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**Resume showing action taken on the  
Recommendations of the Public Accounts  
Committee on the Appropriation Accounts  
and Finance Accounts for the year 1962-63  
and Audit Report thereon**

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**Resume showing action taken on the recommendations of the Public Accounts Committee on the Appropriation Accounts and Finance Accounts for 1962-63 and Audit Report, 1964.**

**(a) Statement of action taken on the Committee's Report on the Accounts of 1961-62.**

<b>Items</b>	<b>Action taken</b>
<p>1. Report, page 3, paragraph 1(i) and page 39, paragraph 2(xviii)—</p> <p>Item "paragraph 1(a)" of the Report on the Accounts for 1961-62 (based on paragraph 31 of the Report on the Accounts of 1953-54)—</p> <p>Desirability of completing the Block Accounts of the State Electricity Board within 1966 and of reporting the compliance to the next committee.</p>	<p align="center"><b>Commerce and Industries (Power) Department</b></p> <p>Assets Registers up to 1959-60 have been completed. Inventories of assets from 1960-61 to 1965-66 have also been completed and preparation of Assets Register for those years is in its concluding stages.</p>
<p>2. Report, page 3, paragraph 1(ii) and page 46, paragraph 2(xviii)—</p> <p>Item "paragraph 1(b)" of the Report on the Accounts for 1961-62 (based on paragraph 22 of Audit Report 1956)—</p> <p>Desirability of reporting to the next committee the further development in respect of the formulation of accounting procedure of the State Bus tickets.</p>	<p align="center"><b>Home (Transport) Department</b></p> <p>Regarding reconciliation of State Bus ticket accounts the Chief Auditor, Commercial Accounts, suggested a number of measures. After thorough examination the Calcutta State Transport Corporation have already adopted certain measures suggested by him and reported difficulties in implementing his suggestion regarding daily reconciliation of ticket accounts and abolition of the system of issue of mid-way tickets, as under:—</p> <p align="center"><i>Extract from the General Manager, Calcutta State Transport Corporation's letter No. 1597-CSTC, dated 10th May 1967:</i></p> <p><b>"Paragraph (a):</b> Full reconciliation of ticket is only possible, when daily ticket account is maintained at each depot instead of a monthly account as is being currently done. Introduction of daily ticket account involves a lot of extra clerical labour and expenditure which is not considered worth spending at this stage of financial crisis of the undertaking. Moreover, the discrepancy in the ticket account has since been substantially minimised. The average net shortage for a period of six months from May 1966 to October 1966 is worked out to be Rs. 389.50p only on an average sale of Rs. 45.38 lakhs in a month.</p> <p><b>Paragraph (b):</b> The suggestion of audit has been reconsidered. It is not possible to stop the system of issue of mid-way tickets without hampering smooth operation of the bus services. Further it has been observed that this system does not pose any special difficulty in reconciling the discrepancy in ticket account."</p> <p>Further comments of the Chief Auditor, Commercial Accounts, on these points have been called for. The Calcutta State Transport Corporation have also been asked to apprise Government as to the procedure regarding reconciliation of ticket accounts existing in other State Transport Undertakings, viz., (i) B.E.S.T., Bombay, (ii) Delhi Transport Undertaking, Delhi, and (iii) State Transport, Madras.</p>
<p>3. Report, page 3, paragraph 1(iii) and page 21, paragraph 2(i)—</p> <p>Item "paragraph 1(e)" of the Report on the Accounts of 1961-62 (based on paragraph 24 of the Report on the Accounts for 1957-58)—</p> <p><b>(a)</b> Desirability of furnishing a list of Sub-divisional Officers who were responsible of</p>	<p align="center"><b>Agriculture and Community Development (Agriculture) Department</b></p> <p>(a) Reply to this item was furnished to the Assembly Secretariat direct by the Fertiliser Branch of this Department in May 1967.</p> <p>(b) The report will be furnished by the Sub-Committee direct.</p>

**Items****Action taken**

keeping and submitting accounts, reports and returns in connection with the distribution of fertilisers but failed and the names of Departmental Officers connected with the matter to the next committee.

- (b) Desirability of furnishing to the next committee the full report of the Sub-Committee constituted for the re-construction of accounts of the Fertiliser Firms and the report of the Sub-Committee on the detailed investigation in the matter.

4. Report, page 3, paragraph 1(iv) and page 60, paragraph 2(iii)—

Item "paragraph 1(f)" of the report on the Accounts of 1961-62 [based on paragraph 21 of Audit Report, 1961 and 55(a) of Audit Report, 1964]—

- (a) Desirability of regularising the action of the Chief Project Engineer in classifying the soils of groups "A" and "B" as group "C" of the Indpur Main Canal under the Kangsabati Irrigation Project in contravention of the provisions of the Financial Rule.
- (b) Desirability that in future contracts should be made more specific so that there may not be any scope for unnecessary payment or difficulty in recovery due to vagueness of contractual provisions.

