were traced out and they admitted in writing that they had received refund of Rs. 2,703-56 nP. The five other auction purchasers covering the balance of Rs. 1,344-56 nP. could not be contacted as yet.

The Deputy Commissioner has been asked to pursue the cases in respect of the five other auction purchasers not yet contacted. He has also been asked to fix responsibility why the payees' receipts could not be shown to audit.

In items (ii) and (iv), the audit has referred to three cases relating to the amounts shown below:—

(a) Rs. 13,635-8-0

(b) Rs. 2,812-4-0

(c) Rs. 3,081-12-0

They are dealt with below.

It was found by the audit that Court fee stamps worth Rs. 13,635-8-0 were purchased from time to time, but no account showing details of cases in which these stamps were used could be shown to audit.

Audit comments—**Paragraph 17, pages 14-15**

Nugatory Expenditure.—As an emergent flood protection measure the State Government ordered in April, 1954, the construction of a retired bundh by the side of a railway embankment after a joint inspection of site by the Chief Engineers of the State and of the Railways on the 23rd February, 1954. It was agreed upon by them that if the work was put into execution it should be completed before the onset of the monsoon. The Irrigation and Waterways Department was accordingly directed to see that the work was completed before the target date, viz., 10th June, 1954. To expedite matters, the work was split up and allotted to two contractors who were given 1½ months' and 15 days' time respectively to complete it. The work orders were issued to the contractors on the 23rd April, 1954, but they totally failed to maintain proper progress with the result that hardly the equivalent of half the bundh was completed to the full section within the periods stipulated in the contracts. An attempt to remedy matters by erecting two cross bundhs at a cost of Rs. 4,332 approximately was then made but to no effect, as the flood water started flowing on 15th June, 1954.

The incomplete "retired" bundh along with the cross bundhs was completely washed away thus rendering an expenditure of Rs. 1,34,044 nugatory—apart from the loss occasioned by damages to roads, bridges, etc., in the vicinity.

No penalty was imposed on the contractors who had failed to complete the work in time and their security deposits were also refunded to them in full in May and November, 1955.

Departmental replies—

Court fee stamps were purchased on several occasions out of the accumulated fund but no proper account was maintained in the office at that time to show the reference number of cases for which the stamps had been purchased. Subsequently Audit accepted the accounts for Rs. 2,486-4-0. As regards the balance of Rs. 11,149-4-0 the Deputy Commissioner thoroughly examined all relevant papers including the case records for the period in question and reported that it had been possible for him to reconstruct accounts for the sum of Rs. 11,149-4-0 from the available records of the office. This may be verified by the next audit.

As regards the sum of Rs. 2,812-4-0 referred to in item (ii) above, the audit party did not accept the accounts in respect of this sum inasmuch as the certificate cases in which the Court fee stamps worth Rs. 2,812-4-0 were shown to have been affixed were instituted after realisation of the above amount.

The Deputy Commissioner has been asked to make thorough investigation into all such cases and to take appropriate action against the delinquents.

As regards stamps worth Rs. 3,081-12-0 being the cost of certificate cases realised from parties which were not found to have been affixed to the relative cases, the Deputy Commissioner has been asked to fix responsibility for the loss thus caused to Government.

IRRIGATION AND WATERWAYS DEPARTMENT

On the recommendation of the Chief Engineer, West Bengal, Irrigation, the construction of a retired embankment at an estimated cost of Rs. 2,01,168 covering the portion of the Barnes-Domohani Railway Embankment, which was being subjected to erosion by the river Teesta, was sanctioned by the State Government on the 9th April, 1954 with a view to saving the countryside behind the Railway Embankment from inundation by floods in case the existing Embankment breached. It was directed that the work should be started immediately and completed before the onset of the monsoon. The work was taken up in right earnest, but unfortunately, before it could be completed the flood occurred on the 15th June, 1954 and completely washed away the incomplete retired embankment.

The main criticism of Audit is that no penalty was imposed on the contractors for failure to complete the work in time, resulting in the incomplete retired bund being washed away and thus rendering an expenditure of Rs. 1,34,044 nugatory.

In dealing with the situation as it existed in the beginning of 1954, the Irrigation Department was faced with two alternatives, either in view of the shortness of time to leave things as they were, in the hope that the floods would not be of sufficient intensity to wash away the Railway Embankment, which has already been subjected to erosion in several places, causing inundation of the large area behind it, or to push through quickly the protection scheme which

Audit comments—

On the matter being brought to the notice of Government, it was stated in May, 1958, that in regard to the refund of the security deposit of one of the contractors the departmental officers had failed to exercise proper discretion and to obtain the orders of the higher authorities. The action taken for this failure has not been advised to audit.

Departmental replies—

would have the effect of minimising the risk of inundation in case breaches occurred in the Railway Embankment during the ensuing flood season. Of the two alternatives, the latter course appeared to the Irrigation Department to be fraught with lesser risk.

In order to save time, the work was split up and allotted to two contractors, and work order was issued on 30th April 1954, to complete the work within 1½ months in the case of one contractor, and 15 days in the case of the other. There was no lack of initiative or interest on the part of the contractors. They worked day and night with a labour strength of 500, but progress of work was greatly hampered due to frequent rainfall, which in that year unfortunately started earlier than usual. All the surrounding lands went under water, which had to be pumped out. On top of this, the Railway Embankment was on the point of being breached on 28-5-54. The attention of the Irrigation Officers had to be diverted to the prevention of a complete breach by providing a 10 ft. backing of earth and the construction of two cross bunds. This was an emergency which could not be foreseen, and the diversion of the contractors' labour to this emergency repair work slowed down the progress of the main scheme. To add to all this, the early onset of the monsoon brought on floods which by the first week of June broke through the Railway Embankment and washed away the cross bund as well as the incomplete retired embankment.

It will be seen, therefore, that the infructuous expenditure of Rs. 1,34,044 was not due to either any lack of foresight on the part of the Irrigation Engineers or slackness on the part of the contractors. Certain unforeseen circumstances coupled with a natural calamity that was both premature and of greater intensity than that of 1952, were responsible for the failure to complete the work as originally planned.

Incidentally, it may be mentioned that had the Railway shown greater initiative in strengthening their embankment in time instead of waiting for the breach which occurred at a time when effective repairs were not possible, the position might not have been so bad, in the sense that diversion of the labour which delayed the contractors' work, would not have been necessary. Another point to remember is that the embankment which was being constructed was designed to withstand normal floods but not floods of the intensity of 1954.

Paragraph 18, pages 15-16

Avoidable expenditure due to premature creation of a Revenue Division.—A Revenue Division was created in September, 1954, with a view to assessing and collecting water rates from the area estimated at nearly 160,000 acres to be irrigated by Damodar Valley Corporation Canals. Actually up to the end of 1956-57 only 10,219 acres were brought under irrigation and assessed for water rates. During 1957-58 irrigation was declared free and there was no assessment for water rates. A sum of Rs. 2,27,668 was, however, incurred on pay, travelling allowances and contingencies of the Division during the period from 1st September, 1954 to 31st March, 1958, although the revenue so far realised during this period amounted to only Rs. 940. A statement showing the area assessed and revenue collected over

The observation of Audit that the Revenue Division was created long before it was actually necessitated by collection work, discloses a wrong line of approach. Creation of some temporary posts was sanctioned in August 1954, for the purpose of *preparation of initial records* for assessment and collection of water rates, and *not*, for the purpose of assessment and collection of water rates, as stated by the Accountant-General. The incumbents of those posts started functioning under the Revenue Officer of a neighbouring Division, viz., Damodar Canal Revenue Division, from September 1954. A regular Revenue Division, was later sanctioned, which actually started functioning from July 1955, as the Damodar Valley Corporation intimated their programme of irrigation in a vast area of about one lakh acres spread over 306 mouzas within six police-stations in the district of Burdwan during the Kharif season of 1955. Under the existing procedure, collection of necessary particulars from the Settlement

Audit comments—

this period along with the expenditure incurred on pay, travelling allowances and contingencies, is given below:—

Year.	Total area for which lease agreements were executed with the cultivators.	Total acreage assessed for water rates.	Total demand for revenue made after assessment.	Collection made to the end of the year.	Expenditure on Pay, T.A. and Contingencies.
1	2	3	4	5	6
			Rs.	Rs.	Rs.
1954-55 ..	..	..	..	..	10,648
1955-56 ..	..	..	..	..	40,424
1956-57 ..	10,187.80 acres.	10,187.80 acres.	91,718	364	79,994
1957-58 ..	31.39 acres.	31.39 acres (in respect of 1956-57).	283	576	96,604
			Total	..	2,27,608

It is obvious that a Revenue Division was created much before it was actually necessitated by collection work. A substantial amount of the expenditure could have been avoided if instead of setting up a special Division, some neighbouring Divisions were entrusted with the assessment and collection of anticipated revenue which could not be heavy at any rate during the initial stages. It was stated in November, 1958 that the Division was created with the staff required for the preparation of initial records for the purpose of assessing and collecting water rates and that the work could not be managed by the neighbouring Division as the work in those Divisions was heavy.

Departmental replies—

Records and then processing and marshalling them for use in the prescribed departmental forms are the indispensable prerequisites for the preparation of initial records mouzawise for assessment of water rates with reference to the Settlement Record of Rights. The magnitude of this work clearly ruled out the possibility of its being managed by a neighbouring Revenue Division and thus fully justified the creation of a new Revenue Division at the time it was actually created.

It should be clearly understood that the strength of the staff engaged was based on the Damodar Valley Corporation's estimate of the approximate new area likely to receive irrigation in a particular year. Thus in 1955-56 the new area, apart from the 2.2 lakh acres under the Old Damodar and Eden Canal command, was expected by the Damodar Valley Corporation to be one lakh acres, and in 1956-57 and 1957-58 two lakh acres. It was on the strength of this estimate that the staff of the Revenue Division was engaged. The fact that these targets were not actually achieved could not have affected the size of the Revenue Division which had to be created on the assumption that the targets would be fulfilled. There was no reason for the State Government to assume that performance would fall far short of these targets, and to adjust its sanction accordingly.

The reasons which were responsible for the Damodar Valley Corporation's failure to achieve the targets were:

- (i) Certain difficulties in running the canals on full supply level, such as weak section of canal banks, inoperative condition of some regulators and breaches in canal banks.
- (ii) Absence of sufficient number of water courses and regulators to convey water to the fields within the irrigable blocks.

The Department could not afford to ignore the Damodar Valley Corporation's forecast without running the risk of being accused of unpreparedness in case the target was fulfilled.

Another factor to be taken into account is that supply of irrigation water was on a contractual basis and not under the Bengal Irrigation Act or the Bengal Development Act. Therefore, each cultivator had to sign an agreement for supply of water; without their consent water could not be supplied.

For these reasons, it would not be correct to link the question of creation of the Revenue Division with the actual quantum of collection of water rates.

HOME (PUBLICITY) DEPARTMENT**Paragraph 19, pages 16-17**

Contract for supply of Radio sets.—With a view to implementing the scheme for "Extension of Rural Broadcasting and School Programme" the State Government on the 27th November, 1954, entered into an agreement for ten years with a private firm for supply

It may be mentioned here that by purchasing radio sets and dry battery packs from the firm, Messrs. Flash Lights (India) Ltd., at the rates cheaper than those approved by the Government of India or obtained by invitation of tenders Government made a total profit of

Audit comments—

of radio sets and dry batteries at a fixed price of Rs. 150 per set plus Rs. 25 for battery and aerial equipment. Apart from the fact that the contract for the above supply was not executed on the basis of competitive tenders, the following defaults in the contract came to notice:—

Departmental replies—

Rs. 2,84,921-11-0 as per calculation sheet shown in the Annexure* below :—

AnnexureCalculation Sheet*

Showing the profit made by the Government of West Bengal by purchasing radio sets and dry battery packs from Messrs. Flash Lights (India) Ltd., at rates cheaper than those approved by the Government of India or obtained by invitation of tenders, in terms of the contract with the firm :—

Number of articles purchased

1. Radio sets—		
(i) Single spot frequency sets	4,000	
(ii) Double spot frequency improved sets for schools	500	
(iii) Four spot frequency sets for Darjeeling	50	
	Total ..	4,550
2. Dry battery packs		10,351 pieces

Account : Radio Sets

From Messrs. Flash Lights (India) Ltd.		From The Government of India.	
	Rs. a. p.		Rs. a. p.
(1) 4,000 single spot sets @ Rs. 150 ..	6,00,000 0 0	(1) 4,000 single spot sets @ Rs. 185	7,40,000 0 0
(2) 500 double spot sets @ Rs. 176-14-0 ..	88,437 8 0	* (2) 500 double spot sets @ Rs. 211-14-0 ..	1,05,937 8 0
(3) 50 four spot sets at Rs. 170 ..	8,500 0 0	* (3) 50 four spot sets @ Rs. 205 ..	10,250 0 0
	6,96,937 8 0		8,56,187 8 0
Sales Tax ..	32,668 15 6	Sales Tax ..	40,133 13 0
Total ..	7,29,606 7 6	Total ..	8,96,321 5 0 7,29,606 7 6
		A. Profit made on Radio sets by the State Government.	1,66,714 13 6

*By adding extra rates received by this Government on account of improvement over the contracted sets.

Account : Dry Battery Packs

From Messrs. Flash Lights (India) Ltd.		From Messrs. National Carbon Co.	
	Rs. a. p.		Rs. a. p.
(1) 947 pieces @ Rs. 25 ..	23,675 0 0	(1) 947 pieces @ Rs. 35 ..	33,145 0 0
(2) 9,404 pieces @ Rs. 25 plus 10 per cent. excise duty from 1-3-1955.	2,58,610 0 0	(2) 9,404 pieces @ Rs. 35 plus 10 per cent. excise duty from 1-3-1955.	3,62,054 0 0
	2,82,285 0 0		3,95,199 0 0
Sales Tax ..	13,232 1 9	Sales Tax ..	18,524 15 3
Total ..	2,95,517 1 9	Total ..	4,13,723 15 3 2,95,517 1 9
		B. Profit made on dry battery packs by the State Government.	1,18,206 13 6
		Grand total of profit (A & B) ..	2,84,921 11 0

N. B.—Rates for dry battery packs were not received from the Government of India. Lowest offer in this case was received by this Government, after inviting open tenders, from Messrs. National Carbon Co.

Audit comments--

(i) The said firm had not the requisite licence for manufacture of radio sets and dry batteries at the time of quoting its rate to Government for the supply.

(ii) In terms of the agreement, Government constructed a building and placed it at the disposal of the firm for setting up its radio factory and for residential purposes of its staff during the subsistence of the contract; and for this, the firm was to pay a rental at 5 per cent. per annum of the cost of construction of the building and the value of land, as against 6 per cent. per annum of the capital cost of the building including the value of land plus 8 per cent. per annum on the capital outlay on sanitary, water supply and electric installations as required under rules. The indirect financial aid to the firm thus amounted to Rs. 230 (Rs. 1,313 minus Rs. 1,083) per month.

(iii) Although the contract was to run for ten years it did not include a clause either for reduction in the prices of radio sets and batteries if justified by falling costs or for revocation or cancellation of the agreement, after due notice.

(iv) No security deposit was taken from the firm for due fulfilment of the contract; neither was any provision made for safeguarding Government building against damages, etc.

(v) Under the agreement, Government was to purchase from the firm 6,000 radio sets and 25,000 batteries during the year 1954-55 and 1955-56 against which Government actually purchased 4,350 radio sets and 7,480 batteries up to 31st March, 1957 and 200 radio sets and 2,871 batteries in 1957-58. The number of radio sets installed up to 31st March, 1958 under the

Departmental replies—

(i) It is true that the firm had no licence at the time of offering the terms for supply of radio sets and dry battery packs, but before entering into agreement with them it was duly verified that they had actually obtained the requisite licences from the Government of India for the manufacture and supply of the articles offered to Government.

(ii) Government had originally proposed to set up a Radio factory and Training Centre and Central Repair Workshop at Kalyani for production of radio sets and arrange for their repairs and training of personnel, at Kalyani. But as this would have involved heavy capital outlay and recurring expenditure in machinery and equipment and the risk of loss in manufacture, as Government were not contemplating production for the open market they gave preference to the offer of this firm to set up not only a radio factory but also a battery factory at Kalyani. The firm had asked for a loan to build their own factory at Kalyani. Government, however, considered it more desirable to build their own structures for a battery and radio factory as well as repair and training centre in a combined Radio Centre and let out the buildings to the firm. To centralise production, maintenance, despatch and repair at one centre for administrative convenience Government persuaded the firm to shift their factory from Dum Dum to Kalyani. In consideration of this, Government decided to charge them rental at 5 per cent. per annum of the cost of construction of the building and the value of the land. It is not, therefore, a fact that Government has given any indirect financial aid to the firm by providing them the building at Kalyani at a rental of 5 per cent. per annum of the cost of construction of the building and the value of the land.

(iii) In this long-term agreement a clause for reduction in the prices of radio sets and batteries, if necessary, was not included as the possibility of a sudden fall below the agreed price then appeared to be remote. In fact, since the execution of the contract, the market prices of radio sets and batteries have increased by over 50 per cent. Also a clause for revocation or cancellation of the agreement to safeguard the interests of Government had to be omitted as the party objected to inclusion of a unilateral clause and legal advice was that such a clause could not be incorporated if one of the parties was unwilling.

(iv) In terms of clause 3 of the Agreement executed by the firm they were to deposit a sum of Rs. 50,000 as security against due fulfilment of the condition that they would shift their factories from Dum Dum Cantonment to the buildings provided for them by the Government at Kalyani and suitably equip and enlarge them for manufacture of radio sets and battery packs. Accordingly they deposited the amount with the Government which was refunded to them after they had actually shifted their machinery, spare parts and raw materials worth thousands of rupees to the building within the compound of the Radio Repair Workshop and Research Laboratory there under the control of this Department. Government considered that this was sufficient safeguard for due fulfilment of the contract. For safeguarding the Government buildings, a clause was incorporated in the agreement requiring the party to deposit months' rental in advance.

(v) The accumulation of a number of radio sets was due to slow progress of installation of sets as the response from intending parties, who have to share 1/3 capital and recurring cost, coming up with share money was slow on account of unforeseen economic conditions caused by several successive years of draught and floods in most parts of West Bengal, over which the

Audit comments—

scheme was 1,406. Besides, 473 sets were supplied to the Government of Bihar in 1955 and 1956. Thus 2,671 sets of the aggregate value of Rs. 4,00,650 (approximately) were lying in stock on 1st April, 1958. Accounts showing the amounts realised from the recipient of 1,879 radio sets were not available to audit. The number of batteries, still remaining undisposed of, could not be ascertained, as the information regarding the stock lying in the district offices was not available. The purchase in excess of sets and batteries was apparently due to over-estimation of demand and the absence of a saving clause in the agreement. Apart from locking up of funds the deterioration in unused batteries especially is likely to be heavy.

(vi) The company occupied the building on 1st August, 1955, but the rent of the building could not be assessed before 27th September, 1957. Even thereafter no amount could be realised from the occupant towards the rent. A sum of Rs. 30,822 was thus outstanding against the company on 1st June, 1958, when the contract was terminated.

(vii) Due to failure on the part of Government to fulfil the terms of the contract (viz., their inability to lift the stipulated number of the radio sets and dry battery packs), Government had to remit 50 per cent. of the outstanding rent noted above, amounting to Rs. 18,411 to compensate for the loss stated to have been suffered by the company.

Departmental replies—

Government had no control. Two thousand sets out of the estimated 6,000 sets were intended exclusively for the schools. There was delay in getting sanction from the Education Department for installation of the sets in schools and a list of such schools. Education Department was requested by the Publicity Department on 29th January 1955 to furnish the list of schools and the list containing the names of 1,000 schools was sent by the Education Department on 17th July 1956. Not a single battery pack was purchased in excess of requirements and, therefore, none was there in stock or none remained undistributed at any stage. The account of share money realised from the parties has been compiled and may be shown to audit when called for.

(vi) As the land taken for the buildings in Kalyani consisted partly of developed area and partly undeveloped area, the cost of land could not be assessed by the Development Department for a long time. There was, therefore, delay in assessing the rental for realisation. The bills of the firm covering the rental already due plus six months rental in advance were, however, held back by Government. The entire dues from the firm have since been realised.

(vii) Government could not lift the contracted number of radio sets and battery packs as the recommendations for installation of sets in Schools could not be finalised in time, as also for the reasons for inability on the part of Government to instal all the radio sets purchased by them as stated in reply to paragraph (v) above. The circumstances could not be foreseen at the time of execution of the contract, and the Government decided, on the basis of the legal opinion obtained, to compensate for the loss stated to have been suffered by the Company, by allowing a rebate of 50 per cent. of the outstanding rental, on the basis of the following calculations.

In terms of the agreement, Government were to purchase from the company 6,000 radio sets and 25,000 dry battery packs in 1954-55 and 1955-56, but they actually purchased 4,350 radio sets and 7,480 battery packs during the period up to 1956-57, and 200 radio sets, and 2,871 battery packs in 1957-58. Thus the deficit worked out as follows:—

	Radio Sets.	Battery packs.
To be purchased in terms of agreement.	6,000	25,000
Actually, purchased ..	4,550	10,351
Deficit ..	<u>1,450</u>	<u>14,649</u>

At the moderate rate of profit at Re. 1 per battery pack and Rs. 2 per radio set, the loss to the Company worked out to—

	Rs.
For radio sets	2,900
For battery packs	14,649
	<u>17,549</u>

This, together with the loss due to locking up of the firm's capital, was estimated at Rs. 20,000, which is roughly equivalent to the amount of concession allowed to them.

Audit comments—

Departmental replies—

HOME (TRANSPORT) DEPARTMENT

Paragraph 20, page 17—

Loss in the disposal of an aircraft.—It was mentioned in paragraph 23 of the Audit Report, 1952, that a total sum of Rs. 1,06,868 was spent up to December, 1950, on the upkeep and maintenance of the aircraft "CONSUL" which was purchased in November, 1948, at a cost of Rs. 65,000 and that it made only 5 flights up to December, 1950. The aircraft was put to auction on 24th March, 1951, but as there was no bidder it was stabled in a Community hanger of the Airport on 23rd April, 1951, at a rental of Rs. 1,000 per quarter. It was again put to auction on 2nd April 1953, when the maximum offer was Rs. 1,405 only. As this offer was considered unacceptable the aircraft was transferred in August, 1953 free of charge to an Engineering College to be used as model for demonstrations. A total expenditure of Rs. 1,20,000 on account of maintenance and supervision had been till then incurred on the aircraft.

In January, 1958, it was stated by Government that the plane had been transferred to the College at "nil" value after writing off its value (*viz.* Rs. 65,000) in the Government books.

The twin-engined second hand "CONSUL" aircraft (VT-CJB) was purchased by the Government of West Bengal on the 4th November 1948, at a cost of Rs. 65,000 from Messrs. Airways (India) Ltd. The maintenance and operation of the plane was entrusted to the same company at Rs. 4,000 per month during the period of serviceability and at Rs. 2,500 per month when the aircraft remained unserviceable under the terms of an agreement executed with that Company. After a few number of flights the plane sustained some internal damage which made it unserviceable. The plane while perfectly pliable still was being used very little and in view of this, and very high maintenance and operation cost, Government decided to dispose of the plane. The date for sale by public auction was fixed on 24th March 1951 but as none appeared to bid for the the "CONSUL", the plane could not be disposed of and the Company under terms of agreement ceased to be responsible for its operation and maintenance with effect from 22nd April 1951. Government arranged to store the plane in one of the community hangers at Dum Dum airport on a quarterly rental of Rs. 1,000 in terms of an agreement entered with the Controller of Aerodromes, Dum Dum, till the aircraft would be disposed of.

Thereafter efforts were made by the State Government to dispose of the plane to any of the well-known firms but with no results. Meanwhile the Bengal Flying Club approached the State Government for permission to use the Consul aircraft for training of youngmen as Commercial pilots. Their proposal was approved by Government and it was decided in December 1951 to hand over the plane to them under certain terms and conditions. But after protracted correspondence the Bengal Flying Club declined to take over the plane in January 1953 as their demand for a grant of Rs. 30,000 for its thorough repair for the Certificate of Airworthiness of the plane was not accepted by Government.

Thereafter another auction sale of the aircraft was attempted on 2nd April, 1953 when the maximum offer for the plane was Rs. 1,405 only. On 6th April 1953 several engineering Colleges including Shibpur B.E. College were asked to take over the plane for teaching purposes in their institutions. The B.E. College, Shibpur, agreed to take over the plane as free gift for teaching purposes in that institution and by the end of May 1953 State Cabinet decided to hand over the plane to Shibpur B.E. College free of cost. The B.E. College authorities were immediately asked to remove the plane from the hanger at Dum Dum but they could not arrange removal of the plane after complete dismantling before August 1953.

The plane having been disposed of as a free gift the book value of the aircraft at Rs. 65,000 was written off under orders of Government.

Paragraph 21, page 17—

Unauthorized use of non-route vehicles and improper maintenance of log books.—During 1957-58, there were about 68 non-route vehicles in the Directorate intended to be used as pick-up vans for the line staff working at odd hours, for carrying of stores and cash, for inspection trips by the operative staff, etc. In the running and up-keep of these vehicles about three lakhs of rupees were spent during the year. According to the orders of the Government, the use of these vehicles for journeys between residences and places of duty and for

The 68 non-route vehicles available for use in 1957-58 included as many as 42, which are lorries, wreckers, water trailers, ambulance cars, training buses, motor-cycles, etc. Out of 68 vehicles, 48 vehicles were old ones purchased mostly from disposals. Considering the age of the vehicles, the cost of repairs and propulsion was not considerable. A good number of these vehicles were used as Flying Squad (for checking work in routes and other inspection works), Breakdown Squad (to attend breakdown work) and such jobs as carrying of

Audit comments—

other private purposes is prohibited, except in emergent cases in which the officer using the vehicle is required to pay at the prescribed rate. In the course of test checking the log books of 25 vehicles, it was noticed that 13 vehicles had been frequently used by officers and staff for private purposes including journeys to and from residences, without payment of any charges therefor. The amount recoverable on this account could not be worked out as the mile metre reading had not been recorded in almost all the log books on such occasions.

The log books of the vehicles were also not maintained properly, inasmuch as the purpose of journey was not recorded at all in many cases, while in those cases, where it was recorded, the entries were too scanty to enable a verification of facts of the journey. Other columns of the log books, like time taken, distances travelled, etc., were not filled in, in a large number of cases.

Departmental replies—

storos, forms and cash, etc. There is no question of any of these 42 vehicles being misused.

The remaining vehicles were used with the approval of the Director-General of Transportation for transport of staff from different points of the city to office and back, and in the case of some officers, from their residence to office and back, in consideration of the situation of the different offices of the Directorate and duties imposed and hours of duty prescribed, which are not common in other Government Departments or offices. Those officers who were brought from their residence to office had to perform inspection work on the way. In 1958, a set of rules were issued under Home Transport Department Memo. No. 7886-WT, dated 19-11-58, to regulate the use of non-route vehicles.

As regards the question of non-record of purpose of journey, etc. in some of the log books and other omissions pointed out by Audit, necessary instructions have already been issued to fill up the log books properly in future.

EDUCATION DEPARTMENT

Paragraph 22, pages 17-18—

Withdrawal of money in order to prevent lapse of budget grants.—Sums aggregating Rs. 1,96,665 and Rs. 53,785 were drawn by the heads of some Government educational institutions towards the close of financial years 1955-56 and 1956-57 respectively for purchase of equipments in connection with the implementation of the Multipurpose Scheme even though these sums were not required for immediate disbursement. It would appear from the table given below that out of the amounts drawn Rs. 37,545 had to be refunded subsequently and Rs. 14,493 retained in hand even on 31st March, 1958 while the amounts in respect of the balance were spent long after their drawal.

Institution.	Amount drawn. Rs.	Remarks.
1.	40,405 on 31-3-56	Delivery of goods and disbursement of the amount were not complete even two years after the year of drawal. A sum of Rs. 7,082 remained undischarged with the Head of the Institution on 31st March 1958.
	23,018 on 31-3-57	Delivery of goods was not complete even during 1957-58 and a sum of Rs. 5,514 remained undischarged with the Head of the institution on 31st March 1959.
2.	24,062 on 31-3-56	Rs. 12,071 was refunded to Treasury in October and November, 1956, as the Institution found no scope for utilising the amount. Thus the money was drawn not only without any reference to the claims presented but even without any assessment of actual requirements.
	13,608 on 31-3-57	Rs. 11,711 were expended on the purchase of equipment up to the end of March, 1958 and the balance of Rs. 1,897 retained in hand. The equipments purchased were lying unutilised as the scheme for which these were purchased could not be implemented.

1. (i) Rs. 40,405 was drawn on 31st March 1956 by the Headmaster, Victoria Boy's School, out of which Rs. 7,082 were not disbursed to the firms because of unsatisfactory supply of articles.

The supplies received by the Headmaster involved a large variety of items, a thorough checking of which, would take a considerable time. Supplies were continued to be received till late in the year and the bills were drawn with the hope that the detailed checking would be completed by the time the cheques were received, so that the bills may be paid without much loss of time. The amount has since been disbursed to the firm concerned.

(ii) A sum of Rs. 23,018 was drawn by the Headmaster of the Victoria Boy's School out of which Rs. 5,514 could not be disbursed for reasons stated above. The amount has since been disbursed to the firm concerned.

2. (i) An amount of Rs. 24,062 was drawn by the Headmistress, Dow Hill Girls' School, on a misunderstanding, on receipt of orders sanctioning the grants. But as soon as the fact of overdrawal came to the notice of the office of Chief Inspector, Technical Education, the amount drawn in excess of the requirement was refunded and necessary instruction was issued to the Headmistress for her guidance in future.

(ii) Rs. 13,608 was drawn by the Headmistress, Dow Hill Girls' School out of which Rs. 11,711-03 was disbursed. But the balance could not be disbursed for reasons stated against paragraph 1 (i) above. Subsequently Rs. 317-38 NP. was refunded as the firms failed to supply articles to the satisfaction of the Headmistress and the balance was fully disbursed.

Audit comments—

Departmental replies—

Institution.	Amount drawn.	Remarks.
3. 72,086-12-9	on 22-3-56	The amount was drawn before equipments were supplied and ultimately Rs. 25,473-13-0 were refunded to the Treasury on the 28th May, 1956.
4. 60,110-14-0	on 29-3-56	Due to non-delivery of the goods the amount could not be disbursed completely before September, 1956.
17 159-1-3	on 31-3-57	The amount remained undisbursed by the close of April, 1957 as the furniture and equipment ordered were not received.
<u>2,50,449-12-0</u>		

It was stated by Government in September, 1958 that steps had been taken to prevent a recurrence of such irregularities.