**Irrigation and Waterways Department**

(a) Action of the Chief Project Engineer has been regularised by issue of Government orders in the Irrigation and Waterways Department Memo. No. 2148(2)-I.A., dated 6th July 1967, a copy of which is given in the Annexure below.

(b) As regards vagueness of the contractual provisions, the Committee's observation has been noted and brought to the notice of the officers concerned for future guidance.

**ANNEXURE****GOVERNMENT OF WEST BENGAL****Irrigation and Waterways Department**

Memo. No. 2148(2)-1A

From—The Deputy Secretary to the Government of West Bengal,

To—The Chief Engineer (I), West Bengal, Irrigation and Waterways Directorate/The Superintending Engineer, Kangsabati Circle.

*Subject: Follow-up action on the report of the Public Accounts Committee on the Audit Report, 1964.*

*Calcutta, the 6th July 1967.*

The undersigned is directed to say that, although the estimate for excavation of the Indpur Main Canal of the Kangsabati Project provided for work chainage by changing whether in cutting or in filling, tenders for machine excavation were invited with the idea that usable materials available from excavation areas would be utilised in making up the filling zones, which would, otherwise, have required burrowing in adjoining valley lands, which were valuable agricultural lands. According to clause 19 of the additional terms and specifications of the contract for the work, ambiguities were to be clarified before work order was issued. The contractor was accordingly permitted to make some trial excavations. The contractor excavated a certain reach and, when 'C' class material was exposed at some places, demanded that

all materials lower down ('B' class as also 'C' class) should be measured as 'C' class on the ground that existence of 'C' class materials at that level would not permit scrapers or rippers being used near about. The Chief Project Engineer, Kangsabati Project, did not accept this demand of the contractor and decided that recording of 'C' class would be started from a depth where a greater part, i.e., more than 50 per cent. of 'C' class material would be exposed. This decision was based on the usual practice of averaging in measurement. There was, perhaps, no other practical method for finding out an equitable dividing line in the mixed zones. The Public Accounts Committee are not, however, satisfied with the above action of the Chief Project Engineer, Kangsabati Project, and have observed as follows:

"The Committee noted with concern that the Chief Project Engineer, Kangsabati Project, decided to classify soils of groups 'A' and 'B' as group 'C' if these were mixed with 50 per cent. of rock material. The resultant overpayment can, therefore, be logically presumed to be about 50 per cent. of the payment under the item, which comes to Rs. 5.00 lakhs (approximately). The decision of the Chief Project Engineer contravenes the provisions of the State Financial Rules and as such require regularisation."—Vide item (iii) of the minutes of proceedings

as recorded on page 60 of the Public Accounts Committee's report.

2. In the circumstances, the undersigned is directed by order of the Governor to say that the Governor has been pleased to condone the irregular action of the Chief Project Engineer, Kangsabati Project, as indicated in para. 1 above as a fait accompli. Steps should, however, be taken to avoid such irregularities in future.

3. The Accountant-General, West Bengal, is being informed direct.

A. B. MUKERJEA,

Dy. Secy. to the Govt. of West Bengal.

No. 2148(2)/1-IA, dated, Calcutta, the 6th July 1967. Copy forwarded to the Accountant-General, West Bengal, for information.

2. This issues with the concurrence of the Finance Department—Vide their unofficial order No. APP/12, dated 27th June 1967.

A. B. MUKERJEA,

Dy. Secy. to the Govt. of West Bengal.

#### Items

5. Report, page 3, paragraph 1(v) and page 38, paragraph 2(i)—

Item "paragraph 1(g)" of the Report on the Accounts of 1961-62 (based on paragraph 32 of the Report on the Accounts for 1959-60)—

Desirability that the recovery of the amounts due from the Local Bodies on account of fees for analysis, medical or bacteriological, conducted in Government laboratories should be expedited.

6. Report, page 3, paragraph 1(vi) and page 38, paragraph 2(ii)—

Item "paragraph 1(h)" of the Report on the Accounts of 1961-62 (based on paragraph 33 of the Report on the Accounts for 1959-60)—

Desirability of expediting the realisation of outstanding hospital dues and of taking steps against future accumulation of arrears and of reporting the position to the next committee.

#### Action taken

##### Health (Public Health) Department

In spite of the efforts made by the Health Department as well as by the Local Self-Government Department in the matter of realisation of the outstanding dues, the progress was far from satisfactory; the arrears have been keeping on mounting.

The Local Self-Government Department at last, suggested the following:

- (a) Waiving recovery of arrears which have remained unrealised for more than 5 years and
- (b) recovery of the remaining dues and, also, dues accruing in future, from the Government subvention, granted annually to the Municipalities.

The matter is under active consideration of Government.