MEDICAL DEPARTMENT

Paragraph 23, page 18—

Loss due to long storage.—In the course of local inspection of the accounts of a Medical Depot in November, 1957, it was noticed that out of 101,120 lbs. of D.D.T., which were purchased during the period from April, 1952 to July, 1952 at a cost of Rs. 3,46,720, 28,059 lbs. had been lying in stock since then. The physical verification report conducted in November, 1956 showed that out of 28,059 lbs, 26,859 lbs. valued at Rs. 1,12,472 had become unserviceable.

It was stated that the entire stock was purchased under instructions from the Director of Health Services for distribution against his allocations and that the balance quantity remained unutilised for long due to lack of allocation orders.

The Accountant-General, West Bengal sent a draft para. on this issue. The matter was investigated and it was found that the stock of D. D.T. in question had not really become unserviceable. The facts of this case are stated below:—

1,01,120 lbs. of D.D.T were received in Central Medical Stores during the period from 3rd April, 1952 to 22nd July, 1952, out of which a good number of drums were received in damaged condition though not recorded in the Ledger. As per requirement of the User Units, the articles were issued from time to time since 1952. In course of the process of utilisation during the last 4/5 years, a certain quantity of D.D.T. in the damaged drums had come in contact with dust and consequently these looked as deteriorated. As and when these drums were segregated having apparently deteriorated appearance, these were not issued to the User Units and hence these drums were left unused. The ledger was therefore shown "nil" during physical verification on 26th November, 1956, and the articles which seemed as unserviceable were removed to another godown as stores under suspension.

Samples of the above D.D.T. were sent for chemical analysis. The report of the analyst revealed that the stock was quite in order and was suitable for use. The A.D.H.S.(I.B.D.) submitted a proposal for preparation of D.D.T. emulsion out of the above stock for its proper utilisation and proposed purchase of reagents (Aromex, soap, etc.) at a cost of Rs. 22,760 exclusive of Sales Tax. The purchase of the reagents at the above cost was sanctioned by Government in January, 1960.

The above fact was reported to the Deputy Accountant-General, West Bengal (Outside Audit), to whom a copy of the report of the analysis submitted by the Government Analyst, State Drug Control Laboratory, was also furnished.

It was brought to the notice of Government in May, 1961 that owing to sharp rise in the cost of Aromex, drum, etc., purchase of reagent, etc., could not be made in terms of the Government sanction issued in January, 1960. The increased cost amounts to Rs. 32,760. Steps are being taken for sanctioning this expenditure.

Audit comments—

Departmental replies—

AGRICULTURE, ANIMAL HUSBANDRY AND FORESTS DEPARTMENT.

Paragraph 24, pages 19-21—

Delay in realising amounts due from firms on account of the sale of surplus stock of chemical fertilisers.—(a) In paragraph 10 of the Audit Comments on the Consolidated Store Accounts under the Intensive Food Production Scheme for 1951-52 (*vide* page 164 of the Appropriation Accounts for 1951-52) it was mentioned that a sum of Rs. 17,46,882 had been outstanding against two firms on account of sale proceeds of fertilisers which were given to them for distribution amongst the agriculturists.

In January, 1957, it was stated by Government that the outstanding dues from the firms for quantities given to them during the period from 1950-51 to 1952-53 had come down to Rs. 3,01,225-5 and that the Directorate had been asked to take legal steps against one of the firms for the recovery of Rs. 2,63,272 and that the amount due from the other was under process of recovery. A local inspection of the accounts pertaining to these transactions, conducted in July, 1958 by audit, however, revealed that while the dues from one of the firms had been fully adjusted, the position regarding the other was as follows:—

	Rs.
(i) Quantity of chemical fertilisers lifted by the firm (5,004 tons).	18,19,613
(ii) Amount paid by the firm ..	11,88,204
(iii) Balance recoverable from the firm ..	6,31,409
(iv) Amount admissible to the firm on account of unpaid bills.	2,75,078
(v) Security Deposit of the firm ..	10,000
(vi) Net amount recoverable from the firm ..	3,45,731

The following irregularities also came to light:—

(1) The firm submitted bills for Rs. 1,14,260 which were provisionally accepted by the Department in addition to what has been mentioned against item (iv) above. As these bills relate to charges on account of distribution, freight and value of shortages, over and above those provided for in the contract, these are not payable under the terms of contract.

No comments.

(2) Although the terms of contract provide that the firm should get the actual cost on account of transport charges, loading, unloading, storage, etc., subject to a certain ceiling rate in each case, it preferred claims in all cases, except one, at the ceiling rates without any reference to the actual expenditure incurred. It was stated by the Department at the time of local inspection that the firm when called upon to produce its initial records intimated that these papers had since been destroyed by it. No safeguards were provided in the contract to ensure that the ceiling rates were not claimed in each case as a matter of course.

No comments.

(3) The distribution list furnished by the firm on the basis of which the claims were preferred, could not be checked for want of initial records, such as Cash Memos., Sales Registers, etc.

No legal action has so far (August, 1958) been taken against the firm to effect recovery of the outstanding dues.

(3) While the Accountant-General, West Bengal was requested to report on the admissibility of claims of Messrs. Talukdar & Co. (C. & F.) he asked for certain documents and also proposed to arrange for a local test check of the accounts of the firm after receipt of the said documents. The documents then available were placed by the Director of Agriculture before the Accountant-General, West Bengal. Accordingly a local audit was undertaken by the Accountant-General, West Bengal's audit party and the relevant records which were then maintained by the firm concerned were produced to audit. On the basis of the audit report the total claim of the firm has been determined. Steps are now being taken for realising the net dues of Government after adjusting the amount payable to the firm on account of their bills.

Audit comments—

(b) In 1953-54 fresh agreements were entered into with three firms (including the one greatly in default mentioned in the preceding sub-paragraph) for distribution of fertilisers amongst the agriculturists for one year, which was subsequently extended for another year (i.e., up to the end of 1954-55). In appointing these firms no tender was invited and the rates of remuneration and other charges to be paid to the firms were fixed on the basis of negotiation, as was done in the previous years. Of the three firms, the accounts of only two firms were made available to local inspection in August, 1958, while the accounts of the third could not be produced to audit as the accounts were stated to be under reconciliation.

The audit of the accounts of the two firms disclosed the following irregularities:—

(i) Very large amounts are due from the two firms on account of the cash sale made by the firms during 1954-55 as below:—

I. Amount due from the newly appointed firm.

		Rs.
Cash sale	..	10,88,784
Amount credited	..	8,92,334
Amount due	..	1,96,450

II. Amount due from the firm mentioned in the sub-para. (a).

Cash sale	.. ..	9,47,063
Amount credited	..	1,80,144
Amount adjusted subsequently		1,59,859
		<u>3,40,003</u>
Amount due	.. ..	6,07,060

(ii) The accounts rendered by the firms showed that stocks of the value of Rs. 1,78,645 and Rs. 13,91,986 were still (August, 1958) lying with the newly appointed firm and the firm mentioned in sub-para. (a) respectively. Apart from this, the firm mentioned in sub-para. (a) did not even furnish any accounts for 1,660 tons of Superphosphate, valued at Rs. 4,41,041, which were given to it for sale on various dates during the period from July, 1953 to March, 1954.

Departmental replies—

Replies to the points raised by the Accountant-General, West Bengal which were furnished to him are given below. Subsequently the Accountant-General, examined the points in their following audit and the points raised by them are being examined. In this connection it may be stated that the services of an experienced auditor have been obtained on loan from the office of the Accountant-General, West Bengal to examine and finalise the accounts of the distributor concerned.

(i) The firms concerned viz., Messrs. Phosphate Co. Ltd., and Messrs. Talukdar & Co. (C. & F.) have been requested to credit the sale proceeds to Government but as large number of their bills concerning the years 1953-54 and 1954-55 involving large amounts are pending with Government for payment, the firms are not making any payment before their dues from Government on account of the above bills are ascertained after necessary scrutiny in this Department. Their intention is perhaps to adjust their dues to Government against their dues from Government.

(ii) Messrs. Phosphate Co., Ltd., have claimed that out of the stocks shown to have been lying with them at the termination of their appointment they did not actually receive 4,903 tons of Ammonium sulphate, 8 tons of Superphosphate and 272 tons of fertiliser mixture valued at Rs. 67,348. In support of their claim they have produced shortage certificates granted either by the railway authorities or by the Agricultural Officers in terms of the agreement. These shortage certificates are under scrutiny in this Department and after the scrutiny is over, steps will be taken to realise from the firm, the price of the fertilisers which are not covered by acceptable shortage certificates.

Messrs. Talukdar & Co. (C. & F.) have been requested to pay the price of fertilisers which were lying with them as shown in the statement. No reply has been received from them as yet.

A statement showing the account of 1,660 tons of Superphosphate was since prepared and sent to the Accountant-General, West Bengal. It appeared from the statement that out of the above quantity, 1,140 tons were 20 per cent. P_2O_5 quality Superphosphate which were used in the preparation of paddy fertiliser mixture. As these quantities were not distributed as single fertiliser, these were not shown in the account of the firm. 120 tons were included in the account and shown to audit as would appear from the Final Account which was placed before the audit party and audited by them. The remaining 400 tons

Audit comments—

(iii) Payment was made to the newly appointed firm, which is also one of the manufacturers of fertiliser, for the supply of 200 tons valued at Rs. 44,281 of Superphosphate to a certain agricultural office in December, 1954 and February, 1955 but no records in support of the receipt of the quantities by the indenter, were made available to audit.

(iv) Shortages of the value of Rs. 98,617 were allowed to the newly appointed firm in excess of the admissible limit of 2 per cent. in the case of Ammonium Sulphate and 2½ per cent. in the case of Superphosphate and fertiliser mixture because of the inability on the part of the Government to take over the stock after termination of the contract with the firm.

Departmental replies—

which were received at Ramkrishnapore for distribution as single fertiliser was not included in the account through oversight. This quantity will have to be added to the quantity of Superphosphate received by the firm during 1953-54 and the other related figures will have to be changed. Out of 400 tons, 247 tons were despatched by the firm to their sub-depots for distribution and the balance remained in their Ramkrishnapore godown. Out of this balance of 153 tons they returned to Government 141 tons 10 cwt.

(iii) It is not correct to say that 200 tons of Superphosphate has not been accounted for. The account in respect of the entire quantity was duly placed before the audit and was audited by them.

(iv) After termination of the term of Messrs. Phosphate Co. Ltd. and others who worked during 1954-55, a new set of distributors were appointed in their place. These new distributors were required to take fertilisers from Government on prepayment of price.

Large quantities of surplus stocks of different kinds of fertilisers belonging to Government were lying in the sub-depots of old distributors scattered all over the State.

It was decided that fertilisers indented for by the new distributors would be supplied to them from the sub-depot of the old distributors. But in the course of giving delivery of fertilisers to the new distributors in the above manner some practical difficulties arose. In cases in which the new distributors asked for one particular type of fertiliser, the old distributors refused to give delivery unless the entire quantities of each kind of fertilisers lying in their depots were taken over. As Government had no storage arrangement of their own at that time, the demands of the new distributors had to be met by indenting new stocks to facilitate timely distribution of fertilisers. Thereafter, Government hired godowns in all parts of the State and stored the old stocks there by lifting the same from the depots of the old distributors through transport agents appointed on tender basis. As the sub-depots were situated in the interiors having no communication facilities, the transport contractor after lifting some stocks abandoned the work. Thereafter the remaining stocks had to be lifted through local officers by engaging contractors locally. All these arrangements naturally took considerable time and as a matter of fact lifting of stock from many depots could not be completed before 1957. Under the terms of the agreement the distributors were eligible to get 2 per cent. shortage for Ammonium Sulphate and 2½ per cent. shortage for Superphosphate and Fertiliser Mixture, in one year. As due to the inability of Government to lift the stocks from Messrs. Phosphate Co. Ltd., the same had to be kept with them for another year for the reasons stated above. Government considered that it would be only fair to allow them shortage at the allowable percentage for the period the stocks were in their custody. Incidentally it may be mentioned that the same shortage would have occurred if the stocks would have been taken over by Government and kept in their godowns.

Audit comments—

(v) Sums aggregating Rs. 24,61,777 and Rs.26,88,678 were paid during the years 1953-54 and 1954-55 respectively for the preparation of fertiliser mixture (including the cost of ingredients) but no accounts of the fertiliser mixture were made available to audit.

Departmental replies—

(v) Accounts in respect of fertiliser mixture prepared by Government during the years 1953-54 and 1954-55 through mixing contractors appointed by them have been prepared and sent to the audit. It will be seen from the accounts that during 1953-54 orders for preparation of 12,500 tons of paddy fertiliser mixture were placed with Messrs. Talukdar & Co. (C & F):—

		Tons.
Messrs. Talukdar & Co. (C & F)	..	12,500
Supplied to Messrs. Phosphate Co. Ltd.		932
Supplied to Messrs. Talukdar & Co. (C & F).		6,634
Supplied to Messrs. Ashoka Marketing Ltd.	.. .. .	4,570
		12,136
Shortage	.. .. .	364
		12,500

In 1954-55 orders were placed with the following firms for the quantities indicated against each of them :—

- (1) Messrs. Talukdar & Co. (C & F) .. 6,000 tons.
- (2) Messrs. R. N. Chatterjee & Co. .. 1,500 ..
- (3) Messrs. B. C. Paul & Co. .. 1,000 ..
- (4) Messrs. I. C. Ghosh & Co. .. 1,000 ..

		Quantities despatched.	Allowable shortage.	Shortage due to long shortage.
		Tons.	Tons.	Tons.
No. (1)	..	5,802.9	180	17.1
No. (2)	..	1,460	45 ² .	..
No. (3)	..	970	30	..
No. (4)	..	970	30	..

As per terms of their appointment the mixing contractors for both the years were allowed a shortage of 3% as mixing shortage.

(vi) No attempt was made to verify the credit sales shown in the accounts of the firms with the loan ledgers maintained in the Subdivisions. In the course of test check made in this regard in two of the Subdivisions for the year 1954-55, it was noticed that the firms had actually disposed of only 19,605 mds. on credit, as against a quantity of 21,331 mds. shown as credit sale in their accounts, *vide* details below:—

		Credit sale as per firm's accounts.	Credit sale as per Sub- divisional Loan Ledgers.
		Mds.	Mds.
I	..	17,109	15,933
II	..	4,222	3,672
		21,331	19,605

(vi) The figures of credit sale of fertilisers as shown in the accounts placed before the Audit party and audited by them were arrived at on the basis of report submitted by the subdivisional Agricultural Officers. In some cases, however, the distributors refused to accept the figures furnished by the Subdivisional Agricultural Officers and asserted that larger quantities than reported by the Subdivisional Agricultural Officers were sold on loan. They claimed that the figures of credit sale should be prepared on the basis of their bills for remuneration which were duly supported by receipted copies of delivery orders issued by the Agricultural Officers. As Government paid these remuneration bills after being fully satisfied that the quantities for which remuneration was claimed were actually distributed on loan, the claims of the distributors were considered to be quite reasonable and the figures of loan sales in such cases were prepared with reference to the paid up bills.

After the last audit, the figures as mentioned in the loan ledgers of the Subdivisional Agricultural Officers have been obtained from them and steps are being taken to reconcile the discrepancies.

Audit comments—

(vii) No accounts showing the disposal of the stock taken over by Government after the termination of the contract on the 31st March, 1955 (278,241 mds. valued at Rs. 30,23,457) could be produced to audit.

Paragraph 25, page 21—

Loss.—1,085 mds. of honey were purchased by the Department in 1952-53 (in addition to the existing stock of 465 mds.) for sale to the public, even though the average sale per year was 550 mds. roughly. In 1952-53, 1,697 mds. were actually sold leaving a balance of 853 mds. In spite of this huge stock 500 mds. were again purchased in 1953-54 and only 574 mds. could be sold in that year. During 1954-55 and 1955-56 the Department purchased a total quantity of 450 mds. During these years they sold out 557 mds. out of the stock purchased in 1952-53 and 1953-54 and 385 mds. from the later stock. In 1956-57, 208 mds. pertaining to 1952-53 and 1953-54 stock were found unfit for human consumption 'owing to long storage' and accordingly sold by auction at a total sum of Rs. 422 against the book value of Rs. 17,497. There was a further loss of 14 mds. of the same stock valued at Rs. 1,191 through leakage of old tins. The total loss thus amounted to Rs. 18,266 (Rs. 17,075 + Rs. 1,191).

The irregularities were brought to the notice of Government in September, 1957, but no communication regarding fixation of responsibilities for the loss had so far (August, 1958) been received from them.

Departmental replies—

(vii) The accounts are under preparation and as soon as the same will be complete, the account will be placed before the audit.

FORESTS DEPARTMENT.

The departmental operation of honey is a new venture in the post-independence period. This scheme was undertaken for the first time in 1949-50 for the collection of honey from the honey collectors in the Sunderbans. After processing and filtering the honey used to be bottled and marketed. Till 1951-52 there was a good market for this commodity and this provided a reasonable expectation for the future. Even though there was a sizable closing balance at the end of the year 1951-52, more or less the usual quantity was collected in 1952-53 in the expectation of a good market. Unfortunately, there was a slump in the honey market due to import of a large quantity of honey from outside sources and this affected the disposal of the stock of honey collected under the departmental operation. Even though in the subsequent year 1953-54 only half the usual quantity was collected, the disposal was not satisfactory as the slump continued. As it was a new scheme, it was decided not to abandon it altogether in the hope that the market would improve and it would be possible to operate the scheme successfully. Eventually the market did improve and the scheme has proved to be a success but the loss of a little over Rs. 17,000 due to accumulation of stock on account of low disposal spread over 4 years due to a slump in the market is admitted. The matter was duly looked into but no individual responsibility could be fixed. The loss is due solely to our anticipations in a commercial scheme of this nature not materialising on account of a sudden slump in the market that continued for almost 4 years.

It is pointed out in this connection that in 1952-53, 696 mds. 35 seers 13 ch. of honey and not "1,697 mds." as shown by the Audit in its Report, were actually sold leaving a balance of 852 mds. 32 seers 12 ch.

Paragraph 26, pages 21-22—

Infructuous expenditure.—In 1953 Government purchased 150 pumping machines from a firm at a cost of Rs. 2,97,000 for sale to the agriculturists in two districts under the "Lift Irrigation Scheme" according to which the agriculturists were to be charged at Rs. 3,500 per pump which included cost of servicing and maintenance to be done by Government for five years from the date of sale. The servicing and maintenance of the pumps were entrusted to the supplying firm and an agreement was accordingly entered into with it on 8th April, 1953, which provided *inter alia* that the firm was to be paid for servicing and maintenance for the entire number of pumps sold to Government at Rs. 200 per plant per year "irrespective of the number actually brought to its workshop for such repairs" and that the firm would set up two repair shops within 3 months of the supply of the pumps at such sites as may be approved by the respective local Agricultural Officers. The defects in

AGRICULTURE DEPARTMENT.

This was in connection with the distribution of pumping plants to the cultivators under the scheme for "Lift Irrigation" by pumping plants.

In accordance with the agreement entered into between Government and Messrs. Motor and Machinery Manufactures Ltd., the latter firm sold to Government 150 pumping plants of which 75 were proposed to be distributed in the district of 24-Parganas and 75 in the district of Midnapur.

As per one of the terms of the agreement the firm was to have set up within 3 months of supply of the pumping plants, workshops in different places for servicing and maintenance of the plants for which they were to be paid by Government at Rs. 200 per plant annually irrespective of the number of plants sold to the cultivators and actually serviced by them.

Audit comments—

the working of the contract (which seemed to commit Government to paying the flat maintenance rate even on pumps not sold to the agriculturists) were duly brought to the notice of Government in April, 1954, at the time of audit inspection of the office concerned.

Audit was informed in January, 1957, that the scheme had to be abandoned as it proved to be unsuccessful and that the contract with the firm had been terminated with effect from 1st April, 1955. In November, 1957, Government further stated that only eleven pumps out of the 150 were actually sold to the agriculturists and brought to the existing workshop of the firm for repairs during the tenure of the contract (roughly 2 years) and that the remaining 139 pumps, which were lying unsold in Government godown, had been disposed of after the termination of contract.

Further enquiries by audit revealed that the firm submitted a claim for Rs. 42,750 for servicing and maintenance of all 150 pumps as per the terms of the contract, even though no workshop was set up by it as required under another clause of the contract. Payment was finally made by Government to the firm in March, 1955, in spite of the legal opinion that "the firm was not entitled to claim the charges without having complied with the pre-requisite condition, namely—the setting up of the workshops". The ground on which the payment was made was that there was no fault on the part of the firm to set up the workshops as the Agricultural Officers were unable to decide upon the places where such workshops should be located. The question of fixation of responsibility on the Agricultural Officers concerned was ultimately dropped in March, 1957, on the plea that "the site could not be selected as Government decided to alter the scheme."

Departmental replies—

This being a new scheme the Department of Agriculture and Food Production could not foresee beforehand how far it could be workable. However, the scheme was not so much popular and the pumping plants were not much in demand. So the local officers could not locate the site where the centre would be set up for the purpose of servicing and maintenance of the plants as was stipulated in the contract. It was also found that in the absence of these centres the servicing of the plants supplied was not affected as the party did the work efficiently from the workshop at Dum Dum.

So the party was paid in full and the matter of fixing responsibility was carefully examined and no officer could be made responsible in the matter.

FISHERIES DEPARTMENT*Paragraph 27, pages 22-23—***I.—M. L. Topsi.**

Injudicious Purchase.—In connection with a scheme for the transport of fish, the department purchased a tug (M. T. Kerala) in 1949-50 at a cost of Rs. 1,52,110 in addition to another vessel (M. L. Topsi) which had been purchased in 1946 (under another scheme) at a cost of Rs. 79,123. The tug (M. T. Kerala) was intended for towing a refrigerated lighter, for the purchase of which an order had been placed on a firm as far back as in 1945. As the lighter was not constructed according to specifications, the delivery of the same was not taken by Government, the matter being referred to an Adjudicator whose decision is still (August, 1958) awaited. Due to the non-receipt of the lighter the tug could not be utilised on the particular scheme for which it was purchased nor could it be utilised on any other scheme due to chronic engine trouble. The other vessel (M. L. Topsi) also could not be used due mainly to engine trouble ever since its purchase.

Except to the extent indicated in the table below, the two vessels were lying idle at their moorings (being out of commission) during the years 1950-51 to 1953-54.

Year.	No. of hours run by M. T. Kerala.	No. of hours run by M. L. Topsi.
1950-51	.. 21	215
1951-52	.. ..	..
1952-53	.. 238½	..
1953-54	.. 25½	..

From 1954-55 onwards, these vessels were being used for "Surrey Trips" only. But even here they were together actually put to effective use on 46 days only

1. Two motor launches namely "Topsi" and "Bhola" were purchased in 1946 from Australia in connection with the scheme for exploitation of Sunderbans fisheries, each at a cost of Rs. 79,123. At the time of partition, both the vessels were retained by West Bengal Government.

2. As these vessels had pinewood body, charges for their maintenance were rather heavy. Moreover, they started giving trouble and the scheme for which they were intended had also to be abandoned in 1950 on the advice of the Planning Commission. It was, therefore, decided to dispose of one of the vessels in 1952 and accordingly M. L. Bhola was made over to West Bengal Fire Service Directorate at a price of Rs. 20,000.

3. As the other vessel could not be utilised profitably, particularly owing to engine trouble, it was decided in August, 1955, to dispose of the vessel and to secure a new touring vessel in her place. Accordingly, notice inviting tenders through the press for disposal was issued in November, 1955, but no tender was received. In the meantime, a proposal was received from the Settlement Department to take over the vessel. But on inspection that Department did not consider her suitable for their purpose. Tenders were, therefore, invited for the second time in December, 1955, but this time also there was no response. The Departmental Tender Committee recommended for invitation of tenders for the third time which was done in January, 1956, but with no result. Meanwhile the Forest Directorate expressed their intention to take over the vessel but in June, 1957, on inspection, that

Audit comments—

during the period 1954-55 to 1956-57 (M. T. Kerala 30 days, M. L. Topsis 16 days). Since 1st April, 1957, both the vessels have been lying idle all the time.

Apart from the injudicious purchase of these old vessels, Government had to spend during these years more than Rs. 2,02,000 towards their maintenance and repairs, Rs. 19,409 for mooring charges and Rs. 13,879 per year on account of the pay and allowances of the crew.

The matter being brought to Government's notice through successive Inspection Reports, they stated in October, 1958, that, all attempts for the disposal of vessels having failed, it had since been decided to dispose of the vessel M. L. Topsis by public auction and that the question as to how the other vessel should be otherwise disposed of was under consideration.

Departmental replies—

Directorate declined to take over the vessel. Thereafter tenders were invited for the fourth time but there was no response.

4. All attempts for disposal having thus failed, it was decided in August, 1957, to sell the vessel by public auction. The Principal Officer, Mercantile Marine was consulted as to the fixation of a minimum price. But he regretted his inability to express any opinion in the matter. The Principal Officer was, thereupon, moved through Home (Transport) Department. This time also he declined to offer any comments on the ground that Ship Surveyors had no practical training in the matter and observed that the reserve price might be fixed after ascertaining the probable price of similar crafts from dealers of second hand launches. The Directorate of Fisheries was accordingly advised to negotiate with such firms. In spite of all possible attempts, no idea of the price of the vessel could be secured from them.

5. It has since been decided to dispose of the vessel by public auction and necessary orders have accordingly been issued under intimation to the Accountant-General, West Bengal. The vessel was sold by public auction on 15th October 1958 and the sale-proceeds were credited to Government under chalans Nos. 11/160 and 11/98, dated 16th October 1958 for Rs. 2,775 and Rs. 8,325 respectively.

6. The expenditure on account of repairs and maintenance of the minimum staff was incurred in order to prevent deterioration of the vessel.

II—M. T. Kerala.

1. Before partition Government took up a scheme (Sunderbans Pilot Scheme) for exploitation of the Sunderban fisheries with its headquarters at Khulna (now in East Pakistan). Under this scheme a number of crafts were procured and orders were placed in 1945 with the Hooghly Docking & Co. Ltd., for construction of 100 ft. Refrigerated Lighter. It was contemplated that fish would be collected from these fisheries and stored in the barge which would later on be transferred to the rail and road heads. But the Lighter could not be completed before partition.

2. As a major operational area under the scheme for exploitation of the Sunderban fisheries was transferred to East Bengal due to partition, this Government decided in the year 1949 to utilise the Lighter under a modified scheme, viz., scheme for demonstration power craft carrier unit. This tug was purchased in 1950 from Cochin as a second hand vessel at a total cost of Rs. 1,36,000 for the purpose of towing the Refrigerated Lighter in question. The examination and delivery of the vessel at Cochin were arranged through the Forest Department of this Government as there was no expert in the matter in the Directorate of Fisheries.

3. The Company concerned could not deliver the 100 ft. lighter and after a series of reminders when they wanted to deliver it, it was found that the lighter was not constructed according to specifications and a dispute which arose between the Company and this Government in the matter of taking delivery of this lighter had to be referred to an adjudicator whose findings have since been received. After consideration of these findings, it has been decided to institute a suit against the company and a draft plaint is under preparation by the Government Pleader. The scheme for demonstration power craft carrier unit under which it was contemplated to utilise the 100 ft. lighter and Motor Tug Kerala was purchased was subsequently abandoned primarily due to non-availability of the Lighter. The motor tug since her purchase could not be put into commission under any other scheme due to

Audit comments—

Paragraph 28, page 23—

Infructuous expenditure on maintenance of Danish Trawlers.—Two Danish trawlers purchased new in 1950 at a cost of Rs. 8.60 lakhs in connection with the Deep Sea Fishing Scheme were noticed to have been lying idle most of the time since 1954-55 as indicated below:—

Year.	Names of trawlers and number of days when they were out on the sea.	
	'Kalyani I.'	'Kalyani II.'
1954-55	.. 84	.. 68
1955-56	.. 64	.. 41
1956-57	.. 57	.. ..
1957-58	.. 56	.. ..

From the figures available up to 1954-55, it was noticed that the working expenses in respect of the two vessels came to more than Rs. 3 lakhs in a year. As regards the subsequent years, the departmental authorities stated that no financial account in respect of these two vessels had been maintained. It was noticed, however, that a sum of more than Rs. 2,02,000 had been spent on repair charges alone of the two trawlers during 1956-57 and 1957-58.

In reply to an audit query it was stated by the department in September, 1956 that it was not practicable for a trawler to remain at sea for more than 150 days in a year and that the days lost were mainly due to major break-down of the trawlers as they had become old. In reply to further query, it was stated in December, 1957, that the maintenance of these vessels would be more economical than buying new trawlers for the work of training of Indian personnel as also for purposes of exploration.

As the above objectives could hardly be achieved with the trawlers lying idle practically throughout the year, the matter was brought to the notice of Government in January, 1958 and their orders are still (August, 1958) awaited. It was again stated in October, 1958, that they had not been able to operate the trawlers at regular frequencies due to bottle-necks in respect of berthing, loading, unloading storage and marketing facilities and the unusual delay caused by the repairing firms in carrying out repair work in view of limited facilities available.

Departmental replies—

its engine and gear box trouble inspite of certain major repairs. It was, therefore, decided to dispose of the vessel by auction. Thereupon similar course was adopted as in the case of M. L. Topsi. In this case the P. O. M. M. declined to offer any opinion as to the fixation of a minimum price of this vessel. It has also not been possible to suggest a reserve price for the vessel after contacting dealers of second hand launches.

4. A proposal of the Forest Directorate to take over the vessel was, however, under negotiation for some time past. The above Directorate had intimated that they had no interest in her. In the circumstances the vessel was sold by public auction on 5th January 1959 for Rs. 67,000. The sale proceeds were credited to Government under Chalan Nos. 214 and 323, dated 7th January 1959 for Rs. 16,750 and Rs. 50,250 respectively.

5. The expenditure on account of repairs and maintenance of the minimum staff was incurred to prevent deterioration of the vessel.

The observation of Audit is presumably based on the idea that the trawlers were obtained by this State for earning revenue only. This is far from the fact. The object of operating the scheme was to explore the possibility of introducing marine fishing in this part of the country as commercial venture and at the same time training up Indians in mechanised fishing.

Government have to do their utmost to explore these possibilities with a view to introduce a new industry for developing the resources of the country in addition to meeting the demand of fish which the inland resources alone cannot do. Government have therefore to continue the exploration till the stage of arriving at a final decision as to the possibility or otherwise for commercial exploitation. For the said purposes, trawlers are necessary.

It is no doubt true that the Danish trawlers are old and require frequent repairs. But still maintenance of these trawlers would be economical than to go in for new trawlers for training of Indian hands and exploration purposes.

The object of operating the present scheme is purely exploratory as stated before. Although it is true that it has not been possible to operate the trawlers with regular frequencies as it should have been, due to obvious bottlenecks with respect to berthing, loading, unloading, storage and marketing facilities, the observation of Audit that the objectives could hardly be achieved with the trawlers is not acceptable as it has been possible to (i) establish definitely that the Bay Fisheries have adequate scope for large scale exploration, (ii) establish proper fishing seasons, (iii) standardise suitable types of gears, (iv) locate 12 potential fishing grounds, (v) train up 45 Indian hands under different categories and Indianise all the vessels. In addition to the bottlenecks cited above, distance of the fishing fields from Calcutta and unusual delay caused by the repairing firms in carrying out repairs in view of limited facilities available were also the contributory causes for our not being able to increase the operational days of the vessels. This would be possible only after the projected Kakdwip base takes a shape.

Audit comments—*Paragraph 29, pages 23-24—*

Irregularities in the payment of insurance charges of vessels. (a) Two Danish trawlers (costing Rs. 8.6 lakhs) mentioned in the preceding paragraph arrived in Calcutta in December, 1950. These vessels were insured to cover "all risks" for the period from March, 1951 to March, 1956. The insurance was, however, eventually discontinued in March, 1956, after a payment of Rs. 1,40,469 as premia had been made. It was stated by Government in June, 1958, that as the risk involved in undertaking voyages by these vessels was great, these vessels were insured in relaxation of the policy of Government, which was not to insure Government properties.

(b) Quotations for insurance were obtained from two firms in January, 1951 by personal contact. Both the firms offered the same rates but one of them was willing to give a discount of 10 per cent. on the rates as quoted. The quotation of the firm that did not offer any discount was accepted as the two rates were considered to be identical. The insurance policy with this firm, was continued from year to year for 3 years. (March, 1951 to March, 1954), resulting in a total extra payment of Rs. 9,081. Subsequently the firm, however, reduced its rate by 10 per cent.

The above irregularity was brought to the notice of the department in January, 1954 and of Government in April, 1954. It was stated in June, 1958 by Government that as the original papers on the subject were lost, it was not possible at that stage to state how the rates of both the parties were considered as identical.

Paragraph 30, page 24—

Loss.—A scheme for the maintenance of a central pool of pumps and mudhogs was taken up by Government in 1949-50 for supplying on hire to private owners of beels and tanks with pumping machines for resuscitating derelict beels and semi-derelict tanks for the purpose of pisciculture. The scheme was abandoned in 1953-54 due to lack of demand for the machines by the pisciculturists as they used to get these machines on hire at less cost from the agriculturists, who were supplied with the same machines by the Agriculture Department in connection with another scheme, which was already in prior operation. Further, the cost of transportation of these machines which was to be borne

Departmental replies—

(a) The Government purchased two vessels from Denmark after necessary alterations in connection with the survey of deep sea fishing possibilities in the Bay of Bengal. The cost of these vessels together with spare parts, gears and other equipments was Rs. 6,63,000.

The vessels together with their hulls, machineries spares and gears were insured with Messrs Concord of India Assurance Co. Ltd., during their voyage from Copenhagen to Calcutta in relaxation of the principle enunciated under Article 671 of the Bengal Audit Manual as it was considered unsafe to allow the vessels to undertake a long voyage without cover of risk.

The vessels arrived in Calcutta in the second week of December, 1950 and have since then undertaking exploratory work. The risk involved in undertaking these voyages was very great as the vessels would travel long distances away from the coast and would have to face usual summer storms. Moreover, according to the terms of the contract entered into between the Government and the Danish staff, the premium paid by the employees in Denmark for insurance against disability or accident would be reimbursed by the employers so that they might enjoy the benefits of the existing policies. As one of the conditions of these policies were that no crew or personnel who were insured for personal risks were allowed to serve on any vessel that was not insured, it was incumbent on this Government to insure these vessels. By payment of premium on the policies this Government would be absolved of further responsibility for payment of compensation for any disability or accident suffered by the employees during the period of their employment.

After considering the above facts Government decided that the vessels should be insured in relaxation of the principle enunciated under Article 671 of the Bengal Audit Manual. The insurance of the vessels has, however, since been discontinued by the Director of Fisheries.

(b) As regards the loss on account of insuring the vessels with Messrs Concord of India Assurance Co. Ltd., instead of Messrs New India Assurance Co. Ltd., it may be noted that the Director of Fisheries submitted the proposal of insuring the vessels with Messrs New India Assurance Co. Ltd., but subsequently he received revised quotation from the former and proposed to Government to accept the rates of Messrs Concord of India as the rates of both the firms were considered by him to be identical. The rates were also verified by the Fisheries Department with the original quotations and necessary Government order was issued.

But the original papers in this connection were lost and as such, it was not possible for the Development Department to state as to how the rates of both the parties were considered as identical.

In connection with the fishery work it is essential for the private owners to dewater and desilt their fisheries every few years. Owing to scarcity and high wages of labour, it was found that many fisheries were not dewatered and desilted for a long time with the result that fish production was being adversely affected. A scheme for maintenance of a central pool of pumps and mudhogs for dewatering and desilting tanks and beels for fishery development was, therefore, taken up in 1949-50. Under this scheme pumps were hired out to pisciculturists for dewatering and desilting their tanks. There was another scheme under the Directorate of Agriculture for outright sale of pumps to agriculturists for irrigation purposes. As, under the latter

Audit comments—

by the pisciculturists, was stated to be 'so high that they did not find it economic'.

The statement showing the overall financial position of the scheme, which was furnished to Audit in February, 1958 showed that against the total receipts of Rs. 26,582 the total expenditure under the scheme was Rs. 1,49,599, thereby resulting in a loss of Rs. 1,23,017 (including loss on their sale).

Departmental replies—

scheme, there was no provision for hiring out pumps and as pisciculturists were not interested in the outright purchase of pumps only for dewatering their tanks every few years, it was felt necessary to provide facilities to the pisciculturists so that they could dewater their tanks economically.

Ultimately it was found that agriculturists who purchased pumps from the Directorate of Agriculture could hire out their pumps locally to pisciculturists at lesser costs as the latter were not required to incur any expenditure for transporting the pumps to their respective destinations from a central departmental godown. Consequently there was less demand for the pumps maintained by the Directorate of Fisheries. The Scheme for hiring out pumps was, therefore, abandoned in 1953-54.

So long as the scheme was in force it was essential to retain a minimum staff for the maintenance of the machines in proper condition and also for working the pumps whenever they were hired out. In a service scheme like this, such expenditure was inescapable.

COTTAGE AND SMALL-SCALE INDUSTRIES DEPARTMENT*Paragraph 31, pages 24-25—*

Loss in the running of the Government Sales Emporium.—It was mentioned in paragraph 4 of the Review below grant No. 27.—Industries—Cottage Industries, pertaining to the Appropriation Accounts for 1956-57 that the Proforma Accounts of the Government Sales Emporium for 1952-53 and 1953-54 which revealed a loss of Rs. 32,000 had been returned to the Department in March, 1957 for resubmission after settlement of certain discrepancies.

The above accounts as well as the accounts for subsequent periods have not so far (August, 1958) been submitted to audit. In the absence of such accounts the exact amount of loss sustained by Government in the running of the Emporium could not be ascertained. Rough assessment of the results of working of the concern has however been made on the basis of the figures of gross profit earned in the following shops. The analysis of the direct working results reveals the following situation:—

Period.	Total sales.	Gross profit. (Selling price—Cost price).	Direct.* expenditure.	Direct loss.
	Rs.	Rs.	Rs.	Rs.
<i>Main Shop—</i>				
1956-57	2,26,481	23,136 (actual).	33,642	10,506
1957-58	2,08,476	23,594 (actual) or 11.3 per cent.	40,237	16,643
<i>Shambazar Branch—</i>				
1956-57 (10/56 to 3/57)	56,219	6,074 (actual).	6,798	724
1957-58	1,04,366	11,431 (actual).	13,315	1,884
<i>Howrah Branch—</i>				
1957-58	78,834	8,908 (at the rate of 11.3 per cent.)	12,049	3,141
<i>Ballygunge Branch—</i>				
1957-58 (6/57 to 3/58)	73,740	8,356 (at the rate of 11.3 per cent.)	9,663	1,307
<i>Grand Hotel Branch—</i>				
1957-58	15,350	1,750 (at the rate of 11.3 per cent.)	8,250	6,500
		Total loss		40,705

*Direct expenditure—(i.e. Pay and Allowances of the staff attached to the Shop, House-rent, Telephone and Electric charges only).

The loss is admitted. The Sales emporia have also a promotional aspect. The Director of Industries has, however, taken steps to reorganise the emporia on commercial lines and it is expected that the position will improve from now on.

Regarding the Proforma Accounts of the Government Sales Emporia for 1952-53 and 1953-54, the accounts have since been submitted to the Accountant-General, West Bengal. The accounts were not maintained previously on the double entry system which is in vogue in commercial firms.

Audit comments—

In arriving at the above loss contingent and overhead expenditure of the Sales Emporium during the relative financial year on publicity, decoration, carriage of goods, postage, stationery, etc., depreciation on assets, interest on capital, loss of stores through pilferage, theft, shop-soil, etc., and other overhead charges for administration, audit, etc., have been left out. If those expenses are allowed for, the net loss would be much higher.

Departmental replies—**REFUGEE RELIEF AND REHABILITATION DEPARTMENT***Paragraph 32, pages 25-26—*

Irregularities in the purchase of tents as an experimental measure.—In pursuance of a decision to purchase jute canvas tents as a substitute for cotton canvas tents on the grounds of economy, the Department, as an experimental measure, invited tenders for 1,000 jute (waterproof) tents, as per specifications laid down by the Government Test House. Actually Government purchased 2,000 tents in November, 1956, although only 1,004 tents could be issued so far (July, 1958). It was stated that as 'there was a heavy demand for tents on an emergency basis from Camps and Homes as also for meeting urgent requirements of flood-affected victims', extra tents were purchased to cope with the situation.

The Jute tents supplied were found below specification by the Test House. The department, instead of rejecting the supplies, imposed a deduction of 5 per cent. and a net sum of Rs. 1,51,985 was thus paid for the 2,000 tents. As a result of the acceptance of inferior quality, 398 tents out of 1,004 tents issued up to July, 1958, were returned by an Indentor, as these could not withstand rainfall. It was stated in July, 1958 that it had since been decided by Government to utilise the tents in winter season only as these were found unfit for use during the monsoon.

Paragraph 33, page 26—

Loss.—(a) In a subdivision, agricultural loans amounting to Rs. 1,31,620 were disbursed to a number of refugees in 1951-52 on the security of lands, which were either non-existent or situated within the bed of the river "Bhagirathi". Cases where loans had been paid against spurious "Amalnamas," also came to the notice of Government. In all these cases the Disbursing Officer had certified that he had made payments after satisfying himself that the loanees had secured lands with good right, title and interest thereon.

In reply to audit queries it was stated by Government in March, 1955 that the officer concerned could not be prosecuted for want of 'sufficient materials' but he had been punished departmentally. It was further observed by them that there was no chance of the recovery of the amounts from the loanees as they had deserted the place. The nature of punishment inflicted on the officer had not so far (August, 1958) been communicated to audit.

(b) In the same subdivision, 4,518 displaced families deserted the rehabilitation centres up to the 30th September, 1957. House-building loan of Rs. 20,79,270, small trade loan of Rs. 1,83,620 and Agricultural loan of Rs. 3,35,815 were outstanding against them on that date. Orders for the write-off of the amounts after adjustment of the value of assets, if any, left by the displaced families are still (August, 1958) awaited.

Jute canvas tents were purchased as an experimental measure in order to economise the expenditure incurred in the purchase of tents. This will be evident from the fact that the price of Jute Canvas tent was Rs. 85-5 against Rs. 148 of a cotton canvas tent.

There was an unprecedented flood in many of the districts of West Bengal in September-October, 1956. In November, 1956 when the purchase was made the stock position of tents was nil and there was heavy demand for tents on emergency basis from Camps and Homes as also for meeting the urgent requirements of flood-affected victims. Although tender notice was issued for the supply of 1,000 tents, 2,000 tents were purchased with the object of building up of a stock to meet the situation.

It has been reported by the Rehabilitation Directorate that all the jute canvas tents were issued for use of the displaced persons during the winter of 1958-59.

(a) As soon as various irregularities in payment of loans to refugees were detected, Shri S. K. Ganguli then R. O., Kalna, was suspended with effect from 8th August 1951.

The officer, concerned, could not however, be prosecuted in a court of law on the advice of the Legal Remembrancer, West Bengal, as no prima facie case for fraud or dishonest intention could be established against him. He was then proceeded departmentally for not having properly enquired into the details of lands on the basis of 'amalanamas' and dakhilas furnished by the refugees before payment of loans to them was recommended. He was found negligent and careless in his duty and was censured for this. He was reinstated with effect from 14th August 1954 and was only allowed to draw pay at $\frac{1}{4}$ th rate per month plus usual allowances during the period of suspension. In other words, he was not paid more than the subsistence allowance and other allowances, drawn by him.

(b) Certificate cases have been started against the deserters for putting the lands, mortgaged to Government, to sale and the sale proceeds will be credited to Government accounts, when realised.

The amount of loans found irrecoverable after certificate proceedings will be included in the quarterly statement submitted to the Government of India for their sanction to the write off of the same.

Audit comments—

Paragraph 34, pages 26-27—

Irregularities in the payment of advance to a Contractor.—With a view to supplying water to refugees residing in certain Rehabilitation Centres, the construction of 25 masonry wells was entrusted by the department to a contractor in 1950-51. A total sum of Rs. 28,141 (cash Rs. 26,491 and materials Rs. 1,650) was advanced to the contractor for the purpose during the period from 5th April, 1950 to 31st March, 1951 without any security or sanction of Government as required under the rules. The contractor submitted 22 bills for the construction of 22 wells during the period from 18th March, 1951 to 2nd August, 1952 of which 4 bills in respect of construction of 4 wells amounting to Rs. 6,541-7-0 were passed for payment after actual measurement. The department, instead of adjusting the entire amount against the advance made to the contractor, adjusted only Rs. 4,800 towards the same and paid the balance, viz., Rs. 1,741-7-0 in cash in contravention of the rules. The measurement report on the remaining 18 wells, for which bills were submitted, showed that 15 wells had been partially constructed by the contractor while no work in respect of 3 wells had been done at all. In April, 1957 a civil suit was filed against the contractor for the realisation of Rs. 21,600 (Rs. 28,141—Rs. 6,541). Actually the suit should have been for Rs. 23,341 (Rs. 28,141—Rs. 4,800).

The following further irregularities were noticed in connection with the above payment:—

- (i) The original tenders were not made available to audit and as such it was not possible to ascertain whether the lowest tender had been accepted in this case or not.
- (ii) No contract or agreement was entered into with the contractor. No formal work order was issued to him.
- (iii) From the copies of tenders it was noticed that tender was accepted by an authority not competent to do so.

The above irregularities were brought to the notice of Government in November, 1957 and it was stated in May, 1958 that the investigation had not been completed.

Departmental replies—

A large number of East Bengal Refugees, who procured lands amicably from landlords and were given rehabilitation benefits, wanted to build their houses in compact areas of different Mouzas in the district of Midnapore. These areas were lying fallow and had no source of water-supply. Provision for water-supply was considered essential before houses were built and it was contemplated that the tube-wells should be sunk in these areas through the Agencies of the Public Health Department by sanctioning loan to groups of families, one tube-well for each group. As tube-wells could not be sunk in such areas, construction of masonry wells was decided upon and was started through contractors in view of the emergency of the situation. In the meantime the required loan bonds were obtained from the refugee families concerned. The work was being done under the supervision of Subdivisional Officer Sadar (North) and it was arranged that the bills of the contractors would be checked by the Executive Engineer, Midnapore or by the supervisor of the Public Health Department posted at Midnapore. Before the work of construction was started a sum of Rs. 25,300 in cash was paid to the Contractors as advance and cement valued at Rs. 1,650 was also supplied to them for construction of 25 masonry wells. Thus a total sum of Rs. 26,950 was paid to the Contractors as advance.

The Contractors submitted 22 bills for the construction of 22 masonry wells of which 4 bills for construction of 4 wells amounting to Rs. 6,541-7-0 were passed for payment. The remaining 18 bills could not be passed as the work of construction was not completed. A sum of Rs. 4,800 for the four completed wells at the rate of Rs. 1,200 each was advanced to the Contractors. After adjusting the advance which was included in the total advance of Rs. 26,950 the net amount payable to the Contractors was Rs. 1,741-7-0 out of which only a sum of Rs. 1,191 was paid and the balance of Rs. 550-7-0 was due to the Contractors. But this due together with the advance of Rs. 4,800 for the four completed wells was adjusted against the total advance of Rs. 26,950. Hence the claim against the Contractors was for Rs. 21,599-9-0 (Rs. 26,950 minus Rs. 550-7-0 minus Rs. 4,800) and not Rs. 23,341 as pointed out by audit, and accordingly the suit has been filed for Rs. 21,600.

The date of hearing of the case was fixed on 27th August 1959 and the case is still sub-judice being adjourned to a subsequent date till December, 1960.

It has since been reported by the District Magistrate that the original tenders have since been found out and the lowest tender was accepted. No formal agreement was however drawn up and signed by both the contracting parties. But on the body of the tender, that was accepted, the contractors have endorsed "Seen. The work is being taken up" and signed. The formal work order was perhaps not issued in view of the endorsement in presence of the Officer, dealing with tender. The tenders were accepted by the Subdivisional Officer and the work was taken up by him. This was subsequently approved by the Collector.

Audit comments—

Departmental replies—

WORKS AND BUILDINGS DEPARTMENT

Paragraph 35, page 27—

Acceptance of a tender higher than the lowest.—In a Public Works Division tenders were invited on 11th October, 1955, for the construction of a building estimated to cost over Rs. 8 lakhs, the work to be completed within a period of 18 months. Out of five tenders received, the tender which stood fourth from the lowest was accepted on the ground that the firm concerned offered to complete the work within 12 months against the stipulated period of 18 months mentioned in the notice inviting tenders. The difference in amounts between the lowest tender and the one accepted was Rs. 41,121 (i.e., 5½ per cent. of Rs. 8,02,200). There was no mention in the notice inviting tenders that preference would be given to a tender offering to complete the work in a period of less than 18 months. The other tendering firms were not also offered any opportunity to state whether they would be prepared to complete the work within a period shorter than that specified in the tender notice. The department had explained that there was nothing to prevent the tenderers from quoting a shorter period and that it was on the other hand in their own interest that they should have done so, as this would have enabled them to recover the capital expenditure incurred by them more quickly.

The firm which was given the contract could not, however, complete the work within the stipulated time of 12 months (expiring on 19th October, 1956) and extension of time of over 18 months (up to 30th April, 1958) had to be given to them. It was stated by the department in April, 1958 that this extension of time had to be given because of delay on the part of the department in preparing certain drawings and designs and also because the construction of the ceiling work of the auditorium in the building, by a specialist firm resulted in delay in taking up the flooring work of the building.

The loss that has resulted to Government by acceptance of the tender other than the lowest one even on the basis of the estimated cost works out to Rs. 44,000 approximately. In actual execution the eventual loss to Government may work out to much more depending upon the final figures of expenditure.

Paragraph 36, pages 27-28—

Loss due to underassessment of rent.—In the course of local inspection of the accounts of a Public Works Divisional Office in December, 1951, it was noticed that a private commercial concern had been paying rent at the rate of Rs. 1,051-3-0 per annum since 1941 for the occupation of a plot of Government land measuring about 126,070 sq. ft. in an important locality. It was further noticed that the same Company had been paying annual rent at Rs. 14 per sq. ft. for land in a less important locality. If the rent was assessed at this rate, the rent for 126,070 sq. ft. should have been fixed at about Rs. 1,25,000 per annum.

On the matter being pointed out by audit in May, 1952, it was stated by Government in May, 1956 that the rent could not be enhanced during the currency of the existing agreement, which was valid up to 31st March, 1953 and that the question of re-assessment of rent had been under consideration of Government and that the new rental would be enforced after execution of a fresh agreement.

4

The work in question was considered to be extremely urgent and required quick execution in public interest. The particular firm, referred to, offered to complete the work in 12 months as against the Government's estimated period of 18 months. Judged on the basis of technical efficiency and Government's experience of the capabilities of the said firm, it was held that this firm would be in a position to complete the work within the shortest possible time. The selection of the contractors for the work in question was made on above considerations.

The fact that the work could not subsequently be completed within the contracted period was due to abnormal factors, unforeseen and incalculable in character, which proved to be hindrances to the timely completion of the work. Therefore, the Government had granted extension of time in terms of clause 5 of the contract.

In above circumstances, it is maintained that the actual period taken to complete the work should not be equated to the matters of technical efficiency and capabilities of this firm, which were the main considerations for this particular selection.

The position has since been re-examined in the light of the old files and may be stated as follows :—

Area actually used by the Calcutta Tramways Co. was then measured as follows :—

	s.ft.
(a) Looplines and sidings ..	15,890.5
(b) Office goomty ..	252.0
(c) Switch board ..	12.66
	16,155.46

For item (a) Revenue Department suggested the rate of rent at Rs. 37-10 p r cottah per annum for the area covered by the loop lines and sidings (this was based on the rent which the CTC had been paying to the Calcutta Corporation for double track, i.e., Rs. 4,000 per mile per annum). For (b) and (c) above Revenue Department suggested Rs. 600 per cottah per annum. On this basis the total annual rent payable was calculated at Rs. 1,051 per annum for a total area of 16,155.46 sft.

Audit comments—

On further enquiry from Audit, Government stated *inter-alia* in January, 1958 as follows:—

“On the basis of the preliminary calculation that some 16,155 sq. ft. of land was being occupied by the Company, the Home (Police) Department in their order dated 20th August, 1941 addressed to the Company fixed the annual rent for the same as Rs. 1,051-3-0 and suggested execution of formal agreement on the basis of the same between the Commissioner of Police, Calcutta and the Company. The Commissioner of Police on subsequent measurement of the land through the Executive Engineer, City Division, found that the area occupied by the Company to be 126,070 sq. ft. net (which measurement was also accepted by the Company) and reported the same to the Home (Police) Department on 8th November, 1944 together with the draft agreement with the request to amend the same lease agreement on the basis of the increased area of land, i.e., 126,070 sq. ft. before final execution of the agreement. It is, however, seen that the agreement was finally executed between the Home (Police) Department of the Government of Bengal, and the Company on 21st June, 1946 and in that agreement, although the area under occupation of the Company was shown as 126,070 sq. ft. as per report of the Commissioner of Police, the annual rent of Rs. 1,051 fixed under the order, dated 20th August, 1941 (on the assumption of occupation of only 16,155 sq. ft. land by the Company) was kept intact. Apparently this was an oversight, and the rent should quite reasonably have been fixed in the region of Rs. 8,000 per annum.

The matter also relates to the Pre-partition period and the officers responsible are all out of our reach. No effective purpose can, therefore, be served by pursuing the matter further at this stage.”

Thus, even at the rate (*viz.*, Rs. 8,000) now considered reasonable by Government, the loss in this deal amounted to Rs. 83,400 (approximately) up to 31st March, 1953, i.e., the date of expiry of the original agreement. As no fresh agreement has so far (March, 1958) been executed, the Company still continues to pay the rent at the old rate.

Paragraph 37, pages 28-29—

Avoidable expenditure.—The services of a private firm of architects were obtained by Government in July, 1953 for the preparation of plans and designs for the construction, by the Public Works Department, of certain police barracks after rejecting the plans and designs prepared by the Government architect. The original plans prepared by the department for one 4-storied barrack were changed to 2 three-storied barracks as designed by the private architect. The private firm was paid as fees (i) Rs. 3,250 for preparing a preliminary scheme and the lay-out plan, (ii) Rs. 23,095 for preparing sketch designs, working designs, etc., at 4 per cent. of the total cost of the structural portion of the project and (iii) Rs. 7,886 for similar services rendered as item (ii) above for the construction of an additional third barrack, but at reduced rate of 3 per cent. on the cost of the work, amounting in all to Rs. 34,000 approximately.

Departmental replies—

actually used by the CTC. In the formal letter of demand which was written to the CTC (No. 2748-Pl., dated 20th August 1941) it was expressly stated that the Company should pay a rent of Rs. 1,051 per annum “for the land occupied on the Calcutta Maidan at the Esplanade Junction by office goomty, switch board and loop lines and sidings” and a statement “showing how the figure has been arrived at” was enclosed with that letter. In that letter the Company was also asked to get in touch with the Commissioner of Police who was to arrange for the necessary agreement being drawn up as early as possible. This letter thus showed the actual area which Government had then in mind for purposes of charging rent and executing the proposed lease. It is important to note that in the lease itself which was executed 5 years later in 1946, there was a clear reference to this letter and it was also mentioned that Government had intended to charge rent as communicated in that letter. There was thus no under-assessment of rent in terms of the area for which the rent was determined. Unfortunately, however, in the lease itself the area of the land described in the Schedule was shown as 126,070 sft., i.e., the entire Esplanade Yard and not 16,155·46 sft. which was the area of the land actually occupied by the loop lines and sidings, goomty and switch board for which and on the basis of which the annual rent of Rs. 1,051 was calculated and charged.

The Works and Buildings Department (now P. W. Department) of the Government had prepared plans for construction of a four-storied barrack for accommodation of 400 constables at Barrackpur. As plans and designs in respect of 2 three-storied barracks for accommodation of 568 constables at a lesser cost than that estimated by the Works and Buildings Department for 400 constables, were offered by a private firm of architects, the comparative merits of the plans and designs were carefully considered in consultation with the officers concerned and it was finally decided to accept the plans and designs of the firm of architects as being the best. It was thus a decision reached on the merits of the case.

Audit comments--

The firm of architects went into dissolution on 12th April, 1954 after taking full payment for the work done. In reply to an audit query as to why the services of a private firm of architects were taken, when Government had their own departmental technical experts, it was stated by the Chief Engineer in July, 1958 that the firm was appointed as architect for this particular work 'perhaps on the ground that the user department preferred the plan prepared by it'.

Departmental replies--**FOOD DEPARTMENT***Paragraph 38, page 29—*

Payment made for undelivered stock.—A departmental check of the accounts of an office conducted in August, 1954 before an officer under orders of transfer was to be relieved, brought to light a few cases of payments having been made to a purchasing and storing agent by falsification of accounts and records. This aroused some suspicion and a detailed investigation of the accounts was ordered.

The investigation conducted in August, 1954, with the aid of available records revealed that as a result of falsification of accounts and records, a total amount of Rs. 1,13,395 was paid to the purchasing and storing agent in July, 1954 allegedly on score of cost and purchasing commission in respect of some quantities of rice and paddy, not actually delivered to Government.

It was reported in July, 1956 that out of Rs. 1,13,395 overpaid to the agent, only a sum of Rs. 30,849 could be recovered from him and that three out of the four Government servants found implicated in the matter were dismissed from service and the other let off with a warning. The case was then handed over to the police for investigation but the results of police investigation are still awaited (July 1958).

The amount involved in over-payment due to the fraud in the office of the Assistant Regional Controller of Procurement, Alipore, is Rs. 1,13,395 and the amount recovered upto now is Rs. 30,849.

A criminal case was filed in October, 1955 against the ex-agent (Shri M. M. Roy), and three dismissed Government servants, viz., one Deputy Assistant Regional Controller of Procurement, one Accountant and one Store man-cum-Sub Inspector. Charge sheet was submitted by the Police against four accused persons, viz., Storing Agent and three ex-Government employees under Sec. 420/120B I.P.C. The case is pending before Additional Special Court, Calcutta for trial.

DEVELOPMENT DEPARTMENT*Paragraph 39, pages 29-30—*

Unprofitable outlay on costly machinery.—Seven granulators and one crusher were purchased by Government during the years 1948-49 to 1950-51 at a cost of Rs. 2,35,482 for the purpose of crushing stones at different work sites of the various Road Construction Divisions. After the machines had been used for a very limited period it was noticed by the Department sometime in August, 1952 that the cost of procuring road-made metal direct from the quarry owners was cheaper than crushing stone by the machines departmentally. Thereupon, the Government in December 1953 issued orders for the disposal of six of these machines. It was stated in November, 1957 that six granulators were put to auction thrice after wide publicity through daily papers but as the offers received from the highest bidders for the different granulators ranging from Rs. 2,500 to Rs. 8,000 were considered to be meagre in comparison with their purchase price, the sale through public auction was stopped. Two of the machines were however sold through negotiation for Rs. 20,000 (one in September, 1956 and the other in March, 1958) as against their book value of Rs. 56,796 and the remaining six machines are still awaiting disposal.

In October, 1958, the Government stated that these machines were purchased at the time when progress on road development works was badly suffering for want of requisite supply of stone chips from the quarry owners, as very few of them had granulators of their

Seven granulators and one crusher were purchased by Government at a total cost of Rs. 2,35,482 in the year 1949 for the purpose of crushing departmentally stone chellies into chips at various work sites when readymade chips were not available in requisite quantity with the quarry owners as a very few of them had granulators of their own. These granulators were used departmentally by the local officers of the Road Development Directorate for producing chips at worksites.

The position, thereafter, changed when most of the quarry owners began to fit up granulators and crushers of their own. Procurement of ready made chips direct from the quarries thereafter became cheaper and therefore, more advantageous to Government because by avoiding departmental crushing at worksites the cost on account of double handling and railway freight on materials wasted as fine particles and dust at the time of crushing could be saved.

These machines were purchased under the exigency of circumstances when progress on road development works in this State was badly suffering for want of supply of requisite quantities of stone chips. Unless these machines were purchased at that time and stone chips were produced departmentally, there would have been a damaging set back to road works, particularly works on roads bordering on East Pakistan.

Audit comments—

own and that these machines subsequently proved surplus when most of them began to fit up granulators and crushers of their own. It was further stated that pending disposal of the remaining machines to the best advantage of Government these were being hired out to various parties at reasonable rates and that a sum of Rs. 21,100 had so far been realised on that account besides Rs. 6,700 still to be recovered from some parties.

The above contention of Government leading to the purchase of materials could not be verified as the relevant files, etc., were not made available to Audit.

Paragraph 40, page 30—

Heavy repairs to buildings shortly after construction.— Certain Health Centres were constructed by the Construction Board in the districts of Hooghly and Howrah on behalf of the Medical Directorate during the years 1949-51 at a total cost of nearly Rs. 1,80,000. Within a period of three to four years heavy expenditure amounting to Rs. 80,000 had to be incurred on repairs to the buildings, the cost of repairs in some cases exceeding even the initial cost of construction. Even the dismantled materials, viz., wood, etc., were found to be in such condition that they could fetch no re-sale value. The matter was duly brought to the notice of Government in December, 1956 for fixing responsibility for defective construction of the original works but no orders had so far (August, 1958) been received from Government.

Departmental replies—

Since these machines proved surplus to Government for reasons stated above, every possible efforts were being made for their disposal to the best advantage of Government or to hire out these to various parties at reasonable rates. As a matter of fact, a sum of Rs. 23,898 has been received up-to-date as hire charges for these machines and Rs. 5,990 are to be collected from hirers. Of the 8 machines 7 have since been sold and Rs. 1,16,550 realised as sale proceeds. Total amount realised so far, therefore, amounts to Rs. 1,46,438 against the original purchase price of Rs. 2,35,482. Necessary steps are being taken for the disposal of the remaining one to the best advantage of Government.

Taking into account the services rendered by these granulators and the hire charges and also disposal value already derived or expected to be derived, the loss suffered by Government may not be treated as noteworthy.

This audit objection relates to six nos. of health centres in the districts of Hooghly and Howrah. When the Health Centre Scheme was first initiated by the Government the construction of these Health Centres were first entrusted to the District Magistrates of Hooghly and Howrah.

In some cases the District Magistrates actually started the construction with plans and specifications of their own. But subsequently the Construction Board was entrusted with the execution of the Health Centre Scheme including those already under progress by the District Magistrates. The schemes already taken up by them had to be technically planned and scrutinised for durability, but in order to expedite their completion, the above 6 nos. of Health Centres were completed as per plans and specifications already adopted by the District Magistrates. This was done without upgrading the specifications contemplated. When the works came under the Construction Board the main items for changes of specifications were :—

1. Changing thatched roof.
2. Protection work for mud wall.
3. Changing wood work.

The audit has raised the question why such work was taken up at all with such inferior specifications. The reasons are two-fold. Firstly, the specifications were those as adopted by the District Magistrate. Secondly, at that time sufficient G. I. Sheets were not available for construction of so many Health Centres and it was desired by the Medical and Public Health Department that some Health Centres should be constructed very quickly in order to achieve sufficient progress towards implementation of their full programme. It was, therefore, decided that in all such Health Centres, the thatched roofing should be changed to C. I. roofing whereby annual maintenance cost would be minimum. As also the mud wall should be brick faced to safeguard against heavy damage by rains. Further, change from local wood to C. P. Teak was decided by the Construction Board after their experience in these types of works for few years. It was found that local wood was very unsatisfactory and in many cases the Hospital units were finding great difficulty in functioning at all. At first, attempt was being made in trying to construct the Health Centres as cheap as possible. But experience showed that some of the construction had not proved up to the mark.

Audit comments—

Paragraph 41, page 30—

Excess expenditure caused by executing works contrary to Government orders.—In a Construction Board Division, 200 huts were constructed during the period from 16th August, 1952 to 27th December, 1952 according to specifications originally framed in July, 1952 even though those specifications were substantially modified on 2nd August, 1952 by Government as a measure of economy. These changed specifications included the substitution of rough wooden trusses in place of sized Sal wood rafters, etc., and the substitution of suitably dressed bamboo materials in place of corrugated and plain iron-sheets for walls, doors and windows. As a result of the Division executing the works in disregard of the changed specifications an avoidable excess expenditure of Rs. 60,265 was caused to the Government. The irregularities, which were detected in course of local inspection of the accounts of the Division for 1952-53 and 1953-54, were brought to the notice of the Government in December, 1954 and again in July, 1957 for departmental investigation.

It was stated in December, 1958, that it had not been found possible by the Executive Engineer concerned to give effect to the measures recommended by the Construction Committee, without inviting fresh tenders, which would have meant inordinate delay and would have frustrated the purpose of sheltering the refugees in proper time.

No papers in support of the above contention of Government were produced to audit. The fact that the subsequent modifications in the specifications as recommended by the Construction Committee, were approved by the Refugee Relief and Rehabilitation Department, 2nd August, 1952, on the grounds of economy, would show that the Department responsible for providing shelter to the refugees, did not apprehend that these modifications would frustrate the very purpose for which the huts were to be constructed.

Departmental replies—

From the above facts it will appear that the abnormal repairs for the 6 nos. of Health Centres consisted of additions and change in specification by upgrading the same. So the expenditure of Rs. 80,000 spent for subsequent renovations of these Health Centres with superior specification does not mean any defective work.

These Health Centres were first completed during 1949-60 without annual maintenance for the next 3 years. Moreover, there was no proper system of guarding these Health Centres from regular pilferage and these buildings turned to be an easy sheltering abode for the local urchins and stray cattle which was primarily responsible for acceleration of their normal wear and tear. Another point has been raised by the Audit about the value of dismantled materials after completion of the repairs. It is not understood how the local wood remaining unprotected for 3 years in small pieces of shutters, etc., can fetch any market value except that of firewood.

With a view to find out additional accommodation for the influx of refugees, it was decided in June, 1952 to construct 400 huts immediately.

The then Executive Engineer, Murshidabad Division was directed to submit immediately an estimate for construction of 400 huts on superior specifications which might ensure durability and longer life to the huts.

The Executive Engineer was also instructed to invite short notice tenders from the panel of selected contractors on the basis of the above estimate pending its formal approval by the Refugee Relief and Rehabilitation Department in view of the emergency of the work.

Accordingly, an estimate for Rs. 11,71,600 (Rs. 2,921 for each hut) for construction of 400 improved type of huts was framed by the then Executive Engineer, and submitted to the Refugee Relief and Rehabilitation Department through the Chief Engineer, Construction Board. He also invited short notice tenders from the selected contractors on the basis of the above estimate pending its formal approval by the Government.

It was then decided that the work could be taken up on the following two conditions :—

- (a) that the number of hutments be reduced to 200, and
- (b) that the total cost be kept within Rs. 4 lakhs and the specifications be amended accordingly.

In order to meet the changed situation, the Construction Committee while accepting the lowest tender proposed the following modifications in the specifications on which tenders were originally invited with a view to keeping the total expenditure for construction of each hut within Rs. 2,000 :—

1. Salbulla trusses in place of sized Salwood.
2. Mullee bamboo mat walling through in place of combined C. I. walling and Mullee bamboo walling.
3. Jhamp doors and window in place of C.I. (Plain) shutters.
4. Intermediate posts bamboo instead of 4" salbulla.

The work was considered to be of an emergent nature and quickest possible execution was insisted upon from every level. In the circumstances, the Executive Engineer concerned had no alternative but to execute the work as per original specifications on which tenders had been invited. It may be mentioned here that although the Executive Engineer concerned had to get the work executed on the original specifications under unavoidable circumstances, the total

Audit comments—

Departmental replies—

expenditure exceeded the sanctioned amount only by Rs. 5,548. This excess expenditure is well within the competency of the Executive Engineer for sanction. No Government order is thus necessary in this connection.

In the Government order approving the construction of 200 improved type huts at a total cost of Rs. 4,00,000 (Rs. 2,000 per hut) there is no indication that the Government desired a further savings of Rs. 60,265 out of the said allotted amount on grounds of economy. A comparative study of the original specifications and the specification suggested by the Construction Committee indicates that the present savings of Rs. 60,265 might not have sufficed for the recurring expenditure which was sure to become necessary in connection with the maintenance of the constructed huts.

Considering the situation of that time much importance was given for prompt execution of works than to follow other technicalities very meticulously. If the written approval of the Refugee Relief and Rehabilitation Department were taken prior to starting of the work, the execution of the works should have definitely delayed and that was why the approval of Refugee Relief and Rehabilitation Department could not be taken beforehand.

It may be recalled that in the second half of 1952 the passport system was introduced in East Pakistan. As a consequence a heavy exodus started. These hutments were constructed as an emergency measure in anticipation of this exodus to provide accommodation to destitute migrants.

Taking the above factors into consideration, the Construction Committee also approved the action of the Executive Engineer, and also accorded technical approval to the work in the resolution of 291st Construction Committee meeting.

SUMMARY OF OTHER CASES OF LOSSES, IRREGULARITIES, ETC.

Audit comments—

Departmental replies—

Paragraph 42, pages 31-33—

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

Page.	Para-graph.	Number and name of Grant.	Total number of losses, irregularities, etc., under each Grant.	Total amount of losses, etc., under each Grant.	Brief subject.
1	2	3	4	5	6
				Rs.	
67	4	3.—State Excise Duties.	2	8,227	Remission of Revenue.

Remission of Revenue amounting to Rs. 8,227 was sanctioned by the competent authority during the year 1957-58 on the following grounds :—

Non-realisation of Government dues from assessees, not having sufficient assets, in spite of legal steps taken against them. (2 cases—Rs. 8,227.)

The above figures exclude individual remission below Rs. 500.

The details of the remission of revenue are given in the Annexure below.

ANNEXURE

Statement showing each individual item (of value of Rs. 500 or more) of remission of and abandonment of claims to excise revenue sanctioned by appropriate authority during the year 1957-58.

Serial No.	Particular shop.	Particulars of the claims and the period to which the claim relates.	Amount of claim. Rs.	Reasons for remission.
1.	Ramgarh Auction Pachwai shop in the district of Midnapore.	Balance of licence fees for the year 1953-54.	920	All steps taken under the law for realisation of claims having failed and there being no further prospect of its realisation the claim was declared irrecoverable and its remission sanctioned under Excise Commissioner's order No. 4820-E., dated 7-1-58.
2.	Foreign Liquor "Off" shop at 13B Chittaranjan Avenue, Calcutta.	Balance of licence fees due for 1952-53 and a part of 1953-54.	7,306-13	All attempts towards realisation of the Government dues having failed the claim was declared irrecoverable and its remission sanctioned under Excise Commissioner's order No. 1819-E., dated 24-7-57.

Audit comments—

Departmental replies—

Page.	Para-graph.	Number and name of Grant.	Total number of losses, irregularities, etc., under each Grant.	Total amount of losses, etc., under each Grant. Rs.	Brief subject.
1	2	3	4	5	6
103	10	10.—Irrigation.	..	(a) 1,500 (b) 3,645 (c) 40 (d) 4,000 (e) 249 (f) 212	Loss due to sweeping away of materials by the current of canal water. Loss in transit. Loss due to theft. Loss due to theft. Loss due to theft. Loss due to non-realisation of rent.

(a) Loss of 37 fall boards of the weir in a canal system under an Irrigation Subdivision. These were swept away by the cross current at night on 7th September 1954. (Amount—Rs. 1,500.)

The loss was written-off in May, 1957.

(b) 350 Nos. of rails lost in transit over Railways in pre-partition period. Railways refused to pay the claim as the formal claim was not presented within the time limit prescribed in the Railway Act. (Amount—Rs. 3,645.)

The sanction to the write-off issued in May, 1957. None held responsible.

(a) 42 low weir fall boards, which were tied with the permanent rod of the way shutter of the weir at Mohanpur for the Midnapore Canal System, were suddenly swept away by the strong cross current at dead of night on the 7th September 1954. The gauge-reader and the Khalasies were all alert, but they could not recover the boards from the strong current of the river in spite of their utmost efforts. Searches were made in the lower reaches of the river after the subsidence of the flood and as a result, 5 boards could be traced and recovered from a villager. There was no negligence on the part of the staff and the loss was purely an accidental one. Orders writing-off the loss amounting to Rs. 1,500 being the value of 37 fall boards were issued by the Government on 28th May 1957.

(b) 1,350 Nos. of rails were booked at Kidderpore Dock by the Officer-in-Charge, Stock Control Ind., E. S. T. D., Calcutta, as per R. R. No. 045932, dated 15th January 1944 and consigned to the Ex. Engr., Damodar Canal Division, Burdwan, at Burdwan Railway Station. The rails were loaded in four wagons. Out of the four wagons, only three wagons reached their destination but as all the four wagons were covered by one Railway Receipt, the S. D. O., Edilpore Irrigation Subdivision who was authorised to take delivery of the rails, had to take delivery of the contents of the three wagons only. One wagon No. B. B 16991 included in the Railway Receipt containing 350 Nos. of rails valued at

Audit comments--

Departmental replies--

Page.	Para- graph.	Number and name of Grant.	Total number of losses, irregu- larities, etc., under each Grant.	Total amount of losses, etc., under each Grant.	Brief subject.
1	2	3	4	5	6
				Rs.	

Rs. 3,644-11-0 did not at all reach Burdwan Station. The Subdivisional Officer reported the short receipt of the rails to the Officer-in-Charge, E.S.T.D., Calcutta. The Railway Receipt was then made over to the Goods Officer, Burdwan Railway Station on the 12th January 1944, the last date of taking delivery of the materials, with remarks of non-receipt of 350 Nos. rails in wagon No. BB. 16991 in the delivery register of the railway authorities. The movement of the missing wagon with its contents was then under investigation by the Station Master, Burdwan. A reference was made by the Subdivisional Officer, Edilpur Subdivision in his letter No. 4165, dated 13th November 1945 to the Station Master, Burdwan for delivery of balance of 350 Nos. rails but the latter intimated on the 16th November 1945 the non-arrival of the wagon in question at Burdwan. A formal claim for the loss of the said materials was then preferred by the Ex. Engineer, D. C. Divn. against the Rly. authorities on the 9th March 1946. In preferring the formal claim, the time limit was exceeded. The Railways refused to entertain the claim on the ground that the claim was time barred under the provisions of the Railway Act. They also intimated that the missing wagon was detached at Panagar but no clue to its contents could be traced out as this happened during the War period when the condition prevailing at Panagar was abnormal due to heavy booking of military traffic. Although a formal claim was not lodged within the specified period, informal notices of non-receipt of the consignment and the wagons had been given by the officers of the Irrigation and Waterways Department to the Railway Authorities more than once. None of the officers concerned of the Irrigation and Waterways Department could, therefore, be held responsible for the loss.

In the circumstances stated above, sanction of Government was accorded on 10th May 1957 to the write off of the amount of Rs. 3,644-11-0 being the cost of 350 Nos. of rails lost in transit over the Railways. The Chief Engineer, West Bengal, Irrigation, instructed the officers subordinate to him to prefer formal claims in such cases promptly and within the prescribed time limit in future.

(c) Theft of one Government Philips cycle from the office of an Executive Engineer on 4th September 1954. (Amount—Rs. 40)

The amount was written off in October, 1957. Total loss was Rs. 80 out of which Rs. 40 was ordered to be recovered from the peon whose negligence in keeping the cycle in safe custody resulted in the loss.

(c) One Philips cycle of the office of the Ex. Engineer, Damodar Canal Division at Burdwan was stolen from the custody of Shri Monoranjan Sinha, Peon, on the 4th September 1954, when he went to the 1st floor of the office building on some short business leaving behind the cycle unlocked on the veranda in the ground floor. Though to some extent, the negligence of the peon in keeping the cycle in safe-custody resulted in the loss of the cycle, he was not suspected of having any mala fide intention. The incident was reported to the Police who certified the case to be true after investigation, but could not find any clue for detection of the stolen cycle or the culprit.

Audit comments—

Page.	Para-graph.	Number and name of Grant.	Total number of losses, irregularities, etc., under each Grant.	Total amount of losses, etc., under each Grant.	Brief subject.
1	2	3	4	5	6
				Rs.	

Departmental replies—

In consideration of the hard pecuniary condition of the peon as also of the fact that he suffered a loss during the flood of 1956, Government directed on 12th October 1957 that Rs. 40 being half the market value of the stolen cycle should be recovered from his pay in monthly instalments of Rs. 5 each. The recovery has since been effected as directed.

The book value of the stolen cycle being not known, sanction of Government was accorded on 9th April 1959 to the write-off a sum of Rs. 210 being the difference between the replacement value (Rs. 250) of the stolen cycle and the amount (Rs. 40) recovered from the Peon, in terms of the rules in force.

(d) Theft of 25 Nos. D. C. Fans with blades of 60 inches, one No. D. C. Fan with blades 36" and miscellaneous articles, etc., from a Government godown on 20th January, 1956. (Amount—Rs. 4,000.).

The amount was written-off in December, 1957. Services of two chowkidars on duty were terminated on the results of departmental proceedings.

(d) 25 Nos. Calcutta D. C. Fans with blades of 60" sweep, 1 No. Calcutta D. C. Fan with blades of 36" sweep and some miscellaneous articles, v.z., Coir string Hackshaw Blade, D. D. T. liquid, soap bar, etc., valued at Rs. 4,000, of the Canals Division were stolen from the Irrigation and Waterways Department godown No. 7 located at No. 7, Canal Circular Road, Daspara, Calcutta, in the early hours of the 20th January 1956. This was an act of burglary, which was committed by making a hole on the C. I. sheet walling of the godown. The incident was reported to the Police, who arrested the two Chowkidars, namely, Shri Bankim Bahari Chakraborty and Shri Mayadhar Mishra, who were on duty in the said godown on that night on suspicion of their complicity in the theft after an on-the-spot-enquiry on 20th January 1956. The Police, however, failed to obtain any clue to the theft and the arrested Chowkidars were discharged by the Court for want of evidence. On the results of the departmental proceedings drawn against the Chowkidars on charges of negligence of duty, however, their services were terminated with effect from the 20th January 1956. The new hands who were appointed in place of the discharged Chowkidars, were directed to guard the godown properly. Sanction of Government to the write-off of the lost articles valued at Rs. 4,000 was accorded on 23rd December 1957.

The fans were purchased in March, 1955 when the office of the Canals Division had been accommodated in a hired house at Chittaranjan Avenue where those fans were essentially necessary. Subsequently on the shifting of the said office to the Government building at 11-A Free School Street, Calcutta, which was already furnished with fans, the fans in question became surplus. The Superintending Engineer, Electrical Circle, Works and Buildings Directorate, was requested to take over the fans for utilisation elsewhere, but he refused to take them over on the ground that his stock in hand was already in excess. As the fans were required to be kept in safe custody till their disposal to the best interest of Government and as there was no room for those fans in the Government building at Free School Street, they were kept in the Government godown at Daspara, where more valuable articles of the Canals Division were used to be stored.

Audit comments—

Departmental replies—

Page	Para-graph.	Number and name of the Grant.	Total number of losses, irregularities, etc., under each Grant	Total amount of losses, etc., under each Grant	Brief subject.
1	2	3	4	5	6
					Government have since sanctioned the construction of masonry wall for this godown at an estimated cost of Rs. 12,240 to guard against thefts in future.
			(e)	Theft of steel materials from Head-works of an Irrigation Project in April, 1956. (Amount—Rs. 249.)	(e) 9 bundles of 5/16" mild steel rod of average length ranging between 16 ft. 1 inch and 20 ft., 1 piece of 2" x 2" T. iron of length 35 ft. 2 in. and 1 piece of 3" x 3" angle iron of length of 22 ft. 1 in., valued at Rs. 249 approx., were stolen from the compound of the Berai Rest Shed in Mouza Mouleswar, P. S. Onda, District Bankura, on the 5th April, 1956 at night. The case was reported to the Police, who could not find any clue to the theft after investigation. The loss did not disclose any defect in the system or negligence on the part of any Government servant. Steps were taken to guard against such loss in future. Sanction to the write-off of the stolen steel materials valued at Rs. 249 approx. was accorded by the Project Engineer, Kangsabati Project, Bankura, on 13th March 1958.
				The amount was written-off in March, 1958.	
			(f)	Non-realisation of rent from the lessee during the years 1942-43 and 1943-44. (Amount—Rs. 212.)	(f) An area of land measuring about 22.93 acres spread over four mouzas, under P. S. Contai, District Midnapore, was leased out to one Shri Kedarwar Sen Gupta of mauza Contai for the years from 1940-41 to 1943-44 at a total rent of Rs. 106-3-0 per annum. The rent for the last two years, viz., 1942-43 and 1943-44, amounting to Rs. 212-6-0 could not be realised from the lessee or on his death, from his surviving heirs by adopting certificate procedure. The certificate case was ultimately struck off by the Certificate Officer, Midnapore, as no property was left by the ex-lessee by the attachment of which the amount could be realised. Sanction of Government to the write-off of the irrecoverable amount of Rs. 212-6-0 was accorded on 23rd July 1957.
				Sanction to write-off was accorded in July, 1957.	
124-25	3(a), (b), (c) & (d)	13.—General Administration—General Administration.	4	(a) 6,299 (b) 2,825 (c) 4,496 (d) 4,000	Theft. Theft. Misappropriation of Government money. Misappropriation of Government money.
			(a)	In February, 1953, a Nazir of a Collectorate, after keeping his cash box containing Rs. 6,299 in the custody of a process server, went to the Treasury to encash bills. On his return from the Treasury he found the cash box missing.	(a) In February 1953 a theft took place at the District Nazareth of the 24-Parganas Collectorate resulting in loss of cash box containing Government money amounting to Rs. 6,299.7 from the custody of the then Second Nazir of the Collectorate who happened to be absent for the time being leaving the said cash box at the care of one Shri Rajen Seal, Process Server of the Nazareth for encashment of some bills. The local police arrested the process server along with an outsider. But subsequently both the arrested persons were discharged by the Magistrate on the final report of the Police for want of evidence. Thereafter departmental proceedings were drawn up against the Process Server and the Assistant Nazir. The Process Server was dismissed from Government service and the Assistant Nazir was censured and part recovery of the loss ordered from him.

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Pago.	Para-graph.	Number and name of Grant.	Total number of losses irregularities, etc., under each Grant.	Total amount of losses, etc. under each Grant.	Brief subject.
1	2	3	4	5	6

Rs.

On appeal before the Commissioner the dismissal order was set aside and the process server was reinstated in service with forfeiture of 4 years' increment of pay and the order of recovery of Rs. 500 from the Assistant Nazir was set aside. Thus those who were held primarily responsible for the loss by the then Collector were exonerated by the higher authorities.

As all possible and practical measures including local enquiry, Departmental proceedings, police investigation, etc., in the matter failed and as there was no possibility of recovery of the lost amount, Government was pleased to write off the amount.

As a remedial measure for the security of the cash, a Godrej Table with locker has been purchased after the theft.

The process server and one outsider (who happened to be in the room at the time) were arrested on 20th February 1953 by the Police but they were discharged on 27th March, 1953 for want of evidence. In the departmental investigation completed in July, 1957 no other Government servant except the process server was held responsible for the loss. Proceedings were drawn up against the process server and he was discharged from Government service, but subsequently reinstated on appeal.

Remedial measures are reported to have been taken to prevent recurrence of similar incidents. The loss has not yet been written-off (June 1958).

(b) An amount of Rs. 2,825 was stolen from an office on the night of the 31st March, 1953 with relevant records. Police investigation proved ineffectual either in apprehending the culprits or in recovering the stolen articles. Departmental investigation was not deemed necessary by Government, as they were satisfied that the loss did not disclose any defect in the system nor was it facilitated by the negligence of duty on the part of any Government servant.

(b) Between the hours 5-15 p.m. on 31-3-53 and 7 a.m. on 1-4-53 a burglary with theft of cash box containing an amount of Rs. 2,825 along with two exercise books and two folders containing vouchers was committed by some unknown criminal or criminals from the drawer of a steel almirah by breaking open the lock of the almirah in the office of Home (A and E) Department. A written complaint to this effect was handed over to the Officer-in-charge, Park St. P. S., on 1-4-53. The incident was also simultaneously reported to the Chief Secretary, and Finance Secretary on 2-4-53 and the A.-G., W. B., was also informed.

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Page.	Para-graph.	Number and name of Grant.	Total number of losses, irregularities, etc., under each Grant.	Total amount of losses, etc., under each Grant.	Brief subject.
1	2	3	4	5	6
					<p>The loss was written-off by Government in November, 1957.</p>
					<p>Investigation was instantaneously taken up by the Park Street Police and the Detective Department of the Calcutta Police. The final report was declared true u/s. 380, I. P. C., as no clue could be obtained either of the culprits or of the stolen money and other articles. In course of the enquiry the Constables and the Night Guards on duty in the premises were thoroughly examined by the Deputy Commissioner of Police, South District and the Finger Print impressions were examined by the Finger Print Bureau, C. I. D., West Bengal. Searches were also made in the suspected places including certain residences. But these efforts did not bring about any clue in detecting the culprit. The loss was therefore written-off in Home (A. & E.) Department memo. No. 3691-ACE-327-53(I), dated 29-11-57.</p>
					<p>Government were satisfied that there was no defect in keeping the amount and also that the theft was not committed due to the negligence on the part of any Government servant.</p>
			(c)		<p>In course of a check of the Nazir's Cash Book conducted during departmental inspection of a Subdivisional Office in November, 1953 it was found that there was a shortage of cash in chest amounting to Rs. 4,496.</p>
					<p>The criminal case started against the Nazir on this account ended in his conviction with sentence to undergo R. I. for 3 years and to a fine of Rs. 1,000, or in default R. I. for 6 months more.</p>
					<p>The question of recovery of the amount of loss from the security deposit of the Nazir as also from his sureties, is pending on the result of an appeal preferred by the Nazir before the High Court.</p>
			(c)		<p>In course of a check of the Nazir's cash book conducted during departmental inspection of the S.D.O's Office at Alipurduar in November, 1958 it was found that there was a shortage of cash in chest amounting to Rs. 4,496. A criminal case was instituted against the person for this offence which ended in his conviction with sentence to undergo R. I. for 3 years and to a fine of Rs. 1,000 or in default R. I. for six months more. The Nazir was then dismissed from service of the State after drawal of usual departmental proceedings against him. An appeal was preferred by the Ex-Nazir before the High Court and the appeal was subsequently dismissed by the said Court.</p>
					<p>As regards the question of recovery of the amount of loss by forfeiture of cash security deposited by the Ex-Nazir of the S.D.O's Office and also by realisation of money from his sureties it has been reported by the Dy. Commissioner that an amount of Rs. 193.40 nP which was lying with the postal savings bank account as security deposit of Ex-Nazir has been recovered and credited to Government Account. Steps are also being taken to recover the amount from the sureties of the ex-Nazir under the P. D. R. Act and for this purpose distress warrants have already been issued to the sureties.</p>
			(d)		<p>A sum of Rs. 4,000 was found missing in February, 1955 from the collection of a day in a Government Treasury. A criminal case was instituted on this account against two treasury clerks, but they were discharged by the Court for want of evidence.</p>
			(d)		<p>A defalcation of money involving Rs. 4,000 occurred in the Calcutta Collectorate Treasury on 19th February 1955. The criminal case instituted against the assistants of the Collectorate on this account ended in a discharge order on a police report that there was no sufficient evidence against them. Subsequently departmental proceedings were drawn up against Shri Kali Charan Chatterjee and</p>

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Page.	Para- graph.	Number and name of Grant.	Total number of losses, irregu- larities, etc., under each Grant.	Total amount of losses, etc., under each Grant.	Brief subject.
1	2	3	4	5	6
					Rs.
132	2	14.—Ad- ministra- tion of Justice.	2	26,105	Remission of Revenue. Sums of Rs. 6,710 and Rs. 19,395 representing respectively the amounts of Government decrees and decrees for Court fees in pauper suits were found irrecoverable and written-off during the calendar year 1957 by the competent authorities.

Following a Departmental investigation, the two clerks were held responsible for the loss. One of them was dismissed from Government service and the increment of the other was stopped for two years, while both of them were also ordered to pay Rs. 500 each. The dismissed Government servant preferred an appeal to the Departmental Appellate Authority a decision on which is still pending (July 1958). An amount of Rs. 360 was reported to have been recovered up to May, 1958 from the other Government servant retained in service.

Shri Krishna Prosad Kanungo on the charge of defalcation and also of violating Treasury Rules. Shri Kali Charan Chatterjee was dismissed from service and it had also been ordered that Rs. 500 be recovered from him for making good a portion of the loss. The increment of the other (viz. Shri Krishna Prosad Kanungo) was stopped for two years. Shri Kanungo was also ordered to pay Rs. 500 for disobedience of rules.

In 1958 an appeal was first preferred by the dismissed Government servant Shri Kali Charan Chatterjee against his order of dismissal before the Commissioner. But the said appeal petition was remanded to the Collector by Commissioner's order dated 12th September 1958 for reviewing the departmental proceedings drawn up against Shri Chatterjee before passing final orders in the matter. Action was then taken by the Collector accordingly and he passed final order on 5th September 1960 dismissing Shri Chatterjee from service. It has been reported by the Collector of Calcutta that an appeal has been preferred by Shri Chatterjee before the Commissioner through the Collector of Calcutta and said appeal petition has not yet been forwarded to the Commissioner by the Collector.

So far a sum of Rs. 500 has been recovered from the other Government servant (viz. Shri Krishna Prosad Kanungo). As Shri Chatterjee has been dismissed from service, it has not been possible to realise any amount from him.

The Collector of Calcutta also ordered that the Treasurer of the Collectorate should pay Rs. 3,000 for indemnifying a portion of the loss. The Treasurer preferred an appeal before the Commissioner against the order of the Collector. But the Commissioner dismissed the said appeal confirming the Collector's order. Against that order the Treasurer then filed a petition before the Board for revision of the order passed by the Commissioner. The Board in its order dated 5th December 1957 set aside the orders of the Collector and the Commissioner.

The question of writing off the balance of the defalcated money will be considered after the appeal petition filed by the dismissed Government servant Shri Kali Charan Chatterjee is finally disposed of.

The sums were written off by the Divisional Commissioners in terms of rule 4, Chapter V, page 90 of the Legal Remembrance's Manual.

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Page.	Para-graph.	Number and name of Grant.	Total number of losses, irregularities, etc., under each Grant.	Total amount of losses, etc., under each Grant.	Brief subject.		
1	2	3	4	5	6		
				Rs.			
35	2	15.— Jails and Convict Settlements.	1	8,786	Extra expenditure. In July 1952, a contract was entered into with a firm for supply of pulses to certain jails within eight weeks from the date of its execution. The firm, however, failed to supply the full quota in time as stipulated in the contract and risk purchases had to be made from others at rates higher than the contract rates, resulting in an extra expenditure of Rs. 8,786. As the Superintendent of Jail signed the contract on behalf of the Governor, which he was not authorised to do, the contract was declared invalid by the legal advisers of Government and could not be acted upon in recovering the excess amount from the contractor. The security deposit of Rs. 10,375 furnished by the contractor was accordingly refunded to him in February 1957 and the extra expenditure written off by Government in June 1958 stating that suitable steps had since been taken to avoid such cases in future.		The loss of Rs. 8,786 on account of the excess expenditure incurred in risk purchases was due to the failure of Messrs. Purnabhat Gopalram to supply pulses to the Dum Dum Central Jail in 1952 according to a contract. The loss was written off under G. O. No. 160 HJ/45-55/55, dated 20th January 1958. The contract deeds are now being signed by the Inspector-General.
5	3(i) & (ii).	Ditto	..	49,458	Loss on the manufacture of jail products in 1955. <i>Audit comments on the Consolidated Store Account of the Manufactory Departments of the Presidency and Central Jails in West Bengal for the year 1955.—(i) The net loss in one Jail for the year 1955 was Rs. 18,179 as against the net profit of Rs. 11,377 during the previous year. The loss was reported to be due to the lesser sale of jail-manufactured articles during the year.</i> <i>(ii) In another Jail, the accounts registered a loss of Rs. 31,379 as against the net profit of Rs. 33,429 during the previous year. The loss was stated to be due to the following factors: (a) increase in expenditure, (b) employment of more convicts to keep the prisoners employed though there was not sufficient work to be done, (c) receipt of less orders from other departments of Government.</i>		Para. (i) of the audit comments relates to the Alipore Central Jail, and para (ii) relates to the Midnapore Central Jail. In addition to the reasons stated in the audit comments, there is another reason for this loss. A system of contradebit in the Profit and Loss account for the intermediary products has been introduced since 1955 and the amount of this contradebit in 1955 was Rs. 26,133 for the Alipore Central Jail and Rs. 11,300 for the Midnapore Central Jail.

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Page.	Para-graph.	Number and name of Grant.	Total number of losses, irregularities, etc., under each Grant.	Total amount of losses, etc., under each Grant.	Brief subject.
1	2	3	4	5	6
				Rs.	
150	3(a)	16.— Police.	1	4,963	Loss due to shortage of store.
					<p>(a) In course of physical verification of stock in a departmental ration store in December, 1953, commodities worth Rs. 4,963 were found short. Criminal proceedings drawn up against the Clerk-in-Charge of the Store ended in his acquittal by the Court.</p> <p>The shortage was facilitated by slackness of supervision on the part of the superior officials, as also by non-observance of departmental rules relating to physical verification of stock.</p> <p>The result of departmental investigation against the Government servants is still July, 1958) awaited.</p>
					<p>(a) This relates to Siliguri Police Ration Store which was opened in April, 1953 under the direct supervision of the C. I. with a sales Clerk-in-Charge of the stores under him. The D. S. P., Headquarters, who was in overall charge of all the ration stores of the district went to Siliguri in May, 1953 and held a physical verification of stock and checked the accounts maintained in the connected registers of the stores. At that time he instructed the C. I. to keep a close watch on the ration store. Since then the D. S. P. refrained from checking the Police Ration Stores of the Subdivision. After that the C. I. informed the S. P. that the Ration Store was running smoothly. He also submitted monthly statements regularly. Since October, 1953, all orders, connected with the Ration Store, were communicated through the S. D. P. O. who took over the charge of the Subdivision in October, 1953. In November, 1953 the C. I. reported that the sales clerk deposited Rs. 18-10 and Rs. 12-1 loss in respect of the sale proceeds in October, and November 1953, respectively. The S. P. being informed that there was something wrong with the Ration Store at Siliguri, asked the C. I. and the Head Clerk, Police Office, to hold a physical verification of the store and check the accounts when a large discrepancy came to light. After that the S. D. P. O., under orders of the S. P., arranged for detailed check and detected misappropriation of commodities amounting to Rs. 4,962-8-3. A case was started against the Clerk-in-Charge which was tried in Special Court, Darjeeling. The case ended in his acquittal for want of satisfactory evidence.</p> <p>Departmental proceedings were drawn up against the clerk-in-Charge and, as a result, a sum of Rs. 1,000 is being recovered from him in monthly instalments of Rs. 20. The question of fixing responsibility of superior officers like the then C. I. and the S. D. P. O. was examined but as no orders defining the duties and functions of the supervising officers could be traced the extent of responsibility could not be finally fixed. It has since been decided in consultation with the Finance Department to write-off an amount of Rs. 3,962-52nP. being irrecoverable. Orders to the above effect are being issued.</p>
150	3(b)	Ditto	1	24,852-5 as.	Misappropriation of Government money.
					<p>It was reported by Government in May, 1955, that a subordinate, handling cash in a Police office, had recorded in the Cash Book two payments of Rs. 828-15 and Rs. 390 without disbursing the amounts to the payees, and that the amount was also not found in the Cash Chest. Thereupon the accounts were thoroughly checked by the departmental auditors in</p>
					<p>On 29th April 1955 the Head Clerk of the Office of the S. R. P., Sealdah, who was also entrusted with the function of cashier sent a letter to the S. P. praying for leave from 22nd April 1955 to 7th May 1955. On 2nd May 1955, the S. P. checked the Cash Book and the cash in hand; but the cash in hand according to the Cash Book did not tally with the actual cash in hand. The Accountant at that time informed the S. P. that a sealed bag containing Rs. 161-2-0 was lying in the Sealdah G. R. P. As the Head Clerk was then</p>

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Page.	Para-graph.	Number and name of Grant.	Total number of losses, irregularities, etc., under each Grant.	Total amount of losses, etc., under each Grant.	Brief Subject.
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Ra.

September, 1957. The total amount of loss as reported by them (in September, 1957) was Rs. 24,862-5. A criminal case was instituted in May, 1955 against the subordinate after placing him under suspension. The result of the criminal case is still (September, 1958) awaited.

on leave, the cash contained in the sealed bag could not be verified.

On receipt of a certain information from the A. I. G., it was detected on 3rd May 1955 that the original pay cheque Nos. 41(1)/54 and 42(3) 54 for Rs. 828-15 and Rs. 360 respectively, issued in favour of M/S Pearl Hosiery Mills, were neither found in the pay cheque book nor shown pending in the cash Balance certificate. In the afternoon of the same day Messrs. J. S. Law informed the Superintendent of Police over phone that a bill for Rs. 704-7-9 produced by them was outstanding. This amount was also not found in the pay Cheque Book.

On 10th May 1955 the Superintendent of Police, after his return from Malda, started enquiry and found that a sum of Rs. 13,000 had been defalcated. Thereupon the accounts were thoroughly checked by departmental auditors and the total amount of loss was calculated at Rs. 24,862-5.

Charges were framed against the Head Clerk, Accountant, two Assistants and a Reference clerk under different sections of the I. P. C. The case was thereupon referred to a special Court for trial. Unfortunately the trial has not yet been concluded. In fact after proceeding with the trial for about 2½ years the court was pleased to direct that the case should be started de-novo due to a ruling of the Hon'ble High Court on the question of jurisdiction. A fresh case has since been started.

Theft—Rs. 173.

180	4	20.— Medical.	3	68,523	Irrecoverable—Rs. 140 Puja Advances.
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Expenditure in excess of the sanctioned scale—Rs. 68,210.

(a) Theft, (one case)—written-off during the year (Rs. 173).

(a) Some clothings and instruments of the total value of Rs. 173 were stolen from the Purbaasthali Health Centre in the district of Burdwan. On departmental enquiry it was found that no Government servant was responsible for the loss. The Police also investigated, but could find no clue. The loss was written-off by the C. M. O. H., Burdwan.

(b) Two sums of Rs. 125 and Rs. 15 representing outstanding Puja advances paid to two Government servants during 1956-57 were ultimately found irrecoverable due to death of the payees. The recoveries were waived by the Government in February, 1957, and March, 1958 respectively.

(b) Every year Government sanction interest-free advances to low-paid Government servants to meet their commitments during the Pujas. The advance is recovered in several instalments from the salaries of the staff concerned. As stated by the Accountant-General, West Bengal, recovery to the extent of Rs. 140 could not be effected during the year due to death of the payees. Government waived the recovery of the amount.

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Page.	Para-graph.	Number and name of Grant.	Total number of losses, irregularities, etc., under each Grant.	Total amount of losses, etc., under each Grant.	Brief subject.
1	2	3	4	5	6
				Rs.	
					(c) A loss of Rs. 68,210 was incurred by Government due to expenditure having been incurred by the Superintendent of a State Hospital for the diet of Pupil Nurses in excess of the scale sanctioned by Government. Although the irregular practice was pointed out by audit to the Superintendent of the Hospital in January, 1952 and to the Government in March, 1952, the expenditure nevertheless, continued up to the 6th December, 1955.
					The loss was written-off by Government in September, 1957 as irrecoverable.
					It was stated in January, 1959 that the Superintendent of the Hospital had been found responsible for the irregular expenditure and she had been warned.
					(e) The hospital referred to is the Lady Dufferin Victoria Hospital, Calcutta, which was previously under private management. After taking over its management Government sanctioned two separate diet rates for the Nursing Staff Rs. 2 per diem per whole-time nurse and Rs. 1-4 per diem per pupil nurse. The Medical Superintendent of the Hospital, however, supplied diet to all the nursing staff, whole-time staff and pupils, at the flat rate of Rs. 2 per head per diem. This resulted in an excess expenditure of Rs. 68,210 and consequent loss to Government.
					Under orders of Government the matter was investigated by a Board. The investigation report revealed that the Medical Superintendent was responsible for drawal of excess diet. Though it was irregular on the part of the Medical Superintendent to incur the excess expenditure without taking prior sanction of Government by feeding the pupil hospital nurses in excess of the sanctioned scale, yet Government, in consideration of the fact that the intention of the Medical Superintendent was only to feed the nurses with better diet and that the diet rate of Rs. 1-4 per nurse per diem was found inadequate and was subsequently enhanced to Rs. 2, were pleased to condone the irregularity and to write-off the sum of Rs. 68,210 as irrecoverable loss.
					Government expressed severe displeasure at the conduct of the Medical Superintendent and this has been communicated to her.
190-91	3	21.— Public Health.	1	400	Loss from the custody of a peon.
					On 23rd October 1956 the Officer-in-charge of a Health Unit sent his office peon to present two contingent bills of the total value of Rs. 1,376-2 at the local treasury and also to receive payment therefor. The peon received the money and while counting the same at the counter was robbed of Rs. 500.
					In course of investigation, the police arrested one person and sent him for trial but he was acquitted by the court on 16th January 1957 for want of sufficient evidence.
					Out of Rs. 500, Rs. 400 was written off by Government in November 1957. The balance was realised from the Officer-in-charge of the Health Unit as he was considered to be partly responsible for the loss on account of non-observance of S. R. 31(viii) of the West Bengal Treasury Rules, which stipulates <i>inter alia</i> that if the cash exceeds Rs. 1,000 a clerk of the department concerned accompanied by two trustworthy peons should go to the treasury to get it.
					This relates to the theft of a sum of Rs. 500 pertaining to the Malaria Control (now Eradication) Unit, Alipore (24-Parganas, Sadar). Dr. P. K. Sen was the Medical Officer-in-charge of the Unit at that time. On 23rd October 1956 Shri Ram Kanta Majumdar, a peon attached to the Unit, was sent to the local treasury for drawal of a sum of Rs. 1,376-2 annas against two bills. When the peon was engaged in counting money at the counter of the local branch of the State Bank, he was robbed of then and there a bundle containing Rs. 500. A hue and cry was raised by him. The police arrested a person and sent him for trial but because of the lack of evidence he was acquitted. Departmental enquiry in the matter revealed non-observance of S. R. 31(viii) of the West Bengal Treasury Rules by the Medical Officer. As such, a sum of Rs. 100 was realised from the Medical Officer and credited to State Revenue. As nobody else was found responsible in the matter and as there was no scope for realisation of the balance amount, the balance of Rs. 400 was written off as loss in G. O. No. PH/5313/2M-28/56, dated 8th November 1957.

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Page.	Para-graph.	Number and name of Grant.	Total number of losses, irregularities, etc., under each Grant.	Total amount of losses, etc., under each Grant. Rs.	Brief subject.	
1	2	3	4	5	6	
205	12(ii)	22.— Charges on account of Agriculture.	..	35,621	Shortages in 1955-56.	
				82,604	Shortages in 1956-57.	
						Shortages in the different stores amounted to Rs. 35,621 and Rs. 82,604 during the years 1955-56 and 1956-57 respectively. The losses have not so far (December 1958) been written-off.
205	12(iii)	Do.	..	4,707	Misappropriation of stores.	
						The Consolidated Store Accounts for 1955-56 include the transactions in respect of the Kurseong Subdivision—the accounts of which were not produced to audit at the time of local inspection. The closing balances include the value of certain stores to the extent of Rs. 4,707 approximately stated to have been defalcated by the ex-Agricultural Overseer, Kurseong. The loss should either be recovered from the persons at fault or be written off under orders of Government.
211	2	23—Agriculture— Fisheries.	1	17,007	Loss due to defective stocking of fish.	
						In course of local inspection of the accounts of an office it was noticed in November, 1951, that 1,042 mds. 34 srs. of fish became rotten out of a total catch of 1,717 mds. 4 srs. in two Danish Trawlers on their 4th and 5th voyages under the Deep Sea Fishing Scheme. The loss on this account amounting to Rs. 17,007 was written-off by Government in March 1956. In reply to further query it was stated in March, 1958, that the loss in respect of the 4th voyage was due to break-down of internal system of the refrigeration plant which could not be controlled or foreseen by the staff and also due to defective stacking of fish in the bins by the Danish crew who were not well conversant with the tropical conditions, while that in respect of the 5th voyage was due to fish remaining unsold in retail trading, the practice of retail trading by Government had since been discontinued.
						(ii) Losses due to shortages have been partially written off. As regards balance, proposals for writing off the losses are under examination by the Director of Agriculture in consultation with the officer subordinate to him.
						(iii) The loss referred to in this item has been partially written off. As regards the balance, the Director of Agriculture has taken up the matter with the subordinate officers concerned.
						With regard to the loss on account of deterioration of catches under the Deep Sea Fishing Scheme, it may be mentioned that the loss was written-off by Government by an order issued by the Development Department in their letter No. 2540, dated 23rd March 1956 after considering the matter from all its aspects.

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Page.	Para-graph.	Number and name of Grant.	Total number of losses, irregularities, etc., under each Grant.	Total amount of losses, etc., under each Grant.	Brief Subject.	
1	2	3	4	5	6	7
				Rs.		
243	3	27—Industries—Cottage Industries.	1	2,000	<p>Loss of Government money.</p> <p>In the course of local inspection of the accounts of a branch of the Government Sales Emporium for 1956-57 it was noticed that sums of Rs. 1,800 and Rs. 1,000 were shown in the Cash Book of the Shop as remitted to the Main Shop on 8th March, 1956 and 28th August, 1956 respectively, while in the Cash Book of the Main Shop sums of Rs. 800 and Rs. 900 had been accounted for as received from that shop on those dates. The reason for the short account of receipts could not be explained. Various other irregularities such as mistakes in the total of cash book, wrong carry over of closing balances, non-maintenance of cash book for certain period, etc., were also noticed. The matter was then reported to Government for thorough departmental investigation. In May, 1958 it was stated by the Directorate that the matter has been reported to the Police authorities after getting the accounts thoroughly checked departmentally and that the Manager and the Store-Keeper of the Branch Shop had since been suspended.</p> <p>The Departmental Investigation Report as well as the result of Police investigation had not so far (August, 1958) been received, it was stated in November 1958 that the store-keeper of the Branch Shop had been dismissed from Government service with effect from the 10th June, 1958.</p>	<p>The amount defalcated was Rs. 2,836-6-3. Shri Man Kumar Sen, Manager, Ballygunge Sales Emporium, compounded the loss. The requisite amount has been deposited in full. Shri Sen and Shri R. C. Sarkar, the Store-Keeper of the said emporium have since been dismissed.</p>
245	2	29—Industries—Cinchona.	..	4,806	<p>Loss in transit or found short on physical verification.</p> <p><i>Audit Comments on the Stores Accounts of Government Quinine Factory, Mungpoo, for the year 1957-58.</i>—Sanction to the write-off of Rs. 4,806 on account of Stores (Oil, Chemicals, etc.) either lost in transit or found short on physical verification, has not yet (December, 1958) been received.</p>	<p>Necessary orders writing off the loss was issued in G. O. No. 1422-Cin., dated 12th May, 1959.</p>
245	3(b)	Ditto	..	6,231	<p>Loss of quinine dust bark.</p> <p>A loss of 5,539 lbs. of dust bark valued at Rs. 6,231 was found in the Mungpoo Plantation at the time of clearance of bin. Sanction of Government to the write-off of the loss was not however obtained.</p>	<p>The write-off order was issued in G.O. No 1683-Cin., dated 29th June, 1960.</p>

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Page.	Para-graph.	Number and name of Grant.	Total number of losses, irregularities, etc., under each Grant.	Total amount of losses, etc., under each Grant.	Brief Subject.
1	2	3	4	5	6
				Rs.	
245	4(c)	20.—Industries—Cinohona.	..	1,37,335	Loss due to revaluation of Stores. Formal write-off orders for depreciation occasioned by revaluation of stores at minimum selling rates in respect of items 1 to 6 are awaited.
253	2	30—Miscellaneous Departments—Fire Services.	1	21,780	Avoidable expenditure. <i>Avoidable expenditure owing to belated changes in specifications of a contract.</i> —In 1951, Government entered into a contract with a local firm for the supply and fitting of bodies of 16 Chassis at a total cost of Rs. 95,400 without any stipulation regarding the time-limit within which the work should be completed. Thereafter, two agreements were executed with the firm by Government successively in 1952 and 1954, in terms of which the firm obtained payment of a total advance of Rs. 56,632 in two instalments, pending satisfactory completion of the work on 14th July 1952 and 23rd March 1954 again without any time-limit. The firm ultimately failed to complete the work and the remaining portion of the work was, therefore, got done through the agency of the State Transport Workshop at a cost of Rs. 36,501 at the expense of the firm. Besides payment of Rs. 36,501 to the State Transport Directorate, the firm was paid a further sum of Rs. 24,047 in September, 1955 and May, 1956 by Government in settlement of its claims in connection with the above-mentioned work including <i>inter alia</i> the extra payments of Rs. 12,000 on account of rent of garage for accommodating 13 partly constructed vehicles for various periods ranging from 1 year 5 months to 1 year 9 months at Rs. 50 per month per vehicle and of Rs. 6,400 for additions and alterations to and re-assembly of bodies of 8 chassis which were not provided for in the original contract. The total cost of the sixteen bus-bodies including additions and alterations came to Rs. 1,17,480 against Rs. 95,400 originally provided for.

Departmental replies—

The statement of store accounts as compiled and shown in the form printed on page 248 of the Appropriation Accounts, 1957-58 was prepared at the instance of Accountant-General, West Bengal. In this abridged account, the details of the stores sold at different rates, etc., have been omitted and only the values as per the form suggested by Accountant-General have been shown. As there is no discrepancy in the detailed account maintained by the Deputy Commissioner, there does not appear to be any case of actual loss to be written off formally.

In October 1951, Messrs. Hings Carpentry Works undertook to construct and supply bodies of 16 fire appliances at a total cost of Rs. 95,400. Three of these appliances were of one type, eight were of another type and the remaining five were of a third type. Government were to supply chassis for all these appliances fitted with necessary pumps and other accessories before the firm could undertake the work of building the bodies. As the chassis fitted with ancillary transmission and power take off machine were to be obtained from the U. S. A. through the agency of Messrs. Peninsular Motor Corporation and the pumps from the U. K. through the agency of Messrs. Volkart Brothers and as there was no certainty about the period within which these would be available from abroad, the contract with Messrs. Hings Carpentry Works could not contain any stipulation as regards time-limit.

Reports show that 13 chassis fitted with mechanical parts mentioned above on the basis of original specification arrived by the end of February 1952 but that these parts were returned to the firm of Messrs. Peninsular Motor Corporation with whom the then Director made a verbal agreement for supply of mechanical parts of new specification as he considered the transmission and power take off according to original specifications to be unsuitable for the purpose of the fire appliances to be produced by assemblage.

In June 1952, the advance of Rs. 50,000 representing 75 per cent. of the value of the works reported to have been done up to that time was given to the firm after an agreement had been executed between it and Government. The agreement contained clauses to the effect that in the event of failure or negligence of the firm to complete the works, Government would have the right to take possession of the works till then executed and that in case of a dispute or difference, the decision of the Chief Secretary would be final.

Of the 16 appliances, Messrs. Hings Carpentry Works completed bodies of only 5 appliances of the third category in July 1953. On delivery of these five appliances, a further advance of Rs. 6,632 was granted to the firm after it had executed on

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Page.	Para-graph.	Number and name of Grant.	Total number of losses, irregularities, etc., under each Grant.	Total amount of losses, etc., under each Grant.
1	2	3	4	5
253	2	30. Miscellaneous Departments—Fire Services.	1	21,780

It was stated by Government in February, 1958 that after the body building work on 8 chassis was almost completed, certain changes were made in the original specifications thereof requiring procurement of stores from abroad for eventual supply to the firm and as such, the extra expenditure involved could not be avoided. It was again stated in October, 1958 that the changes in the specification had to be made in order to make the appliances more suitable for fire fighting purposes.

The above facts would show that the original specification was not made with sufficient care and scrutiny which it deserved. Had this been done, the extra expenditure could have been avoided.

Departmental replies—

Brief Subject.

24th February 1954 a further supplementary agreement which had a stipulation to the effect that it would complete the works within two months from the date of intimation that the pumps, etc., etc., were ready for supply to it.

On the date that the 2nd agreement was signed, necessary pumps and other accessories of six appliances had already been lying with the firm. The firm did not however proceed with the completion of construction of bodies of these six appliances and nor did it ask for the pumps required for the other fire appliances, which in the meantime had been received by the Director and were lying with him. In view of this a notice was served on the firm in April, 1954, requesting it to complete the work on the eleven appliances according to the terms agreed upon.

In reply, the firm put forward certain claims on account of:—

- (i) rent of garage space occupied by the fire appliances placed at its disposal for body construction ;
- (ii) extra cost on account of additions and alterations made in the bodies of 8 appliances of second category ; and
- (iii) extra cost on account of re-assembly of bodies of these 8 appliances.

In making the claim for garage rent, the firm stated that as the necessary pumps and accessories could not be supplied to it in time by Government, it had to hire garages elsewhere for garaging the partly constructed bodies. It is a fact that there was considerable delay in supplying the pumps and accessories to the firm for reasons beyond the control of Government as these did not arrive in time from abroad. It is also a fact that pumps and accessories to be fitted in 8 appliances of second category did not conform to the specifications originally given to the firm, as a result of which it had to remove the partially built bodies with a view to making additions and alterations in them for fitting the pumps and again to re-assemble them, which involved some extra expenses.

The firm having taken the attitude that it would not complete the work unless its claims were settled, the matter was brought to the notice of the then Chief Secretary, Shri S. N. Ray, who was the Arbitrator in respect of any difference or dispute between the firm and the Government. The matter was thereupon discussed in two conferences on 14th and 15th May 1955, and the Chief Secretary decided that a sum of Rs. 18,400 should be paid to the firm on account of its three claims. The Chief Secretary also allowed a sum of Rs. 4,000 as Sales Tax to the firm, a claim for which was also subsequently made by it. As regards the remaining work to be done on the eleven appliances it was decided

Audit comments—

Page.	Para-graph.	Number and name of Grant.	Total number of losses, irregularities, etc., under each Grant.	Total amount of losses, etc., under each Grant.
1	2	3	4	5
253	2	30.—Miscellaneous Departments—Fire Services.	1	21,790

Departmental replies—

Brief Subject.

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that this should be got done through the agency of the State Transport Works, subject to the following terms :—

- (a) That the firm should accept the estimate of Rs. 47,400 proposed by the Works Manager, State Transport Workshop, for completion of the remaining works ;
- (b) That the firm would not be liable for any amount in excess of the said sum of Rs. 47,400 for the cost of completion of the work, but if the actual cost was less than the amount given in the estimate, the balance should be paid to the firm; and
- (c) That after two months from the date of making over by the firm of all the appliances lying in its custody, together with fittings and partially built bodies to the Works Manager, it should be given a sum of Rs. 13,768 as detailed below :—

	Rs
Value of contract ..	95,400
Add Sales Tax ..	4,000
Add payment on account of claims for garage rent, etc.	18,400
	1,17,800
Deduct Advance already paid	56,632
Deduct Amount payable to State Transport Workshop.	47,400
Net amount payable ..	13,768

After the appliances and these partly built bodies were received back from the firm it was found that certain parts of the value of Rs. 320 were missing. The cost of these missing parts was deducted from the sum of Rs. 13,768 payable to the firm and an amount of Rs. 13,448 was given to it.

The work taken up by the State Transport Workshop was completed at a cost of Rs. 36,800.10 against the estimate of Rs. 47,400. So the difference between the actual and estimated cost, amounting to Rs. 10,599.90, which was payable to the firm as per terms decided upon by the Chief Secretary was also paid to it.

The total cost of the work in the circumstances came to Rs. 1,17,480, as stated in the Audit Report against the original contract for Rs. 95,400. Subsequent changes made in the specifications of bodies of 8 appliances involving some extra expenditure, which have been commented upon in the Audit Report, were considered necessary as to make the appliances suitable for fire-fighting purposes. On this consideration, the extra expenditure on account of the said changes which was only Rs. 8,900 was incurred.

Audit comments---

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Page.	Para-graph.	Number and name of Grant.	Total number of losses, irregularities, etc., under each Grant.	Total amount of losses, etc., under each Grant.	Brief Subject.	
1	2	3	4	5	6	7
				Rs.		
253	2	30.—Miscellaneous Departments—Fire Services.	1	21,780		The construction of the 16 fire appliances by assemblage of parts was undertaken by Mr. H. R. Scott, the then Director, West Bengal Fire Services, who was recruited from the U. K. to take charge of the State Fire Service created in 1950. He was the technical head to determine the specifications of the chassis and the mechanical parts and the subsequent changes in specifications made by him could not but be accepted by Government especially as this change came to the notice of Government when Mr. Scott had already left his services under this Government.
262	5	31.—Miscellaneous Departments—Excluding Fire Services.	1	9,091	Infructuous expenditure.	No further comments.
						<i>Infructuous expenditure on purchase of coal for construction of buildings.—In the Audit Report of 1955 paragraph 32 at page 22 a case of loss incurred by Government due to premature collection of large quantity of coal, which, due to long exposure, had deteriorated, was brought to notice. Further to the loss commented upon in the above Audit Report another case of loss in similar circumstances has also occurred.</i>
						<i>In one of the Divisions a quantity of 170 tons 2 cwt. of coal had been collected in 1950 for the manufacture of bricks required for construction of buildings for certain Health Centres which were ultimately abandoned owing to change in the programme of constructions of Health Centres and the coal collected became surplus. This quantity of coal of book value of Rs. 7,848 was sold for a sum of Rs. 700 only in April, 1954 by auction thereby resulting in a loss of Rs. 7,148 apart from the avoidable expenditure of Rs. 1,943 which was incurred for employing establishment for guarding the coal.</i>
						<i>The matter was brought to the notice of Government in December, 1955. Report from the Government regarding the results of the investigation and the action taken is still (May, 1958) awaited.</i>

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Page.	Para-graph.	Number and name of Grant.	Total Number of losses, irregularities, etc., under each Grant.	Total amount of losses, etc., under each Grant.	Brief Subject.	
1	2	3	4	5	6	7
				Rs.		Rs.
269	3	32.—Civil Works.	1	2,546	Loss on sale at reduced rates.	1,101

Breakage and unauthorised removal. 1,445

(a) Loss due to issue of brickbats at a lower rate by the departmental officers concerned to the contractor in July, 1949.

While according sanction to the write-off in June, 1958 it was stated that as very special case the departmental officers were exempted from the recovery of any portion of the loss sustained.

(a) The entire matter was examined by Government over and over again. Of the three officers concerned with the loss viz. Shri T. P. Marik, then S. E., Presidency Circle, Shri P. B. Sarkar, Executive Engineer, City Division, and Shri P. B. Bhattacharjee, then S. D. O. (W. and B.), Shri Marik and Shri Bhattacharjee retired from Government service prior to detection of the irregularity and hence, Government had no other alternative than to accord sanction in Works and Buildings Department memo. No. 66-A, dated 7-1-57 to waive the recovery of proportionate amount assessed of both the retired officers. As regards the case of Shri Sarkar, it was brought to light that he acted in good faith in forwarding the recommendation of the then Subdivisional Officer (Works and Buildings) in regard to fixation of issue date of brickbats to the Superintending Engineer, Presidency Circle. There was no occasion to verify the statement of the Subdivisional Officer (Works and Buildings), as the latter is a responsible officer and under the existing rules there is no bar to pass on bills in great majority of cases on the basis of usual scrutiny made by the Subdivisional Officer (Works and Buildings). In the special circumstances of the case, Shri P. B. Sarkar, then Executive Engineer, City Division, was exonerated from the responsibility and the proportionate amount due from him was written off under special orders of Government in Works and Buildings Department memo. No. 863-A(Adt.), dated 12-6-58.

(b) Loss of 20,716 nos. of 1st class bricks due to breakage and embedding in soft ground and 2,500 nos. due to unauthorised removal in the year 1955.

While according sanction to the write-off in September, 1957 it was stated that attempts to salvage proved futile for the former and that proper enquiry could not be conducted for the latter at the distant date.

(b) Before writing-off of the loss involved in this case (Rs. 1,445), Government were satisfied after thorough investigation of the case that no one could be held responsible for the loss which was incidental. No defect in the system of collection of bricks was also noticed. The net loss of bricks constituted smallest fraction of the total quantity of bricks collected for the purpose of execution of the work. 2,500 nos. of bricks out of total quantity of loss of 23,216 bricks could not be accounted for, as the concerned Police Officer left for U. K. after having retired from Government service and the Police Training School, Alipore, was shifted to Barrackpore. The loss of 20,716 nos. of bricks was due to long storage on the soft ground of Maidan camping area, a small percentage was broken to pieces and a small quantity got buried under the ground.

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Page.	Para. graph.	Number and name of Grant.	Total number of losses, irregularities, etc., under each Grant.	Total amount of losses, etc., under each Grant.	Brief Subject.	
1	2	3	4	5	6	7
				Rs.		
275	3	38.— Famine.	1	1,943	Loss of Government money.	
					<p>Mistakes in totalling the Cash Book on various dates were noticed in course of local inspection of the accounts of an office for the period from 1st January, 1957 to 31st January, 1958. The effect of these mistakes was that the cash balance had been shown much below the amount that should have been in the Cash Chest, had the total been struck correctly. The loss thus sustained amounted to Rs. 1,943.</p> <p>On the matter being pointed out by audit in March, 1958, it was stated in July, 1958 that after preliminary investigation a criminal case had been instituted against the Nazir concerned and that the officer-in-charge of the Nazarat was being called upon to account for his failure to detect the mistakes.</p>	<p>The irregularities referred to were noticed in the Mathabhanga Subdivision of the district of Cooch Behar. As suggested by the Deputy Commissioner, a special audit party was deputed by the F. A., R. R. & R. to inspect the entire Nazarat accounts of the Mathabhanga Subdivision. Besides mistakes in totalling, other irregularities have also been detected by the audit party. The definite amount of defalcation could not yet be ascertained by them. On receipt of their final report, necessary action will be taken. Meanwhile, the Deputy Commissioner has been asked to report the results of the criminal case and departmental proceedings against the persons at fault.</p>
275-76	4	Ditto	1	2,067	Irregular payment of Grants-in-aid.	
					<p><i>Irregularities in the payment of Grants-in-aid.</i>—A total sum of Rs. 4,500 was paid to a Social Organisation as grants-in-aid in 1952-53 and 1953-54 for purchase of raw materials for making warm garments for free distribution to the destitutes, the making charges being met by the Organisation from its own fund.</p> <p>The Organisation (which became defunct in 1954) furnished accounts for Rs. 4,071 only out of which a sum of Rs. 2,012 was stated to have been expended for payment to workers in contravention of the conditions of the grant. Out of the balance of Rs. 429 (Rs. 4,500 — Rs. 4,071), a sum of Rs. 374 was refunded to Government in August, 1957. The balance of Rs. 55 still remains unrealised and awaits write-off by Government.</p> <p>The irregularity was, however, condoned by Government in September, 1957.</p>	<p>The grant of Rs. 4,500 was made to the Winter Help Organisation in the District of Darjeeling.</p> <p>In terms of the Government orders sanctioning the grants, the Organisation was to keep proper accounts.</p> <p>It has been reported by the Deputy Commissioner that though accounts were not kept by the Organisation in any prescribed and proper form, papers available with him show that out of the total grant of Rs. 4,500 a sum of Rs. 4,070-13-0 was spent by the Organisation keeping vouchers where necessary and that the balance left with the State Bank in favour of the Organisation was Rs. 315-10 and that there were 8 charity boxes and one sealed box in the office of the Organisation. Under orders of Government the amount of Rs. 315-10 was since withdrawn by the Deputy Commissioner from the account of the Organisation and credited to Government account under Challan No. 55, dated 20th August, 1957 and 8 charity boxes and one sealed box were also taken over. In the 8 charity boxes, a total sum of Rs. 60-14-0 was found of which a sum of Rs. 2-2-0 was found to be in Pakistani and counterfeit coins. A sum of Rs. 58-12 was accordingly credited to Government account by the Deputy Commissioner under Challan No. 52, dated 20th August, 1957 and Pakistani and counterfeit coins amounting to Rs. 2-2 surrendered to the Bank. The sealed box contains miscellaneous papers of the Organisation.</p> <p>Considering these factors Government condoned the irregularities pointed out by Audit in respect of the grant-in-aid of Rs. 4,500 made to the Winter Help Organisation in the district of Darjeeling during the years 1952-53 and 1953-54.</p>

Audit comments—

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Page.	Para-graph.	Number and name of Grant.	Total number of losses, irregularities, etc., under each Grant.	Total amount of losses, etc., under each Grant.	Brief Subject.	
1	2	3	4	5	6	7
				Rs.		
310	3	39.—Miscellaneous—Other Miscellaneous Expenditure.	..	81,358	Irrecoverable loans and advances The details of the amounts written off under orders of the Government during the year 1957-58 are given below—	Out of the total irrecoverable loans and advances of Rs. 81,358 written off, Rs. 79,111 in respect of items 2, 3 and 5 were written off in F. R. S. (Relief) Department memo. No. 2830 F.R., dated 12-4-57, copy of which is given in the Annexure below.
					Name of charge.	Amount.
						Rs.
					1. Agricultural loan	1,257
					2. Loans to Fishermen	42,308
					3. Loans to Artisans	17,834
					4. House-building Advance.	574
					5. Advances to Fishermen.	19,329
					6. Miscellaneous Advance.	54
					7. Cooch Behar Advance.	2
					Total	81,358

ANNEXURE.

Copy of F. R. S. (R.) Department memo. No. 2830-F.R.-1A-20-54, dated 12th April, 1957 from Additional Assistant Secretary, F. R. S. (R.) Department to the Accountant-General, West Bengal.

Sum:—Writing off of Rs. 79,110-9-9 on account of loans distributed to fishermen of Basirhat Subdivision during 1945-46 and 1946-47.

The undersigned is directed to say that a total sum of Rs. 92,254-11 was advanced to the Friends Service Unit during the years 1945-46 and 1946-47 through the District Magistrate, 24-Parganas, for the rehabilitation of distressed fishermen in Basirhat Subdivision of his district. Against this amount, a total recovery of Rs. 13,144-1-3 has been effected leaving a balance of Rs. 79,110-9-9 still outstanding. The position is as follows:—

Head.	Amount advanced.	Amount recovered.	Amount reported to be outstanding.
	Rs.	Rs.	Rs.
Loans and Advances by State Government—Miscellaneous Loans and Advances—			
(i) Loans to Fishermen	45,000 0 0	2,691 14 6	42,308 1 6
(ii) Special Advances—Advances to fishermen for construction of huts	19,452 11 0	123 14 0	19,328 13 0
(iii) Rehabilitation Scheme—Loans to artisans	27,801 0 0	10,328 4 9	17,473 11 3
	92,254 11 0	13,144 1 3	79,110 9 9

2. The Friends Service Unit through whom the loans were distributed is no longer in existence. All possible steps were taken by the District Magistrate, 24-Parganas, to realise the outstanding loans from the loanees concerned but in vain in view of the fact that the loanees are day-labourers and have no means to repay the same. As the outstanding loans are really irrecoverable, Government think and that no useful purpose will be served by dragging on the matter indefinitely. Government are, therefore, pleased to sanction the writing off of Rs. 79,110-9-9 (Rupees seventy-nine thousand one hundred and ten annas nine and pies nine) on account of the irrecoverable loans as mentioned above. The charges involved will be debited to the head, "57—Miscellaneous—Other Miscellaneous Expenditure—Irrecoverable temporary loans and advances written off" by *per contra* credit to the respective loan heads noted against serials (i), (ii) and (iii) in para. 4 above, in the current year's budget.

Audit comments—

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Page.	Para-graph.	Number and name of Grant.	Total number of losses, irregularities, etc., under each Grant.	Total amount of losses, etc., under each Grant.	Brief Subject.	
1	2	3	4	5	6	7

Rs.

310	4	39.—Miscellaneous—Other Miscellaneous Expenditure.	1	913	Shortage of cash.	No further comments.
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(a) While taking re-delivery on 21st February, 1952 from the Havildar of an escort party, of Loan collection money handed over to him in a sealed bag on the previous day by the officer who had collected the loan money, it was found that the amount fell short by Rs. 913.

The Havildar was prosecuted but was acquitted being given the benefit of doubt. He was, however, severely censured as a result of the departmental proceedings drawn up against him. The responsibility for the loss could not also be fixed on the Officer who entrusted the Havildar with the money. The loss was written off by Government in April, 1957.

320	3(a)	40.—Miscellaneous—Expenditure on Displaced Persons.	1	2,000	Loss from the custody of a Government servant.	
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On 18th March, 1952 a sum of Rs. 48,000 was received by a Government servant after encashing three bills from a Sadar Treasury and the money kept in an unsealed bag was made over to the Havildar of an escort party with instructions to carry the same to a particular place where it was required for immediate disbursement. On the next day, the money is reported to have been made over by the Havildar to the Government servant from whom it was received by him. But a shortage of Rs. 2,000 was detected in the remittance.

The Government servant who made over the money to the Havildar, was held responsible for the shortage and it was decided to realise the above amount from him by a monthly deduction of Rs. 55 per month from his pay. But before issue of any formal orders in this respect, the Government servant submitted a petition with the prayer to represent his case and to stay further action in the matter till his representation was considered by Government. The final decision arrived at by Government after due consideration of the representation submitted by the Government servant concerned is not yet (July, 1958) known to audit.

Under Government order No. 4816-Estt., dated 9th May, 1955 it was communicated to the Accountant-General, West Bengal, that the representation submitted by the officer concerned was duly considered but Government did not find any grounds for revising their decision that the then Rehabilitation Officer was responsible for the loss of Rs. 2,000. Accordingly the entire amount of Rs. 2,000 was ordered to be realised from the officer's pay in monthly instalments at the rate of 10 per cent. of his basic pay commencing from the month of May, 1955. It is not therefore, correct that the final decision of Government was not communicated to audit. As a matter of fact, recovery @ Rs. 43 per month was made by the Accountant-General, West Bengal, from his pay for the month of May, 1955, paid in June, 1955 on the basis of the said order. A sum of Rs. 1,075 was recovered from his pay up to the month of May paid in June, 1957 at the above rate. A further amount of Rs. 560 was also recovered from his pay for November paid in December 1957 to February paid in March 1960 @ Rs. 20 per month. A further sum of Rs. 280 was recovered from the pay of Shri R. G. Ghosh up to May, 1961. The balance of Rs. 85 is under recovery by the Accountant-General, West Bengal. It is however not known why the monthly recovery @ Rs. 20 per month is being made by Accountant-General, West Bengal, from his pay instead of @ 10 per cent. of his basic pay.

Audit comments—

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Page	Para-graph.	Number and name of Grant.	Total number of losses, irregularities, etc., under each Grant.	Total amount of losses, etc., under each Grant.	Brief Subject.	
1	2	3	4	5	6	7
				Rs.		
320	3(b)	40—Miscellaneous—Expenditure on Displaced Persons.	1	3,000	Loss of amount drawn from the Treasury on a self-cheque.	
					<p>Departmental inspection of the Cash Book of an office conducted in January, 1954 revealed that a self-cheque for Rs. 3,000 drawn on 29th October, 1953 by a drawing officer was encashed on the same date from the Treasury but the amount so drawn was not entered in the Cash Book. It was stated by the Department in May, 1954 that the matter was not reported to Police owing to insufficiency of facts to start a criminal case.</p> <p>Disciplinary action taken against the Government servants concerned as well as information regarding recovery or write-off of the loss of Government money is still awaited (August, 1958).</p>	<p>A self-cheque of Rs. 3,000 was drawn on 29th October, 1953 by a drawing officer of the Refugee Rehabilitation Directorate and was encashed on the same date. But the amount so drawn was not entered in the cash book. Proceedings were drawn up against Shri Nirmal Chandra Roy, ex-Cashier and Shri Dyutiman Gupta, ex-Lower Division Assistant, on a charge of misappropriation of the said money and they were dismissed from service on the result of the proceedings.</p> <p>No security was deposited by the ex-Cashier Shri Nirmal Chandra Roy. Nothing on this account could therefore be set off against the sum of Rs. 3,000.</p> <p>The matter regarding recovery or write-off of the loss of Government money is still under correspondence with the Refugee Rehabilitation Directorate.</p>
320	3(c)	Ditto	..	45,359	Disposal of stores against faked challans.	
					<p>The surplus stock of yarn in a Government Store was issued on sale from time to time to different purchasers on submission of challans in support of their having credited the price of the yarn to Government account. It was reported in January, 1955 that challans showing deposits into the "Treasury" for a total sum of "Rs. 45,359" were found to be forgeries.</p> <p>A criminal case was instituted on this account against an Upper Division Clerk of the Directorate concerned. The result of the criminal case as also of the departmental proceedings drawn up against him is still awaited (July, 1958).</p>	<p>The surplus stock of yarn was sold during the period from June, 1953 to January, 1954. As soon as the forgery was detected, the matter was reported to the Police and the Accountant-General, West Bengal.</p> <p>A criminal case was instituted against the Upper Division Clerk and his alleged associates on 4th January, 1955. The said Upper Division Clerk was found guilty of the charges and was convicted and sentenced on 28th March, 1958 to various terms of rigorous imprisonment. The said Clerk was also dismissed from service with effect from 28th March, 1958. The other two associates were also convicted and sentenced to various terms of rigorous imprisonment from the said date.</p>
320-21	3(d)	Ditto	..	4,855	Loss of Government money.	
					<p>The Cash Book of a camp for displaced persons for the period from 1st November, 1956 to 15th February, 1957 could not be made available for check during local inspection conducted in March, 1957. The matter was reported to Government on 22nd March, 1957 and a departmental investigation into the case was subsequently ordered at the instigation of audit.</p>	<p>On the report of the Accountant-General, West Bengal, in March 1957 that the Cash Book of Boparpur Worksite Camp No. VII for the period from 1st November, 1956 to 15th February, 1957 could not be produced to the local audit party by the then Superintendent, an investigation was made by the Additional District Magistrate, 24-Parganas. On his report both Shri Samarendra Nath Dutta, ex-Superintendent of the camp and his successor in office Shri Anath Nath Sarkar, were placed under suspension with effect from 4th January,</p>

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Page	Para-graph.	Number and name of Grant.	Total number of losses, irregularities, etc., under each Grant.	Total amount of losses, etc., under each Grant.	Brief Subject.	
1	2	3	4	5	6	7
				Rs.		
					<p>The investigation conducted with the aid of available records in March, 1958 revealed that there had been a loss of Rs. 4854-8-9 representing the closing cash balance on 15th February, 1957 and that the loss was facilitated by non-observance of the usual procedure of verification of the Cash Book and the cash balance as also by way of fresh advances granted to the Superintendent of the camp without adjustment of the previous ones.</p> <p>It was reported by Government in June, 1958 that two Superintendents of the camp had been placed under suspension in this connection from 4th January 1958. Further developments of the case are still awaited (August 1958).</p>	<p>1958. Both the Superintendents were proceeded against. The charges about utter disregard of Financial Rules, which ultimately led to the loss of Government money to the extent of Rs. 4,854-8-9 owing to accumulation, made against Shri Samarendra Natha Dutt were established and he was demoted to the rank of Assistant Superintendent of the camp as he was not found fit for the responsible post of camp Superintendent. The charges of gross misconduct and negligence of duty, which made possible the loss of Government document like Cash Book and the loss of Government money to the extent of Rs. 4,854-8-9 were established against Shri Anath Nath Sarkar. He was removed from services with effect from 29th August, 1960.</p>
321	40.—Miscellaneous Expenditure on Displaced Persons.		1	14,831	Overpayment of land compensation.	<p>The matter relates to acquisition proceedings and payment of compensation under Land Development and Planning Act in respect of a piece of land measuring more or less 1.6504 acres in Mouza Kalidah, P. S. Dum Dum (24 Parganas), in connection with the regularisation of "Bahiragata Hindu Squatters Colony". Notification under section 4 as well as declaration under section 6 were issued and published in the Calcutta Gazette, dated the 15th February, 1955 and the 13th October, 1955, respectively.</p> <p>As the proceedings were under Land Development and Planning Act the Collector had earlier sent an estimate of the cost of acquisition in form 4(A) at 1946 rate. The estimate shows the 1946 valuation to be Rs. 150 per cottah for danga land and Rs. 75 per cottah for land included within tank.</p> <p>It appears, however, that prior to the institution of land acquisition proceedings the Refugee Rehabilitation Commissioner, West Bengal, had accepted the offer of Messrs. Cold Storage and Creameries Ltd. in respect of compensation payable for the land under acquisition at Rs. 312 per cottah and the offering party was intimated accordingly.</p> <p>In the state of uncertainty prevailing prior to the amendment of the Constitution, Government had in certain cases to accept offer of land at above the 1946 rate. As the negotiation in the present case took place before the amendment to the Constitution, the payment of the value of the land in question was made by Government at the agreed rate of Rs.312 per cottah.</p> <p>In view of the above, it will appear that there was no irregularity and the question of excess payment does not arise.</p>

Audit comments—

Departmental replies—

Page.	Para- graph.	Number and name of Grant.	Total number of losses, irregu- larities, etc., under each Grant.	Total amount of losses, etc., under each Grant.	Brief Subject.	
1	2	3	4	5	6	7

Rs.

In one case, however, it was noticed that the usual notification under section 6 of the Act for the acquisition of 1.6504 acres of land for above purpose was issued in October, 1955 but payment of compensation for the same was made at the negotiated price of Rs. 31,141 instead of the market value prevailing on the 31st December, 1946, viz., Rs. 16,310. It was stated by Government in August, 1958 that as the negotiation in the present case took place before the amendment of the* Act, payment had been made at the agreed rate.

375	3	45—Civil Works	3	8,224	Loss due to theft, long storage, etc.	No further comments.
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(a) Loss of 75 tons of Cement due to flood in September, 1956.

The amount of Rs. 7,650 was written off in August, 1957.

(b) Theft of one Gent's Black Raleigh Bicycle and one Time-piece on the night of 21st May, 1955.

Order of write-off of Rs. 255 was issued in May, 1957. The night guard of the office was warned after departmental enquiry as no clue of the theft could be found by the Police.

(c) Loss of 49 bags of Cement got clotted due to long storage.

The amount of Rs. 319 was written off in May, 1958, as the work for which the Cement was stocked was not ultimately taken up.

375	4	Ditto		12,681	Infructuous expenditure.	
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In the execution of a bridge work in 1952-53 the "open foundation design" was adopted without carrying out prior test-boring of the sub-soil. After incurring an expenditure of Rs. 24,298 on the work the coffer dam collapsed on 6th December, 1949 owing to the presence of an erratic sub soil and consequently the work had to be abandoned. Out of the total expenditure of Rs. 24,298, materials worth Rs. 11,617 could however be utilised again on the bridge, the design of which had to be

Test-boring of the site-soil is considered as an essential pre-requisite in cases of construction of bridges with open foundation only when the nature of foundation soil is unknown to Departmental Engineers. This was not the case with the Satmile Bridge on the Contai Beldia Road. For a number of culverts and minor bridges on this road, "Open foundation design" was successfully worked out on study of the surface soil only without any test-boring. Even for the Satmile Bridge itself no trouble was experienced by the Departmental Engineers in respect of the foundation works of the anchor piers. Test-boring was, therefore, not considered necessary in the case of Satmile Bridge designed on

Audit comments—

Departmental replies—

Page.	Para. graph. and name of Grant.	Number of Grant.	Total number of losses, irregularities etc., under each Grant.	Total amount of losses, etc., under each Grant.	Brief Subject.	
1	2	3	4	5	6	7
				Rs.		
					<p>changed and the balance (viz., Rs. 12,681) was rendered infructuous. In order to avoid recurrence of similar incidents in future Government issued orders in May, 1958 that even in adopting "open foundation design" test-boring should be done.</p>	<p>open foundation type as the nature of the foundation soil was already known to the Departmental Engineers. Subsequently, however, during the progress of works an erratic sub-soil was detected when the coffer dam collapsed.</p> <p>The existence of the weak sub-soil was foreign to the soil characteristics of the area and could not be foreseen. The infructuous expenditure incurred in this case was therefore beyond control and not due to any lapses on the part of the engineering personnel.</p> <p>The amount of the infructuous expenditure as finally worked out is Rs. 4091-4 as only. This amount has since been verified with the Accountant-General, West Bengal.</p>
247	3	46--Road and Water Transport Schemes.	..	12,039	<p><i>Ex-gratia payments.</i></p> <p><i>The following ex-gratia payments were made in 1957-58—</i></p> <p>(i) Rs. 50 to the driver of a State Bus towards his medical expenses.</p> <p>(ii) Rs. 100 to the widow of an ex-fitter of the Transportation Directorate in connection with the "Strad" ceremony of the deceased fitter.</p> <p>(iii) Rs. 2,389 as medical expenditure to the victims of a State Bus accident.</p> <p>(iv) Rs. 3,500 as lump sum payments to the legal heirs of two victims of a State Bus accident. In addition to the lump sum payment sanction was also accorded for payment to the legal heirs of one of the victims a sum of Rs. 80 per month for years from 20th June, 1956 for the educational expenses of two daughters and one son.</p> <p>(v) Rs. 1,000 to the widow of a State Bus driver who died as a result of an accident while on duty for the purpose of her daughter's marriage and Rs. 1,116 to the widow herself.</p>	<p>No comments.</p>

Audit comments—

Departmental replies—

Page.	Para- graph.	Number and name of Grant.	Total number of losses, irregu- larities, etc., under each Grant.	Total amount of losses, etc., under each Grant.	Brief Subject.	
1	2	3	4	5	6	7
				Rs.		
381-82	4 & 5	47.— Capital Outlay on Schemes of State Trailing.	..	6,840	Theft.	
				61,207	Loss due to shortage.	
				25,313	Loss on sale at reduced rates.	
				16,941	Loss in transit.	
				3,054	Shortage in transit.	
Total ..				8,44,833-5 as.		

4. *Losses, writes-off, etc.*—A Government lorry was stolen on 10th August, 1952 from a Government garage. Some parts of the lost conveyance were recovered by the Police. A criminal case was instituted against some persons; but they were discharged by the trying Magistrate.

Departmental proceedings were drawn up against six employees of the garage. Two of them only were found negligent of duties for which they were severely warned. The value of the lost vehicle (Rs. 6,840) was written off by Government in November, 1957.

5. The local audit of the expenditure on the purchase and distribution of food grains (rice and paddy) during the year 1956-57 disclosed the following irregularities:—

(a) *Shortage in physical verification.*—The physical verification of stocks of rice and paddy with the different stock holders at the close of the financial year disclosed the following shortages:—

	Mds. mrs.	Rs.
Rice ..	3,534 3	59,196
Paddy	180 33	2,011
		<u>61,207</u>

One 3-ton lorry bearing No. WBL-3705 (FD-207) of the Food Department was found missing from the compound of the Lake garage at Dr. Deolar Rahaman Road, Tollygunge, at about 9.35 A.M. on 10th August, 1952.

The Police investigated into the matter fully but they could not find out any clue of the culprits who had stolen the property. The Police, however, traced out some engine parts of the missing lorry and started a criminal case against some private persons which however ended in their discharge. The trying Magistrate also ordered that the engine parts should be returned to the owner of the lorry. The parts thus recovered were duly accounted for in the stock register maintained by the Directorate of Transportation of the Food Department.

Disciplinary proceedings were drawn up against six employees of the garage but none of them could be held responsible for the missing of the said lorry. But two of them, viz., one Supervisor and one Despatch Clerk, were found guilty of negligence of duties and for that they were severely warned.

It appeared that the loss was facilitated due to a defect in the system of administration of not taking any signature from the driver of a vehicle when he took out the same from the garage. After this incident, this defect has been removed and registers are now being maintained at the garage gates wherein all particulars of a vehicle are recorded and the signature of the driver obtained before a vehicle is allowed to leave the garage. Particulars of each vehicle, on return, are checked up against those entries.

After taking into account the sum of Rs. 300, being the value of the recovered parts, the net loss of Rs. 6,840 was written off by the Government in November, 1957.

(a) This paragraph is based on para 4(a) of the Inspection Report on the accounts of rice and paddy for the year 1955-56.

The present position is indicated below—

	Rice.	Paddy.
	Mds. sr. ch.	Mds. sr. ch.
Written-off	901 16 5	176 30 11
Still under investigation.	2,632 26 11	4 2 0
	<u>3,534 3 0</u>	<u>180 32 11</u>

Audit comments—

Departmental replies—

Page.	Para- graph, and Name of Grant.	Number of Grant.	Total number of losses, irregu- larities, etc., under each Grant.	Total amount of losses, etc., under each Grant. Rs.	Brief Subject.	
1	2	3	4	5	6	7
					The recovery of the value of the shortages or write-off order in respect of the irrecoverable portion is still (August, 1958) awaited.	
					(b) <i>Loss on sale of deteriorated stocks at reduced rates.</i> —The sale of deteriorated rice and paddy at reduced rates resulted in the following loss :—	(b) This paragraph is based on Para. 13 of the Inspection Report on the accounts of Rice and Paddy for 1956-57.
					Mds. srs. Rs.	
					Rice .. 1,981 38 21,853	The deteriorated stocks (2,422 mds. 1 sr.) mentioned in this para is the collection from all the Calcutta G. F. D's of their Godown sweepings, some damp affected bottom layer grains, etc. It may be stated here that 3,674,170 mds. of foodgrains were handled during the year 1956-57.
					Paddy .. 440 3 3,460	
					<u>25,313</u>	
					Reasons for the deterioration were not available. The loss has not so far (August, 1958) been made good by the persons held responsible for it or written off under orders of competent authority.	There has been a total loss of Rs. 25,330 after adjusting the sale-proceeds of Rs. 12,780. The write-off proposal submitted by the Directorate of Storage is under examination.
					(c) <i>Transit loss lying unrecovered from carrying contractors.</i> —A sum of Rs. 16,941 was found, as a result of test check to have been lying unrecovered from the carrying contractors on account of transit loss, etc., some of which dated as far back as from 1951-52. The total outstanding dues have not been worked out nor any effective steps taken to realise the dues from the contractors.	No Government servant was found to be responsible for the deterioration of the stocks and there was no material defect in the system of administration.
						(c) This paragraph is based on Para. 14 of the Inspection Report on the accounts of Rice and Paddy for the year 1956-57.
						The present position is shown below :—
						Rs.
					Amount recovered (Includes a case of 1951-52).	893
					Liability reduced ..	292
					Written off (A case of 1951-52)	62
					Recovery pending for finalisation of accounts (Includes a few cases of 1951-52 amounting to Rs. 1615-5-9).	11,252
					Recovery pending as payment of bills has been withheld under orders of Court.	3,300
					Still under investigation	1,143
						<u>16,942</u>
					(d) <i>Shortages in transit.</i> —	(d) This paragraph is based on Para. 5 of the Inspection Report on the accounts of Rice and Paddy for the year 1956-57. There is no facility of weighment at the unloading stations. The total quantity cleared at the Railheads at Calcutta during January, 1957 was 6,560 mds. (appx.) against which the shortage was 130 mds. 7 srs. and not 182 mds. 12 srs. 12 chs.
					Mds. srs. Rs.	
					Shortages during transit from unloading stations to the Government Food Depots in one month.	
					Rice .. 182 12 3,054	Out of the total shortage of 130 mds. 7 srs. of rice, the value of 46 mds. 7 srs. 8 chs. has been written off by the competent authority. In regard to the balance the matter is under investigation.
					In the absence of proper weighments at the unloading stations it could not be ascertained whether the shortages, noticed at the time of receipt of the commodities in the receiving depots, occurred during transit by Railway or during transit from Railway points to the depots. The recoveries of the losses or their write-off orders are awaited.	

CHAPTER IV—Other Topics of Interest.

Audit comments—

Departmental replies—

Paragraph 43, pages 34-35—

Community Development Projects, National Extension Service, Local Development Works.—As in the previous year the schemes of Community Development Projects, National Extension Service, Local Development Works have been in operation during the year under report also. These schemes aim at the uplift of the rural life with the active participation of the local people and have been included in the purview of the Second Five-Year Plan in the majority of cases. The position under each of the categories is described below :—

(1) *Community Development Projects.*—The year started with twelve converted Community Development Project Blocks to which four more Blocks converted from National Extension Service, including one for Purulia, were added during the year. The system of finance and accounting was the same as in the previous year. The table below compares the provision and the expenditure during the year with those of the preceding years :—

No comments.

Year.	Original grant.	Final grant.	Actual Expenditure.	More + Less—.
1	2	3	4	5
	Rs.	Rs.	Rs.	Rs.
1953-54	2,17,17,000	39,76,300	33,74,168	—6,02,132
1954-55	2,58,01,000	93,43,000	83,58,831	—9,84,169
1955-56	1,66,16,000	1,23,02,800	1,04,24,568	—18,78,232
1956-57	1,07,14,000	1,52,50,800	1,30,16,779	—22,34,021
1957-58	72,20,800	61,47,264	57,00,322	—4,46,942

(2) *National Extension Service.*—Seventy-one National Extension Service Blocks including twelve post-intensive National Extension Service Blocks had been carried over from the previous year. Of these, four Blocks were converted into Community Development Project Blocks during the year. Thirty-five new Blocks were also taken up. Thus at the end of the year there were 102 Blocks in operation under this category. The system of finance and accounting followed the same as in the previous year.

No comments.

The provision and expenditure for the current year have been compared in the following table with those of the preceding years :—

Year.	Original grant.	Final grant.	Actual Expenditure.	More + Less—.
1	2	3	4	5
	Rs.	Rs.	Rs.	Rs.
1954-55	65,18,000	4,05,200	3,33,328	—71,872
1955-56	1,04,37,000	27,04,100	17,91,290	—9,12,810
1956-57	1,19,96,000	41,64,000	44,89,880	+ 3,25,880
1957-58	1,00,78,200	83,78,077	75,22,277	—8,55,800

Audit comments—

(3) *Local Development Works.*—Schemes of water supply, improvement of roads, including small bridges and culverts, constituted the local development works. There were both centrally-aided and state-aided works in operation during the year. The entire state-aided works and the supervisory charges in respect of the centrally-aided works were financed by the State Government and the rest by the Union Government. Local contributions realised, if any, remained outside the government account.

The provision and expenditure compared with those in the preceding years are shown below :—

Year.	Original grant.	Final grant.	Actual Expenditure.	More + Less—.	
1	2	3	4	5	
	Rs.	Rs.	Rs.	Rs.	
1953-54	Centrally-aided Schemes.	..	15,11,500	11,37,273	—3,74,227
	State-aided Schemes.	..	3,27,000	1,77,596	—1,49,404
1954-55	Centrally-aided Schemes.	54,80,000	84,10,303	68,47,556	—15,62,747
	State-aided Schemes.	..	5,86,681	5,04,955	—81,726
1955-56	Centrally-aided Schemes.	..	56,87,400	53,88,082	—2,99,318
1956-57	Centrally-aided Schemes.	37,25,000	29,70,000	26,00,348	—3,69,652
1957-58	Centrally aided Schemes.	34,35,000	40,00,000	38,21,875	—1,78,125
	State-aided Schemes.	3,04,000	3,10,200	3,09,818	—382

Paragraph 44, pages 35-36—

Greater Calcutta Milk Supply Scheme.—The scheme was originally approved and taken up during the First Five-Year Plan under the name "Removal of Khatala from Calcutta" with the object of making the City cleaner and healthier and of establishing milk colonies for the resettlement of the occupiers of the Khatala with the cattle and better amenities at Haringhata. The scope of the scheme has been extended in the Second Five-Year Plan.

The purpose of the extended scheme is—

- (i) to evacuate animals kept for milking purposes from the city Khatala and to settle them with their calves and owners in the milk colony at Haringhata,
- (ii) to establish a 3,000-acre fodder farm at Kalyani and to salvage the milch animals when they go dry,
- (iii) to construct a Central Dairy Factory at Calcutta for pasteurization, boiling and distribution of over 400,000 lbs. of milk a day, now purchased from the owners of the cattle accommodated in the milk colony at agreed prices and distributed by the Milk Commissioner through the other sister schemes, namely, Milk Distribution Scheme and Butter and Ghee Distribution Scheme,

Departmental replies—

No comments.

No comments.

Audit comments—

Departmental replies—

(iv) to open up larger number of booths for the sale of processed milk in Calcutta and its environs,

and

(v) to establish a number of Collecting-cum-Chilling Stations in order to promote milk production in the country side.

Out of the 16 colony units with the capacity of accommodating 1,272 animals with owners and calves in each proposed to be constructed, 4 units only have been completed up to 1957-58 and 4 others are stated to be under construction. The number of animals accommodated in the colonies up to 31st March, 1958, is nearly 3,000 as against the available space for 5,088 animals. To meet the demand for feeds and fodder of colony animals 720 acres of land have been acquired and brought under cultivation up to 31st March, 1958.

The expenditure on items (i) and (ii) of the scheme (there being no expenditure on other items up to the end of the year 1957-58) as against the budget provision for the entire scheme, is detailed below :—

			Expendi- ture.	Budget provision.
			Rs.	Rs.
Up to 1954-55	..	..	20,71,000	33,81,000
During 1955-56	..	..	49,54,000	1,19,77,000
During 1956-57	..	.	55,60,000	80,00,000
During 1957-58	..	..	51,40,000	1,10,41,000

Against the expenditure indicated above the receipts realised on account of rent, licence fees, registration fees, etc., amount to Rs. 5,16,000 only up to the end of the year 1957-58.

Paragraph 45, pages 36-37—

Scheme for abolition of Zamindari System.—In the third year of the abovementioned scheme the gross receipts of the *Ex-Zamindari Estates* were Rs. 412 lakhs as compared to Rs. 313 lakhs and Rs. 216 lakhs for 1956-57 and 1955-56 respectively. The total additional expenditure in this year on account of the introduction of the scheme (as compared to the pre-abolition period) was Rs. 339 lakhs as against Rs. 302 lakhs for 1956-57 and Rs. 179 lakhs for 1955-56 respectively. [In the previous Audit Reports the total increase in expenditure was shown as Rs. 288 lakhs for 1956-57 and Rs. 178 lakhs for 1955-56. The discrepancies were due to (i) non-inclusion of certain items (*viz.* 'f' to 'i' of the table below) and (ii) inclusion of one item (item 'e') in arriving at the total figures shown in the previous Reports].

No comments.

Audit comments—

Departmental replies—

The main items of receipts and expenditure during these three years are indicated below :—

	1955-56	1956-57	1957-58
	1st year.	2nd year.	3rd year.
	Rs.	Rs.	Rs.
(i) Receipts—			
Land Revenue receipts from <i>Ex-Zamindari</i> Estates.	2,16,15,000	3,12,69,312	4,12,03,051
Total receipts	2,16,15,000	3,12,69,312	4,12,03,051
(ii) Expenditure—			
(a) Cost of management of <i>Ex-Zamindari</i> Estates and Collection of Revenue.	29,70,656	67,68,758	1,12,80,598
(b) Staff employed for calculation of <i>ad-interim</i> compensation.	9,73,110	25,93,192	29,71,131
(c) Payment of <i>ad-interim</i> compensation to intermediaries including annuities to Debutter Estates.	3,27,479	42,77,381	1,09,04,754
(d) Expenditure on major settlement operations in connection with Estates Acquisition Scheme.	1,35,71,891	1,51,14,515	70,78,986
(e) Expenditure under Administration of Chapter III of West Bengal Land Reforms Act, 1955, relating to Bargadars.	..	23,983 (not included in the total).	..
(f) Payment to Union Boards on account of resumed Chowkidary Chakran lands.	..	2,42,295	2,61,151
(g) Charges of Administration of Certificate Establishment.	28,743	68,591	1,05,493
(A) Works .. ..	..	2,53,323	70,544
(i) Miscellaneous—Contribution—Grant to local bodies in lieu of <i>ex-intermediaries</i> shares and cess in respect of the Estates and interests vested in Government under West Bengal Estates Acquisition Act, 1913.	..	9,25,202	12,69,009
Total expenditure	1,78,71,879	3,02,43,257	3,39,41,666
Net Surplus + Deficit—	+ 37,43,121 ..	+ 10,26,055 ..	+ 72,61,385 ..

Due to the non-completion of the Survey and Settlement Operation of all the districts including transferred territories of Purulia and Kishanganj and for want of final publication of compensation assessment roll, the entire compensation payable cannot be ascertained at this stage. As in the previous years compensation by way of *ad-interim* payment to the intermediaries have been continued to be made in this year. The West Bengal Land Reforms Act, 1955, which has been enacted with the object of fixing rates, redistribution and consolidation of lands, etc., has not been fully implemented this year also.

Paragraph 46, page 38—

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

No comments

Audit comments—

(b) *Mayurakshi Reservoir Project*.—The Audit Comments on the accounts of the Mayurakshi Reservoir Project have been given in paragraph 8 of the Review under Grant No. 10, pages 101-102.

Paragraph 47, page 38—

Expenditure on Relief and Rehabilitation of Displaced Persons.—Expenditure incurred during 1957-58 on the (i) Relief and Rehabilitation of displaced persons, (ii) Dispersal of displaced college students from Calcutta, (iii) Administration of Rehabilitation of displaced persons in unauthorised occupation of land and (iv) Administration of Fulia Township amounted to Rs. 11,58,00,361 including the expenditure on officers and staff. The expenditure on 'Relief' and 'Rehabilitation' proper amounted to Rs. 6,36,77,686 and Rs. 3,64,13,649 respectively. Of this amount, a total sum of Rs. 7,04,86,356 was reimbursed by the Government of India. In addition, a total sum of Rs. 3,06,53,277 was advanced to displaced persons on account of various kinds of loans during the year. Rs. 34,37,96,593 was the sum total of balances of loans as on 31st March, 1958. The amount and the number of cases in which recoveries were due up to 31st March, 1958 and also the yearwise break up of the outstanding amounts could not be indicated as the same were not furnished by the State Government.

The expenditure incurred on account of pay and allowances of officers and establishment at Headquarters as well as in the districts and camps and also on account of staff connected with the administration of different schemes amounted to Rs. 1,34,17,133 as shown below :—

	Rs.
Staff at Headquarters (Calcutta) ..	20,27,732
Staff in Districts	29,13,364
Staff in Camps	57,47,361
Staff on account of different schemes ..	27,28,656
.. .. Total ..	<u>1,34,17,133</u>

Expenditure on staff works out at 10.3 per cent. of the amount spent on Relief and Rehabilitation proper including amount advanced as loans. Corresponding percentages in the previous four years were as follows :—

1953-54	7.2
1954-55	8.5
1955-56	7.3
1956-57	8.8

The rise in percentage was due to (i) an increase in the quantum of staff, (ii) grant of additional dearness allowances, (iii) grant of *ad hoc* increment to incumbents drawing fixed pay and (iv) less disbursement of loan than that of the previous years.

Paragraph 48, page 39—

Secret Service Expenditure.—The accounts of expenditure treated under the orders of Government as on Secret Service are not subjected to scrutiny by audit.

Departmental replies—

No comments.

The figures of disbursement of loans as well as recoveries thereof are under compilation from the records maintained in local offices. The required information will be submitted to Accountant-General, West Bengal, as soon as the figures will be compiled. Statements in respect of all districts, excepting four have, however, been furnished to Accountant-General West Bengal, from time to time.

No comments.

Audit comments—

The Administrative Officers furnish periodical certificates of disbursement in this regard to the Audit Office in the proscribed form. The expenditure incurred on this account during the year amounted to Rs. 3,12,459 and was booked under Grant No. 3—State Excise Duties (Rs. 21,021), Grant No. 16—Police (Rs. 2,78,398) and Grant No. 42—Extraordinary Charges (Rs. 13,040). Requisite certificates of disbursement for the entire amount were received in audit. Certificates for the disbursement of Rs. 13,752 (Police—Rs. 2 and Extraordinary Charges Rs. 13,750) drawn in 1956-57, were also received in audit during the year.

Paragraph 49, pages 39-40—

Outstanding Audit Objections.—42,218 items of objections relating to the accounts for the period up to March, 1958, were outstanding in the books of the Audit Office on 31st July, 1958. Their money value amounts to Rs. 5526.77 lakhs. Some of these items date back to periods as far back as 1948-49. The following types of irregularities are involved :—

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

The following are the departments or major heads which have comparatively heavy outstandings :—

Serial No.	Department.	No. of items.	Value in lakhs of rupees.
1.	General Administration	2,686	112.14
2.	Famine	3,108	334.79
3.	Food	739	1743.80
4.	Home (Transport)	1,621	124.18
5.	Agriculture	2,005	109.87
6.	Development Department	2,110	506.53
7.	Department of Health	501	163.70
8.	Works and Buildings	7,580	746.16
9.	Irrigation and Waterways	2,649	663.90
10.	Development (Roads) Department	712	307.00
11.	Education	2,644	59.76
12.	Refugee Relief and Rehabilitation Department.	8,785	251.86
13.	Medical	3,113	96.44
14.	Loans to Local Funds, Private Parties, etc.	203	94.85

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

Departmental replies—

The present position of the outstanding audit objection will be found in the appropriate booklet for 1958-59

Audit comments—*Paragraph 50, pages 40-44—*

Local Audit and Inspection.—During the year under review, the initial accounts of 840 offices and institutions, stated below, were test-audited :—

(a) Public Works Department Offices (including Construction Board and Irrigation Divisions) ..	91
(b) Treasuries (including Sub-treasuries)	10
(c) Other Civil Offices	739

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

(a) Public Works Department—

(i) Abnormal delay in the settlement of “remittance” and “suspense” transactions.

(ii) Delay in according sanctions to estimates and also in regularising excesses over estimates.

(iii) Arrears in stock accounts.

(iv) Materials-at-site accounts not written up completely or not closed properly, *e.g.*, successive receipts and issues of materials of considerable value collected at the site of works have remained unrecorded and unused balances have not been worked out in some cases.

(v) Register of Major works not written up completely or not closed properly, *e.g.*, the column for Appropriations for the year was not filled in, or the estimated quantities and costs were not mentioned under each sub-head, or the entries made were not attested by the Divisional Officer in token of his review.

(vi) Contractor's ledger not maintained properly *e.g.*, (a) outstanding balances of the previous year have not been brought forward in many cases, (b) Ledger accounts were not balanced monthly in many cases.

(vii) Purpose of journey not mentioned in the Log Books of motor vehicles.

(b) Treasuries—

(i) Register of Government Promissory Notes was not properly maintained in some treasuries.

(ii) In some cases, there had been much delay in the incorporation of the sub-treasury accounts in the accounts of the district treasury.

(iii) In some cases, the cash books were not written up and closed daily.

(iv) Register of Pension Payment Orders was not properly maintained.

(v) Separate Register of Pension Payment Order was not maintained for pensions which were not granted for life but were subject to special conditions.

(vi) In some cases, specimen signature of the pensioners was not on the records of the treasury.

(vii) Register of misclassification by the Bank was not maintained by a certain treasury.

(viii) Register of chalans issued was not maintained by some treasuries.

(ix) The date of discharge of the payment orders was not noted against the entries in the register of orders for payment.

Departmental replies—

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

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

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

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

(i) In some settlement offices security deposits or security bonds were not obtained from subordinates handling cash or stores although the amount of cash held by them was heavy.

(ii) As in the last year in many offices Cash Books were not properly maintained. Cash balance was also not verified at the end of each month by the Head of office as required under rules.

(iii) In a large number of cases acknowledgment receipts in support of amounts remitted into treasury by the Tahsildars and compensation money remitted to intermediaries by money orders were not available to audit.

(iv) In several cases, stock accounts of forms, dead stock articles, furniture and Service Postage Stamps were either not maintained at all or improperly maintained.

2. Education—

(i) In many cases, Cash Books were not maintained properly and cash balance not verified at the end of the month by the Heads of the offices, as required under rules.

(ii) In a number of cases utilisation certificates in respect of grants made to different institutions were not available.

(iii) The practice of drawing money from treasury though not required for immediate disbursement was found to continue in several offices this year also.

(iv) In several institutions it was found that undischarged scholarships, stipends and caution money were kept in hand for a long time instead of refunding the same to the treasury as required under rules. This inflated the balance in hand unnecessarily.

(v) In many cases, adequate security from subordinate officers handling cash and stores was not taken.

3. Agriculture Department—

(i) Realisation of outstanding dues on account of sale of pumping plants, hire charges of tractors, big growers' loan and fertiliser loan showed no signs of improvement although the point was commented upon in the previous audit reports.

In one district alone the total outstanding dues as on the 30th June, 1957 amounted to Rs. 27,83,466.

(ii) (a) Cash Books had not been maintained properly. Cash balances at the end of each month were not also verified by the Head of the office as required under the rules.

(b) Amounts not required for immediate disbursement were drawn from treasury or money received for credit to Government account retained in hand for unduly long time. This had the effect of retention of huge cash balance in the hands of subordinate officers.

Departmental replies—

(i) Necessary action for obtaining the Security from the subordinates who handle cash has already been taken by the Director, Land Records and Surveys, West Bengal.

(ii) The audit comments are based on paragraphs 7 and 10 of the Inspection Reports relating to the office of the Land Acquisition Collector of Calcutta and Nadia respectively. As for the office of the Land Acquisition Collector, Calcutta, instruction of the audit are being followed by the Land Acquisition Collector. Regarding the district of Nadia, the Accountant-General, West Bengal, has since informed the Commissioner, Presidency Division, that the action taken by the Collector on points raised will be verified at the time of next audit.

(iii) Instructions in the matter have been issued to the local officers.

(iv) The audit comments are based on paragraphs 14, 15, 16 and 11, 12 of the Inspection Reports of the office of Land Acquisition Collector, Calcutta, and Collector of Nadia respectively.

The local officer concerned have since reported that instructions of the audit are being followed by them.

A circular requesting the Heads of offices to take effective steps to avoid such irregularities in future has been issued.

(Milk Commissioner's replies).

(i)(a) At present there is no defect in the maintenance of cash book. As regards the verification of cash balances, this is now being done regularly once in a month. It may be mentioned that, it is not possible to verify the cash at the close of each month, as there is huge cash transactions on those days.

(i)(b) This irregularity is due to Milk Suppliers' Bills only. Although the parties submit their bills timely, they do not turn up in time to receive payments. The parties were instructed quite a number of time to receive their payment timely but it seems that they do not give much importance on this particular point. As such this irregularity could not be avoided. Attempts are being made to regularise this irregularity, as far as possible taking all facts into consideration.

(ii) All the persons handling Government money or stores under this Directorate have furnished the requisite security deposit.

Audit comments—

(iii) Security deposit was not obtained from persons handling cash and stores.

(iv) It was commented in the last report that amounts advanced to departmental officers for meeting contingent expenditure remained unadjusted for a long time. The irregularity was noticed to have continued this year also.

4. Police Department—

(i) Security deposits of bonds, were not, in many cases, obtained from subordinates handling cash and stores although the cash balances or stores held by them were heavy.

(ii) Cash balance was found not to have been verified by the Head of the office at the end of each month as required under rules. Individual items of the Cash Book were not also attested in some offices.

(iii) Purchases were made in several cases without inviting open tenders or quotations in order to take advantage of competitive rates.

Departmental replies—*Home (Police) Department.*

(1) These irregularities were detected in the Offices of the Commandants, 1st A. P. Battalion, and I.A.R.F., S. P., Murshidabad, and Sealdah G. R. P. In the office of the Commandants, 1st A. P. Battalion and I.A.R.F. the Accountant-General West Bengal, insisted that security deposits should be furnished by the Headquarters Inspectors who handle cash and stores. There is no provision in the P. R. B. for furnishing security deposit except the S. I.'s in charge of the court offices and Court Inspectors. The question of exemption of Police Personnel is, however, under examination of Government. In the case of ministerial staff, four instances have been cited in the following Offices :—

- (a) Commandants, I.A.R.F.
- (b) S. P., Murshidabad.
- (c) S. P., G. R. P., Sealdah.
- (d) D. C., Special Branch.

In the office of the Commandant, I.A.R.F., the Accountant-General, West Bengal, detected that security bond was not executed by the Head Clerk as required under rule. The Permanent Head Clerk who was then on leave had both security deposit and bonds. The Accountant, who took up the work of the Head Clerk, furnished fidelity bond of the value of Rs. 500. He has since executed the security bond also. In Murshidabad district, the Head Clerk and Cashier had deposited the requisite security as required under rule 1145 of the P. R. B. Vol. 1. The question of furnishing increased security is under examination of Government. In Sealdah G. R. P. the security deposit was not furnished by the Accountant. Fidelity bond has since been furnished by him and deposits are being made in the post office @ 1/10th of his pay.

There is no post of Cashier in the Office of the D.C., S. B., and as such no assistant is willing to furnish security deposit for handling cash. The responsibility for the cash, however, rests jointly with the Head Assistant and the Assistant actually handling cash-money in the office.

(ii) This irregularity apparently refers to the case of the Police Training College. The cash balance in the office of the Police Training College, was verified from time to time but not regularly at the end of each month or at regular intervals. The correct procedure is being followed now.

(iii) Such irregularities were pointed out in the Inspection Report on the accounts of the Commandants, I. A. R. F., and accounts of the D. C., D. D.

In the former case it was found that purchase was made after inviting quotations from reliable and reputed firms. In the later case, purchases were made on several occasions but each item was of small quantity. The irregularities have been regularised under specific orders of Government.

Audit comments—**5. Forest Department—**

(i) Expenditure on repair works was incurred and plans and specifications were altered in certain offices without obtaining the sanction of competent authority.

(ii) Following irregularities in respect of stores and tools and plant were noticed :—

- (a) Surplus stores held in stock for a long time ;
- (b) Physical verification not conducted regularly ;
- (c) Inventory of stores not maintained properly ;
- (d) Discrepancies in store accounts remained un-reconciled for long periods.

(iii) Discrepancies between schedule of remittances to treasuries prepared by Divisional Officers and consolidated receipts obtained from treasuries were noticed to be persisting for years together in a large number of cases.

6. Medical Department—

(i) Various types of irregularities in the Cash Books, viz., discrepancy in the opening and closing balances, recording of transactions in loose sheets instead of in the Cash Book, over-writings and unattested alterations, want of certificate of the result of verification to be done by the Head of Offices at the end of each month, etc., were noticed in several offices.

(ii) Security from subordinates handling cash and stores was not obtained in many cases and in some cases, cash balances held by them were much in excess of the security deposits furnished by them.

(iii) In a number of cases, money was drawn, although not required for immediate disbursement, from treasury in order to avoid lapse of budget grant.

(iv) Quotations were only taken from some selected firms for purchase of materials although open tenders, as required under the rules, should have been invited in such cases. In some cases, the lowest offers were rejected without assigning any reason.

Departmental replies—

The officers concerned of the Forest Directorate have been advised to act according to the instructions of the Audit.

Instructions have been issued by the Health Directorate enjoining upon the Heads of the Offices to see that such irregularities may not recur. Every attempt is being made to guard against the recurrence of irregularities of this nature.

(ii) The Directorate of Health Services are taking action for obtaining security deposit from the persons concerned. The Accountant-General, West Bengal, suggested that as the Superintendents and Medical Officers of A. G., F. R. E. and R. C. Hospitals are entrusted with the duty of handling cash and stores, security deposit should also be obtained from them. After careful consideration of the case Government exempted these officers from furnishing any security in G. O. No. Medl./8080/DHS/Accts/1C(AD)-1-50, dated 2-11-56. As these officers constitute a greater number of officers from whom security was not obtained, the cases of non-deposit of security have been settled up to a great extent. Every attempt is being made to settle up the remaining cases as expeditiously as possible.

Due to increase of activities in connection with Health Services consequent upon various expansion schemes, sometimes the concerned incumbents have to handle greater amount of cash and/or larger quantum of Stores than what was originally contemplated when the amount of security deposit was initially fixed. Such cases are being dealt with on their respective merits and appropriate amounts of security deposit are being fixed under orders of competent authorities.

(iii) The Local Officers concerned have been directed by the Directorate of Health Services to see that such irregularity, viz. drawing of money from the Treasury to avoid the lapse of budget grants may not recur.

(iv) On emergency occasions quotations are called for from the manufacturers and dealers in specific articles. The local officers have been instructed by the Directorate of Health Services to call for open tenders strictly in accordance with the rules laid down in the West Bengal Financial Rules. The instances of such cases have been reduced to the minimum. Reasons for non-acceptance of lowest rates are now being recorded by the authorities accepting the rates for the stores.

Audit comments —

(v) In some cases acknowledgment receipts from payees were not made available to audit.

7. Development Department—

(i) Cash security or fidelity bond was not obtained in many cases from subordinates handling cash and/or stores.

(ii) In several cases, Cash Books were not properly maintained.

(iii) Heavy cash balance was found to have been kept in certain offices. This was due to money drawn from the treasury not required for immediate disbursement.

(iv) In many cases utilisation certificates in respect of money and materials supplied for specific purposes were wanting.

8. Refugee Relief and Rehabilitation Department—

(i) In many cases it was not verified by the department whether the loans granted were utilised for the purposes for which these were paid

(ii) Delay in remittances of collections to the treasury was noticed in several cases.

(iii) There was unnecessary accumulation of cash in several offices.

(iv) In some camps cash doles were paid without verifying the presence of the displaced persons in the camps. It so happened in some cases that the inmates were paid doles for the period of unauthorised absence from the camps.

(v) Stores were not physically verified in some cases and the unserviceable articles were not disposed of promptly.

Departmental replies—

(v) The local officers concerned have been instructed by the Directorate of Health Services to produce the acknowledgement receipts of the payees for inspection when called for by audit. It has been reported to this Department that out of the total number of items of objection under this category only one item is still awaiting settlement and the rest have already been settled.

C. D. & E. S. Department—

The defects mentioned are removed by reference to the local officer concerned and the audit is informed accordingly through broadsheet replies.

(i) The Cashier-cum-Storekeepers are required to furnish security for Rs. 1,000 of which Rs. 500 must be in cash and the balance either in cash or in the form of fidelity bonds. The incumbents concerned may deposit the cash in instalments out of their monthly pay, if they are unable to furnish the security at a time. In such cases it takes time to obtain the full amount of Security. As regards fidelity bonds, some delay in furnishing such bonds as security cannot be avoided as the bonds are issued by the Insurance Companies only after some formalities have been completed.

Regarding items (ii), (iii) and (iv) the objections were brought to notice through inspection reports in several cases. The reports were examined in broadsheets in the usual way and the officer concerned instructed for rectification of the defects.

Development (Development) Department—

The audit comments were communicated to the subordinate offices for information and guidance to that such irregularities do not recur in future.

(i) Utilisation of the 1st instalment of loan are verified as a matter of rule at the time of payment of the second instalment of the same. Steps have, at present, been taken for verification of the utilisation of the loan.

(ii) The Officers concerned have been directed to avoid delay in making remittances to the treasury in future.

(iii) With the introduction of the new system of payment under the scheme for the separation of Audit from Accounts only one cheque was issued in support of several bills submitted by a Disbursing Officer to the then Pay and Accounts Office and due to this system there was accumulation of cash in certain offices. That procedure has since been abolished. The local officers have however been instructed not to draw more than what is actually required for disbursement. They have also been instructed to take necessary steps for safe custody of the amounts which are retained in the Camp ~~due~~ to unavoidable circumstances.

(iv) Instructions have been issued to the officers concerned to conduct the census of the camp population fortnightly in future strictly according to rules

(v) Instructions have been issued to the officers concerned to conduct monthly physical verification of the stores and to record a certificate in the stock book of stores to that effect under his dated initial and also to dispose of promptly unserviceable articles to the best advantage of Government.

Audit comments—

(vi) In some camps it was seen that money was drawn from treasury though not required to be immediately disbursed.

(vii) In some cases it was noticed that camp inmates after receiving cash doles in advance deserted the camp.

9. Industries Department—

(i) Adequate security deposit had not been furnished by the subordinates handling cash and stores.

(ii) Sale proceeds or collections were kept in hand unnecessarily instead of crediting the same promptly to Government account.

(iii) Physical verification of stock was not done in many cases.

(iv) In many cases there were huge accumulations of stock.

Paragraph 51, page 44—

Disposal of Inspection Reports.—All important irregularities and defects in accounts noticed during local audits and inspections are included in Inspection Reports and sent to Departmental Officers for necessary action. The points mentioned therein should receive their special attention and are to be settled expeditiously so that the irregularity may not persist or recur. That this was not done to the required extent is indicated by the fact that as many as 3,197 Inspection Reports with 17,128 items some of which date back to periods as far as 1948-49 still remain outstanding up to the end of July, 1958. The names of the Departments with comparatively heavy outstandings are shown in the table below :—

Serial No.	Department.	No. of Inspection Reports.	No. of items.
1.	Refugee Relief and Rehabilitation Department.	1,063	5,353
2.	Education	300	1,182
3.	Food	213	1,062
4.	Agriculture	106	939
5.	Medical	189	966
6.	Development	166	961

Paragraph 52, page 44—

Audit of grants-in-aid.—The Examiner, Local Audit Department, who conducted the audit of grants-in-aid paid to District School Boards, District Boards and Municipalities has certified that the grants, which have been paid to the end of 1956-57 and audited by him, were found to have been utilised properly in accordance with the prescribed conditions subject to the following exceptions—

(i) In the case of 169 grants relating to the District School Boards aggregating Rs. 1,95,63,086 unspent balance to the extent of Rs. 1,19,08,879 remained outstanding at the end of the year. The above figures, however, exclude cases where the unspent balances fell below 10 per cent. of the total amount of each individual grant.

Departmental replies—

(vi) Instructions have been issued to the officers concerned not to draw money from the treasury which is not required for immediate disbursement.

(vii) Under the existing rules cash doles are paid in advance for a fortnight.

The camp inmates are denied the benefits of rehabilitation, etc., as soon as they desert.

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

(ii) Necessary instructions have been issued to the Director of Industries West Bengal, for taking prompt action to ensure remittance of receipts into treasury and sale-proceeds are deposited into the treasury in time.

(iii) Director of Industries has been instructed to see that verification of stores are invariably made at cash unit.

(iv) Necessary instructions have been issued to Director of Industries to see that there is no unnecessary accumulation of stores.

The present position of the outstanding Inspection Reports and items will be found in the appropriate booklet for 1958-59.

Education Department.

(i) The unspent balance of about Rs. 110.00 lakhs mainly consists of recurring grant of Rs. 71.87 lakhs and non-recurring grant of Rs. 47.22 lakhs.

Annual recurring grants are paid in advance on the basis of the estimate furnished by the District School Board and necessary adjustment in respect of

Audit comments—

(ii) Two sums of Rs. 46,000 and Rs. 57,696 were paid to two District Boards as augmentation grant in the year 1955-56 on condition that the District Boards would make substantial contribution to the Union Boards out of them. It was, however, noticed that no payment of contribution out of these grants had so far (September, 1958) been made to the Union Boards.

Paragraph 53, pages 44-45—

Delay in the submission of Returns and Accounts to the Audit Office.—(i) Annual Establishment Returns.—Under the rules a detailed statement of the non-gazetted establishment (known as Annual Establishment Return) as on the 1st March of each year should be prepared by the Heads of offices and transmitted to the Accountant-General not later than the 15th April of that year. During the year under report the above Returns were not received from a large number of Heads of offices on the due date. Even by the end of August, 1958 the number of defaulters was 85. Although delays in the submission of the returns on the due date have been mentioned in the previous reports, improvement has not been achieved to the desired extent.

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

(ii) *Accounts by Treasuries and Divisional Offices.*—Out of 16 Treasuries and 97 Public Works and Irrigation Divisional Offices under the different departments of Government which furnished monthly accounts to the Audit Office during the year, 12 Treasuries and 7 Divisional Offices made delay of over five days in the despatch of their accounts on more than one occasion. In the case of 5 treasuries the delay exceeded even

Departmental replies—

unspent balance are made during the next year on the basis of the reports of the actual expenditure. Accordingly an unspent balance of Rs. 16.87 lakhs out of the grants paid in advance during 1956-57 was adjusted during 1957-58.

The resources of the District School Board from Education Cess and taxes being insufficient to meet their own shares of contribution of recurring expenditure, further additional grants are given. The proposals of the District School Boards on this account were received late in the year during 1956-57 and an additional grant of Rs. 55 lakhs was sanctioned in 1956-57 towards the latter part of the year which was spent in April, 1957.

The non-recurring grants are usually sanctioned towards the latter part of the year after finalisation of the proposals of the District School Boards. Out of the non-recurring grants of about Rs. 47.22 lakhs, building grants for Rs. 42.90 lakhs could not be spent in 1956-57. The slow progress in execution of building project is due mainly to (i) non-availability or short supply of building materials, (ii) transport and conveyance difficulties in rural areas, (iii) shortage of engineering staff in District School Board, etc.

The unspent balance of Rs. 5.03 lakhs for equipment grants for the school was spent during the year 1957-58.

Local Self-Government and Panchayats Department.

(ii) The two District Boards in question are the 24-Parganas District Board and the Midnapore District Board. The District Officers concerned have been requested to enquire and furnish a report in the matter. Their reports are being awaited.

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

Audit comments—

15 days on as many as 11 occasions and in three cases it went beyond 20 days. Delay in submission of account returns adversely affects the progress of work in the Accounts and Audit Office.

Paragraph 54, pages 45-46—

Failure to submit Pro forma Accounts and Store Accounts.—The importance of furnishing the Pro forma Accounts and Store Accounts for incorporation in the Appropriation Accounts of the year was stressed in previous Reports. The details given below would show that the position has not improved. Special measures to bring the under-mentioned accounts up to date require to be taken by Government :—

1. North Calcutta Rural Electrification Scheme and Diesel Electric Pool. Pro forma Accounts of 1953-54 and 1954-55 (up to 30th April 1955) are in arrears.
2. Cooch Behar Electrification Scheme. Pro forma Accounts of 1953-54 received in audit in August, 1958 have been returned for revision. Revised Accounts of 1953-54 as well as accounts for 1954-55 (up to 30th April 1955) are in arrears.
3. West Bengal State Electricity Board. The accounts for the year 1955-56 and onwards have not yet been received.
4. Scheme for production of Shark Liver Oil. The accounts for 1950-51 to 1952-53 were received; but as they were not in proper form, they had been returned in October, 1957 for re-submission after due completion. The accounts for 1953-54 and onwards have not yet (December, 1958) been received.
5. State Transport Service, Cooch Behar. The accounts for 1952-53 and 1953-54 received in January, 1958 were returned for re-submission in proper form. The revised accounts were re-submitted in November 1958 but they were again returned as the defects had not been rectified. The accounts for 1954-55 and onwards have not yet (December 1958) been received.
6. Scheme for Deep Sea Fishing with the help of Danish Trawlers and Japanese Cutters. No pro forma accounts have been submitted to audit, since inception of the scheme in 1949-50.
7. Schemes under the Milk Commissioner—

<ul style="list-style-type: none"> (i) Scheme for supply of toned milk. (ii) Scheme for manufacture of butter and ghee. (iii) Live Stock Research-cum-Breeding Station. 	}	Revised accounts since inception to 1956-57 have not yet been received. The accounts for 1957-58 have also not been received.
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Departmental replies—

- (1) The Pro forma Accounts of the North Calcutta Electrification Scheme for 1953-54 have already been audited by Accountant-General, West Bengal. The said accounts for 1954-55 are also been submitted to the Accountant-General, West Bengal, for audit.
- (2) The revised Pro forma Accounts of Cooch Behar Electrification Scheme for 1953-54 have already been audited by the Accountant-General, West Bengal. The said account for 1954-55 have also been submitted to Accountant General, West Bengal, for audit.
- (3) Balance sheet and Profit and Loss Accounts for the year 1955-56 has been already prepared and submitted to Messrs. G. Basu & Co. who are the auditors appointed by the State Government but the audited and certified accounts have not yet been received. The auditor has been requested to expedite submission of his report. Pro forma Accounts for 1956-57 has been prepared and after approval by the Board will be submitted to Accountant-General, West Bengal, for audit. Active steps have been taken to prepare the Pro forma Accounts for 1957-58 and 1958-59 and for this purpose a separate section has been set up.
- (4) Fisheries Department—Pro forma Accounts in the revised form in respect of the years 1950-51 to 1952-53 have been submitted to Audit in September, 1958. These accounts were audited and suggestions made for further modification. Accounts for 1950-51 and 1951-52 have been resubmitted to Audit with replies after revision as suggested. Steps are being taken to submit the same for the subsequent years.
- (5) The Pro forma accounts for the year 1952-53, 1953-54 and 1954-55 have since been audited and certified by the Accountant-General, West Bengal. The accounts for the years 1955-56 and 1956-57 have been sent to the Accountant-General, West Bengal, for audit. The accounts for the year 1957-58 to 1958-59 are being finalised and these will be forwarded to the Accountant-General, West Bengal, as soon as these are got ready.

Development Department.

- (6) Financial results of the Scheme for Sea Fishing with the help of Danish Cutters and Japanese Trawlers are prepared and placed before the Legislature every year in the form prescribed by Government. The Scheme being an exploratory one drawing up of Pro forma Accounts like that of commercial venture does not arise. The question of maintaining a Pro forma Accounts in some form is, however, under consideration of Government.
- (7) (i) & (ii)—The Pro forma in which the accounts of the above two schemes are proposed to be maintained have since been settled. Steps for maintaining the Accounts of these two schemes in the Pro forma since prescribed are being taken up by the Milk Commissioner.
- (iii) This being a Research Farm cannot be considered to be a commercial organisation. In view of this, the decision previously taken by Government *prima facie* stands in need of revision. The A. H. & V. S. Department is, however, re-examining the whole question and no *pro forma* account is, therefore, being maintained pending a final decision in the matter.

Audit comments

8. Brooklyn Ice Plant and Cold Storage. The accounts from 1950-51 to 1957-58 have not yet been submitted in proper form.
9. Silk Reelers' Co-operative Organisation. Pro forma Accounts for 1948-49 to 1951-52 were received in July 1958. They have been returned for re-casting as they were not in proper form. The Accounts from 1952-53 onwards are also wanting.
10. Scheme for Industrial Centres. No Pro forma Accounts since inception (in March 1947) have been received.
11. Government Sales Emporium. No Pro forma Accounts in proper form have yet been received since inception in June, 1951.
12. State Transport Services in Calcutta and Surroundings. Revised and corrected accounts for 1956-57 have been received too late for inclusion in this report. The Accounts for 1957-58 have not yet been received.
13. Kanchrapara Area Development Scheme. Government decision in respect of Pro forma Accounts has not yet been received.
14. Pro forma Accounts and Store Accounts of the Manufactory Department of the Presidency and Central Jails in West Bengal. There are some defects in the accounts for 1957 for the rectification of which a reference has since been made.
15. The Consolidated Pro forma Accounts of all "hats" under the management of State Government. The accounts have been received in December, 1958, and are under scrutiny.
16. Pro forma Accounts for State Trading on Rice and Paddy. Only Profit and Loss Accounts for 1955-56 have been received in October, 1958. The Balance Sheet has not yet been received. The accounts for 1956-57 and onwards are still in arrears.
17. Land Mortgage Bank. The accounts for the year ending June, 1958 have not yet been received.

Departmental replies—

- (8) The accounts in this respect were submitted to the Accountant-General, West Bengal, in the *pro forma* drawn up by this department till 1957-58. The accounts for the year 1958-59 onwards in respect of this project are proposed to be submitted in the *pro forma* prescribed for the purpose in consultation with the Accountant-General, West Bengal.
- (9) The Pro forma Accounts of Silk Reeler Co-operative Organisation for the three successive financial years were submitted to the Accountant-General, West Bengal, but were returned by that office for resubmission of the same in the form prescribed by the Comptroller and Auditor-General of India. As the entire books would require to be rewritten in order to place the accounts in the form prescribed by the Accountant-General, West Bengal, that office has been requested to treat the year 1954-55 as the base year for submission of the accounts in the prescribed form. Replies of the Accountant-General, West Bengal, is being awaited.
- (10) It has been decided to treat 1956-57 as the base year for submission of the Pro forma Accounts of the Industrial Centres. Pro forma Accounts for the years 1956-57 and 1957-58 have been sent to the Accountant General, West Bengal.
- (11) Revised Pro forma Profit and loss account of Government Sales Emporium for 1952-53 and 1953-54 was sent to Accountant-General, West Bengal, under G.O. No. 5660-Cot., dated 6th October 1960.

A high power committee discussed this matter regarding non-availability of books of Accounts for the years 1954-55 to 1957-58, on 15-12-57 and it was decided to open the books of accounts afresh from the year 1958. Accordingly proper books of accounts have been maintained right from the year 1958, and the Pro forma Accounts for the year 1958-59 have also been submitted to the Accountant-General. But, these have been returned by them with certain objections which are under examination.

(12) The revised set of Pro forma Accounts for 1956-57 including some minor adjustment as desired by the Accountant-General, West Bengal, was forwarded to his office under Home (Transport), Department letter No. 7173-WT, dated 14th October 1958. The accounts have since been audited and certified by the Accountant-General, West Bengal. The accounts for 1957-58 were forwarded to the Accountant-General, West Bengal, under that Department letter No. 1994-WT, dated 26th March 1959 and the same has also been audited and certified by the Accountant-General, West Bengal. The accounts for 1958-59 were forwarded to the Accountant-General, West Bengal, for audit under that Department letter No. 2006-WT, dated 26th March 1960.

(13) The question of the form of Accounts and the office which should maintain them is still under consideration of Government. Steps are being taken to finalise the matter shortly.

(14) The Consolidated Store Accounts and Pro forma Profit and Loss Accounts of the Manufactory Department for the years 1957 and 1958 have been submitted to the Accountant-General, West Bengal, and are under examination there.

The Accounts for the year 1957 have been included in the Appropriation Accounts 1958-59 and the Audit Report 1960 (pages 115-116).

(15) No comments.

Food, Relief & Supplies (Food & Supplies).

(16) The final Profit and Loss Accounts and Balance Sheet in respect of rice and paddy for the year 1955-56 were submitted to the Audit in February, 1959. The said accounts have duly been audited, and audit certificate has been received. The accounts for 1956-57 was submitted by the Controller of Finance on 30th September 1959 to Audit for scrutiny.

Co-operation Department.

(17) Pro forma Accounts for Land Mortgage Banks for the year ending June, 1958 were sent to the Accountant-General, West Bengal.

Audit comments—

Departmental replies—

Store Accounts.

18. Consolidated Store Accounts of the Intensive Food Production Schemes under the Directorate of Agriculture, West Bengal. The accounts for 1957-58 have not been received.
19. Consolidated Store Accounts of the Principal State Hospitals in West Bengal. The accounts for 1957-58 have not been received in spite of repeated reminders.
20. Store Accounts of the Central Medical Stores, Medical Branch.
21. Store Accounts of the Central Medical Stores, Public Health Branch.
22. Store Accounts of the Kanhrapara T. B. Hospital.
- The accounts for 1957-58 have been received too late for inclusion in this report.
23. Store Accounts of Home (Publicity) Department
24. Store Accounts of the Jail Depot. The accounts for 1956 could not be certified as the same were not in proper form and the matter is under consideration of Government. The audit of the accounts for 1957 although completed, could not be certified for the same reason.

(18) Consolidated Store Accounts of the Intensive Food Production Schemes under the Directorate of Agriculture, West Bengal, for the year 1957-58 were audited by the Accountant-General's staff during February, 1959, and the final audited accounts were taken by them on 24th February 1959 from the office of the Director of Agriculture direct.

(19, 20, 21, 22) The store accounts in question were duly submitted to the Accountant-General, West Bengal, in the month of January, 1959, and April, 1959 respectively and they have been published in the Appropriation Accounts for 1958-59.

The Directorate of Health Services have stated that due to late receipt of the accounts from the heads of hospitals and offices concerned, they could not be sent to the Accountant-General, West Bengal, within the scheduled time to permit publication in the Appropriation Accounts of the year to which they relate.

The Directorate of Health Services have been asked to instruct the Heads of the institutions and offices concerned to submit their Annual Store Accounts in good time to enable the Directorate to scrutinise the same and submit to the Accountant-General, West Bengal, for publication in the Annual Appropriation Accounts.

Home Publicity Department.

(23) As the Assistant Electrical Engineer and Maintenance Superintendent of this Department who had been entrusted with the work of physical verification of the Stores resigned from service in February 1958, it took time to prepare the Store Accounts after necessary verification of the Store by Assistant Engineer (Radio) and Production Officer. So the Store Accounts could not be sent earlier than November 1958.

(24) The revised *pro forma* for the years 1956 and 1957 have been sent to the Manager, Jail Depot, for submission to Audit. The delay in submission was due to some books and records having been taken away by the Detective Department.

The store accounts of the Jail Depot for the years 1956 and 1957 in the revised *pro forma* as approved in G.O. 895-HJ/4A-6/58, dated 8th April 1960, were forwarded to the Accountant-General West Bengal.

Paragraph 55, pages 47-48—

Debt position of Government.—The debt position of the Government of West Bengal at the end of the year under report is referred to in detail in paragraph 12 on pages 26-28 of the Audit Report on the Finance Accounts for 1957-58. It will be seen therefrom that the net liability of the State Government increased to Rs. 1,68,57.10 lakhs as against Rs. 1,46,50.58 lakhs in the preceding year, the details of which are shown below :—

Liabilities.	[In lakhs of rupees.]
1. Permanent Debt	22,05.42
2. Floating Debt .. .. .	..
3. Loans from the Central Government	1,89,83.25
4. Other Loans	4.10
5. Unfunded Debt	7,57.97
Total liability	2,19,50.74
<i>Deduct—</i>	
6. Loans and Advances by the State Government	50,93.64
Net liability	1,68,57.10

Item 1.—Permanent Debt.—This represents the long-term loans raised from the open market to finance projects of capital nature. No loan was raised during the year.

No comments.

Audit comments—**Departmental replies—**

For the redemption of the permanent debts a sum equal to 1½ per cent. of the total nominal amount of loans is set apart to form a Depreciation Fund for purchasing the securities of loans for cancellation. In addition, an annual contribution is made to the Sinking Fund for amortisation of the loans at such rates as the Government may deem necessary from time to time. During the year under review a sum of Rs. 33·07 lakhs was adjusted to the Depreciation Fund and a sum of Rs. 1,21·40 lakhs to the Sinking Fund. A sum of Rs. 11·01 lakhs was also realised as interest on the investments made previously.

Interest on these loans is paid from the current revenues and a total sum of Rs. 80·53 lakhs was paid on that account during the year.

Item 2.—Floating Debt.—This item represents the cash credit advances from the State Bank of India for financing procurement operations of food-stuffs and the ways and means advance from the Reserve Bank of India. A ways and means advance of Rs. 90 lakhs was obtained from the Reserve Bank of India, which was fully repaid within the year.

The amount paid to the Bank from current revenues as interest charges was ·05 lakh.

Item 3.—Loans from the Central Government.—The details of the loans taken from the Central Government appear in paragraph 11 (Part B) of the Finance Accounts for 1957-58. No amortisation arrangement for the repayment of these loans was considered necessary by Government.

Loans amounting to Rs. 1,91·22 lakhs were repaid during the year. The instalments have been repaid regularly except in the cases of loans for (1) Rehabilitation of Displaced Persons, (2) Chemical Fertilisers under Grow More Food Schemes, (3) Development of Handloom and Khadi Industries and (4) Cottage and Small-Scale Industries.

The interest charges on these loans paid by the State Government out of the current revenues during the year amounted to Rs. 4,72·95 lakhs.

Item 4.—Other Loans.—Loans taken from the Khadi and Village Industries Commission for the development of village industries in the Community Development Project Areas have been exhibited under this item.

Item 5.—Unfunded Debt.—This is the sum total of the balances under the various Provident Funds. The total amount paid as interest for this item of debt was Rs. 27·31 lakhs.

Item 6.—Loans and Advances by the State Government.—The details of the loans and advances granted by the State Government to local bodies, cultivators, and private individuals, etc., are given in Statement No. 5 (Part B) of the Finance Accounts for 1957-58. The interest received by the State Government in respect of such loans and advances amounted to Rs. 26·46 lakhs.

Audit comments—

The total net charge on the revenues of the State during the year on account of service of debt is shown below :—

		[In lakhs of rupees.]
Contribution of Sinking Fund	.. ..	1,54.47
Interest on Permanent Debt	.... ..	89.53
Interest on Floating Debt	.. ..	.05
Expenses on Management of Debt, etc.	.. ..	1.19
Interest on loans taken from the Central Government	.. ..	4,72.95
Interest on State Provident Fund Balances	.. ..	27.31
Total—Gross Charges ..		7,45.50
Deduct—Interest realised by Government on State Loans and Advances	.. ..	26.46
Net Charge ..		7,19.04

This works out to 10.5 per cent. of the revenues of the State during the year under report.

Paragraph 56, page 48—

Division of Assets and Liabilities of Undivided Bengal between East and West Bengal.—During the year under report no further progress was made towards the implementation of the Awards made by the Arbitral Tribunal which had been set up in accordance with the Arbitral Tribunal Order, 1947, dated the 12th August, 1957.

Paragraph 57, pages 48-49—

Investments.—(a) The investments made by the State Government in the share capital of various concerns stood at Rs. 38,35,678 up to the end of the last year. During the year 1957-58 a further sum of Rs. 16,31,594 was invested.

The details of the investments made have been shown in Appendix I at pages 305-399.

(b) *West Bengal Financial Corporation.*—The accounts of the Corporation for the year 1957-58 have been audited as required under the proviso to subsection 6 of section 37 of the State Financial Corporations Act, 1951 (Act No. LXIII of 1951).

The "gross earnings" of the Corporation for the year came to Rs. 5,28,937 the principal sources of earning being (1) Interest on Loans and Advances by the Corporation (Rs. 3,34,984), (2) Interest on short term deposits (Rs. 1,89,573), and (3) Interest on Government Securities (Rs. 4,380). The 'gross earnings' for the year indicated a rise of Rs. 1,09,434 over the previous years' figure of Rs. 4,19,503. The amount of the net profit available for distribution as dividends for the year came to Rs. 1,85,732 as against Rs. 1,30,965 in the preceding year.

As the "net profit" (Rs. 1,85,732) proved insufficient to meet the guaranteed dividend of Rs. 3,50,000 at 3½ per cent. per annum, the State Government made good the deficiency of Rs. 1,64,268 (as against Rs. 2,19,036 in the preceding year) under section 6 of

Departmental replies—

No comments.

No comments.

(b) The position as reviewed by the Accountant-General, West Bengal, appears to be correct in so far as the transactions made by the Corporation during 1957-58 are concerned.

It may be mentioned that as a result of the increase in the working capital of the Corporation through issue of bonds to the extent of Rs. 50 lakhs during 1957-58 the net profit of the Corporation had increased from Rs. 3,92,232 in 1957-58 to Rs. 4,76,253 in 1958-59. The Corporation's working capital has further been increased during 1959-60 by issue of additional bonds to the extent of Rs. 50 lakhs. These measures have results in earning of increased net income by the Corporation as may be seen below :—

		Rs.
1957-58	.. ..	3,92,234
1958-59	.. ..	4,76,263
1959-60	.. ..	5,45,399

Audit comments—

the State Financial Corporations Act, 1951. The aggregate amount paid so far as subvention by Government is Rs. 8,50,422.

In reply to the comments that considerable amounts were being paid to the Corporation year after year since its inception by the State Government in order to meet the guaranteed dividend of Rs. 3,50,000, it was stated by Government in December, 1957 that the need of the present heavy rate of subvention would be reduced if the profit earning capacity of the concern could be increased substantially by raising its working capital and also the lending rate of interest. It was also observed by them that an all-out effort to reduce the administrative and overhead expenses was being made in consultation with the Corporation. In pursuance of the above policy, the Corporation in March, 1958 issued 41 per cent. Debenture Bonds worth Rs. 50 lakhs at a discount of one per cent. to augment its working capital. These bonds were guaranteed by the State Government as to the repayment of the principal and payment of interest thereon. The payment of Debenture interest and write-off of the deferred expenses on Debenture discount will constitute an annual recurring charge of Rs. 2,42,500 (Rs. 2,37,500 for interest and Rs. 5,000 for instalment of deferred revenue expenditure) against its revenues for the next ten years or until such date as the Debentures are redeemed. With effect from the 27th June, 1957 the Corporation also raised its lending rate of interest from 6 per cent. to 7 per cent. The administrative and overhead expenses were not reduced.

The year under report disclosed some shrinkage in the volume of the Corporation's business. The total amount of the applications for loans during the year was Rs. 1,57,78,000 against Rs. 1,81,67,000 in the previous year. The amount of the loans sanctioned and disbursed during the year came to Rs. 58,50,000 and Rs. 41,66,000, respectively, against Rs. 71,65,000 and Rs. 43,90,000 in the preceding year.

During the year under report the Corporation sustained a loss of Rs. 19,191 (including commission of Rs. 1,476) on sale of Government Securities. A similar loss of Rs. 25,474 was also noticed in the previous year. The sale of the investments was effected with the intention of meeting the loan commitments of the Corporation, which did not, however, materialise. Further, under section 7(3) of the State Financial Corporation, Act, 1951, it was open to the Corporation to borrow from the Reserve Bank of India the funds required, if any, against Government securities, instead of selling them at a loss. The desirability of avoiding such losses was brought to the notice of the Management and the State Government in November, 1957. A final decision in the matter is still awaited.

At the end of the year under report, the first instalment due towards repayment of a loan as also overdue interest, amounting to Rs. 20,000 and Rs. 4,493, respectively, was outstanding from an Industrial concern. Legal steps were stated to have been taken in July, 1958 against the Industrial concern for recovery of the principal sum together with interest accrued thereon.

Departmental replies—

The administrative expenses of the Corporation have also steadily decreased in relation to its gross income as may be seen below:—

Year.	Gross- Income. Rs.	Percentage which the administrative expenses bore to the gross Income.
1957-58	5,28,937	22.60
1958-59	8,16,334	12.56
1959-60	9,24,301	11.42

The State Government have also taken up the question of finalisation of the staff regulations of the Corporation in terms of section 48 of the S. F. C. Act 51 with a view to controlling the overhaed expenditure of the Corporation. These regulations are expected to be finalised very shortly. The State Government have also very recently finalised the expenditure regulation of the Corporation in consultation with the Reserve Bank of India. These regulations when finally introduced will reduce the administrative and overhaed expenditure of the Corporation still further.

The shrinkage in the volume of Corporations' business during 1957-58 as reported by Accountant-General, West Bengal, was due to the marked deterioration in the sphere of entrepreneurial investments as will be evidenced from the fact that the total value of application for loans received by the Corporation during the year under report was Rs. 1,57,78,000 as against Rs. 1,81,67,000 in the previous year.

The West Bengal Financial Corporation has since disposed of its investments in Government Securities and at present, they have no investments in such Government securities.



APPENDIX F.

**The Collins Central Co-operative Banking Association,
Limited.**

REGISTER OF LOANS.

The Collins Central Co-operative Banking Association, Limited.

REGISTER OF LOANS.

1

Name of Affiliated Society—CHAMERBIGA.

Serial No.	Date of payment.	No. of Bond	Amount lent.	INSTALMENT.		AMOUNT REALISED.				BALANCE.		Remarks.	
				Date.	Principal.	Date of payment.	Principal.	INTEREST.		Principal.	Interest.		
								No. of days.	Product.				Amount.
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	5-4-11	1	500 0 0	5-4-12 5-4-13	250 0 0 250 0 0						500 0 0	9 3 3	On 31st May, 1911.

Name of Affiliated Society—DAUDPUR.

1a.													
Serial No.	Date of payment.	No. of Bond	Amount lent.	Date.	Principal.	Date of payment.	Principal.	INTEREST.		Principal.	Interest.	Remarks.	
								No. of days.	Product.				Amount.
1	15-1-11	1	200 0 0	15-4-11	250 0 0	15-4-11	100 0 0	90	900	6 0 0	100 0 0	1 8 2	On 31st May, 1911.
2	5-4-11	2	300 0 0	5-4-12 5-4-13	150 0 0 150 0 0						300 0 0	5 8 4	On 31st May, 1911.
3	14-4-11	3	1,500 0 0	14-4-12 14-4-13 14-4-14 14-4-15 14-4-16	300 0 0 300 0 0 300 0 0 300 0 0 300 0 0						1,500 0 0	23 2 10	On 31st May, 1911.

Name of Affiliated Society—MUTA.

1b.													
Serial No.	Date of payment.	No. of Bond	Amount lent.	Date.	Principal.	Date of payment.	Principal.	INTEREST.		Principal.	Interest.	Remarks.	
								No. of days.	Product.				Amount.
1	6-1-11	1	1,000 0 0	6-1-12 6-1-13 6-1-14 6-1-15	250 0 0 250 0 0 250 0 0 250 0 0	20-4-11	265 13 5	104	10,400	34 3 0	734 3 0	9 14 4	On 31st May, 1911.

Name of Affiliated Society—RASOOLPUR.

1c.													
Serial No.	Date of payment.	No. of Bond	Amount lent.	Date.	Principal.	Date of payment.	Principal.	INTEREST.		Principal.	Interest.	Remarks.	
								No. of days.	Product.				Amount.
1	10-4-11	1	500 0 0	10-4-12 10-4-13	200 0 0 300 0 0						500 0 0	8 6 1	On 31st May, 1911.

Name of Affiliated Society—ADILPUR.

1d.													
Serial No.	Date of payment.	No. of Bond	Amount lent.	Date.	Principal.	Date of payment.	Principal.	INTEREST.		Principal.	Interest.	Remarks.	
								No. of days.	Product.				Amount.
1	10-1-11	1	800 0 0	10-1-12 10-1-13 10-1-14 10-1-15	200 0 0 200 0 0 200 0 0 200 0 0	11-5-11	468 2 9	121	96,800	31 13 3	331 13 3	2 2 10	On 31st May, 1911.
2	10-2-11	2	800 0 0	10-2-12 10-2-13	400 0 0 400 0 0						800 0 0	28 14 10	On 31st May, 1911.

1c *Name of Affiliated Society—KHARWA.* **1e**

1	30-1-11	1	150 0 0	30-1-17	150 0 0	5 15 5	On 31st May, 1911
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1f *Name of Affiliated Society—KHAKHOKHAS.* **1f**

1	20-2-11	1	1,000 0 0	20-2-12 20-2-13	500 0 0 500 0 0	32 14 0	On 31st May, 1911
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1g *Name of Affiliated Society—LODIPUR.* **1g**

1	25-1-11	1	2,000 0 0	25-1-12 25-1-13 25-1-13	666 10 8 666 10 8 666 10 8	82 13 6	On 31st May, 1911
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1h *Name of Affiliated Society—BHAGALPORE.* **1h**

1	1-2-11	1	2,000 0 0	1-2-12 1-2-13 1-2-14	666 10 8 666 10 8 666 10 8	75 3 11	On 31st May, 1911
2	20-2-11	2	1,000 0 0	20-2-12 20-2-13	500 0 0 500 0 0	32 14 0	On 31st May, 1911

1i *Name of Affiliated Society—SABOUR.* **1i**

1	4-2-11	1	2,500 0 0	4-2-12 4-2-13 4-2-14 4-2-15 4-2-16	500 0 0 500 0 0 500 0 0 500 0 0 500 0 0	95 5 6	On 31st May, 1911
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1j *Name of Affiliated Society—SAHEBGUNG.* **1j**

1	4-2-11	1	1,500 0 0	4-2-12 4-2-13 4-2-14	500 0 0 500 0 0 500 0 0	57 3 3	On 31st May, 1911
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1k *Name of Affiliated Society—GANDACK.* **1k**

1	10-2-11	1	1,500 0 0	10-2-12 10-2-13 10-2-14	500 0 0 500 0 0 500 0 0	54 3 11	On 31st May, 1911
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1l *Name of Affiliated Society—BANKIPORE.* **1l**

1	20-2-11	1	1,500 0 0	20-2-12 20-2-13 20-2-14	500 0 0 500 0 0 500 0 0	49 5 0	On 31st May 1911
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The Collins Central Co-operative Banking Association, Limited.

REGISTER OF LOANS.

Name of Affiliated Society—JAHANABAD.

Serial No.	Date of payment.	No. of Bond.	Amount lent.	INSTALLMENT.		AMOUNT REALISED.				BALANCE.		Remarks.	
				Date.	Principal.	Principal.	Date of payment.	INTEREST.		Principal.	Interest.		
								No. of days.	Product.				Amount.
1	2	3	1	5	6	8	9	10	11	12	13	14	
• 1	5-5-11	1	1,500 0 0	5-8-12 5-5-13 5-5-14	500 0 0 500 0 0 500 0 0					1,500 0 0	12 13 2		

Name of Affiliated Society—BHATTESERAI.

1	25-2-11	1	500 0 0	25-8-11 25-9-12 25-8-12 25-2-13	125 0 0 125 0 0 125 0 0 125 0 0					500 0 0	15 9 10	On 31st May, 1911.
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Name of Affiliated Society—PURAN.

1	25-2-11	1	350 0 0	25-8-11 25-2-12 25-8-12 25-2-13	87 8 0 87 8 0 87 8 0 87 8 0					350 0 0	10-14 11	On 31st May, 1911.
• 2	15-4-11	2	4,000 0 0	15-10-11 15-4-12 15-10-12 15-4-13	1,000 0 0 1,000 0 0 1,000 0 0 1,000 0 0					4,000 0 0	60 7 11	On 31st May, 1911.
* 3	5-5-11	3	150 0 0	5-8-11	150 0 0					150 0 0	1 4 6	On 31st May, 1911.

Name of Affiliated Society—DHORRA.

1	25-2-11	1	1,000 0 0	25-8-11 25-2-12 25-8-12 25-2-13	250 0 0 250 0 0 250 0 0 250 0 0					1,000 0 0	31 3 8	On 31st May, 1911.
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Name of Affiliated Society—AUGRI.

1	28-2-11	1	1,000 0 0	28-2-12 28-2-13	500 0 0 500 0 0					1,000 0 0	31 3 11	On 31st May, 1911.
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1	28-2-11	1	2,000 0 0	28-2-12 28-2-13 28-2-14 28-2-15 28-2-16	400 0 0 400 0 0 400 0 0 400 0 0 400 0 0	2,000 0 0	60 7 11	On 31st May, 1911.
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2f

Name of Affiliated Society—HATI.

1	28-22-11	1	1,500 0 0	28-2-12 28-2-13 28-2-14	500 0 0 500 0 0 500 0 0	1,500 0 0	45 5 11	On 31st May, 1911.
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2g

Name of Affiliated Society—SAMASTIPUR.

1	28-2-11	1	2,000 0 0	28-2-13	1,000 0 0 1,000 0 0	2,000 0 0	60 7 11	On 31st May, 1911.
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2h

Name of Affiliated Society—KASISERAL.

1	4-3-11	1	1,000 0 0	4-3-12 4-3-13	500 0 0 500 0 0	1,000 0 0	28 14 11	On 31st May, 1911.
2	14-5-11	2	1,000 0 0	14-5-12 14-5-13	500 0 0 500 0 0	1,000 0 0	5 9 5	On 31st May, 1911.

2i

Name of Affiliated Society—JOSHI.

1	6-3-11	1	1,000 0 0	6-3-12 6-3-13	500 0 0 500 0 0	1,000 0 0	28 4 4	On 31st May, 1911.
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2j

Name of Affiliated Society—SIRPUR.

1	6-3-11	1	800 0 0	6-3-12	800 0 0	800 0 0	22 9 11	On 31st May, 1911.
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2k

Name of Affiliated Society—SARTHON.

1	16-3-11	1	800 0 0	16-3-12	800 0 0	800 0 0	19 15 10	On 31st May, 1911.
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2l

Name of Affiliated Society—BHIGA.

1	16-3-11	1	500 0 0	16-3-12	500 0 0	500 0 0	12 7 10	On 31st May, 1911.
2	5-5-11	2	1,500 0 0	5-5-12 5-5-13 5-5-14	500 0 0 500 0 0 500 0 0	1,500 0 0	12 13 2	On 31st May, 1911.

2m

Name of Affiliated Society—UREIA.

1	5-5-11	1	1,500 0 0	5-5-12 5-5-13 5-5-14	500 0 0 500 0 0 500 0 0	1,500 0 0	12 13 1	On 31st May, 1911.
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The Collins Central Co-operative Banking Association, Limited.

REGISTER OF LOANS.

Name of Affiliated Society—*UTHERSERTHOO.*

3

Serial No.	Date of payment.	No. of Bond.	Amount lent.	INSTALLMENT.		Date of payment.	Principal.	AMOUNT REALISED.			Principal.	Interest.	Remarks.
				Date.	Principal.			INTEREST.					
								No. of days.	Principal.	Amount.			
1	2	3	4	5	6	7	8	10	11	12	13	14	
1	4-3-11	1	1,500 0 0	4-3-12 4-3-13 4-3-14	500 0 0 500 0 0 500 0 0					1,500 0 0	43 6 1	On 31st May, 1911.	

Name of Affiliated Society—*BHARWARA.*

3a

1	20-3-11	1	800 0 0	20-3-12						800 0 0	18 15 0	On 31st May, 1911.
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Name of Affiliated Society—*SHANKARPUR.*

3b

1	26-3-11	1	1,000 0 0	26-3-12 26-3-13	500 0 0 500 0 0					1,000 0 0	21 11 2	On 31st May, 1911.
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Name of Affiliated Society—*HAZARIBAGH.*

3c

1	26-4-11	1	5,000 0 0	26-4-12 26-4-13 26-4-14 26-4-15 26-4-16	1,000 0 0 1,000 0 0 1,000 0 0 1,000 0 0 1,000 0 0					5,000 0 0	59 2 10	On 31st May, 1911.
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Name of Affiliated Society—*FYZABAD.*

3d

1	14-5-11	1	3,000 0 0	14-5-12 14-5-13 14-5-14	1,000 0 0 1,000 0 0 1,000 0 0					3,000 0 0	16 12 3	On 31st May, 1911.
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Name of Affiliated Society—*RANEEGUNGE.*

3e

1	17-5-11	1	500 0 0	17-11-11	500 0 0					500 0 0	2 4 10	On 31st May, 1911.
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