##### Health (Medical) Department

The question of realisation of the outstanding hospital dues was followed up in right earnest in accordance with the direction of the Public Accounts Committee. The dues are very old and it is extremely difficult to recover the same at this distant date. However, a total sum of Rs. 14,778.50p. relating to the Kanchrapara T.B. Hospital and S. S. K. M. Hospital has been recovered and a sum of Rs. 58,329.50p. has been written off, as detailed below:—

	Dues.	Amount realised.	Amount written off.	Balance.
	Rs.	Rs.	Rs.	Rs.
(i) Kanchrapara T. B. Hospital.	61,514	7,436.50	54,077.50	..
(ii) S. S. K. M. Hospital.	15,926	7,342.00	4,252.00	4,332.00
	<u>77,440</u>	<u>14,778.50</u>	<u>58,329.50</u>	<u>4,332.00</u>

**Items****Action taken**

Out of the sum of Rs. 4,332 a sum of Rs. 2,156 is proposed to be written off for which necessary action has already been taken by the Directorate of Health Services. Steps are being taken by the Directorate of Health Services for realisation of the balance of Rs. 2,176 only.

With regard to the outstanding dues of Rs. 1,94,367 recoverable from the Corporation of Calcutta on account of contribution for maintenance of extra cholera and smallpox beds in the N. R. S. Medical College Hospital, Calcutta, for treatment of the residents of the city, it may be stated that the contribution relates to a very old period. The Corporation authorities are reluctant to make payment of the amount though repeated requests were made for the last one decade or more. All attempts having failed, it is now proposed to write off the recovery.

As regards steps against future accumulation of arrears in this regard it may be stated that every endeavour is made by the hospital authorities and the Directorate of Health Services to see that the hospital dues are duly recovered from the patients and no amount is outstanding. But the fact remains that in many cases the authorities have to render hospitalisation facilities to the patients which cannot be delayed or denied simply because the dues are not paid in time as the question of life and death is involved. Certain dues may, in the circumstances, accumulate and become irrecoverable from time to time—a position, which seems inescapable. But the Department have instructed the Directorate of Health Services and the Hospital authorities to be very careful about recovery of arrear dues and non-accumulation of any dues in future.

**Co-operation Department**

7. Report, page 4, paragraph 1(vii) and page 29, paragraph 2(iii)—

Item "paragraph 1(i)" of the Report on the Accounts of 1961-62 (based on paragraph 39 of the Report on the Accounts of 1959-60)—

Desirability of submitting to the next Committee a complete report in respect of the losses and the liquidation proceedings of the MECAWO Co-operative Industrial Society Ltd.

The liquidator appointed by the Registrar of Co-operative Societies, West Bengal, took over charge of the MECAWO Co-operative Industrial Society Ltd. on 3rd March, 1965. The assets of the Society, both movable and immovable, have since been sold out by the liquidator at the highest cash offer of Rs. 3,15,000 after inviting open offers through advertisement. The liquidation proceedings have not yet been completed. The liquidator expects to realise another Rs. 10,000 out of the total unrealised assets of the Society.

Out of the sale proceeds of the movable and immovable assets the liquidator has repaid the loan given by the Industries Department amounting to Rs. 37,306.50 including interest. He is taking action for other payments in accordance with the provisions of the Bengal Co-operative Societies Act. It is estimated that the State Government will get a refund of about Rs. 1,25,000 out of the total contribution of Rs. 2,60,000 to the share capital of the Society.

**Food and Supplies Department**

8. Report, page 4, paragraph 1(viii) and page 61, paragraph 2(i)—

Item "paragraph 1(j)" of the Report on the Accounts of 1961-62 (based on paragraph 12 of Audit Report, 1962)—

Desirability of reporting to the next Committee the present position in respect of the case before the Special Court regarding the fraudulent delivery of 242 mds. of rice valued at Rs. 4,023 from the District Reserve Centre, Ghoom.

Alleged misappropriation of Government stock of rice occurred at Ghoom, District Reserve Centre, Darjeeling. A Police Case was started. Examination of prosecution witnesses has been completed. Date for cross-examination of prosecution witnesses was fixed on 16th May 1967. Further report is await from Deputy Commissioner, Darjeeling. The case sub-judice in Special Judge's court.



**Items****Action taken**

9. Report, page 4, paragraph 1(ix) and page 38, paragraph 2(iii)—

Item "paragraph 1(j)" of the Report on the Accounts of 1961-62 [based on paragraph 14(d) of the Audit Report, 1962]—

Desirability of reporting to the next Committee the present position in respect of the appeal pending before the High Court regarding defalcation amounting to Rs. 49,000 at the Medical College Hospital, Calcutta.

10. Report, page 4, paragraph 1(x) and page 42, paragraph 2(xiii)—

Item "paragraph 1(j)" of the Report on the Accounts of 1961-62 [based on paragraph 14(f) of the Audit Report, 1962]—

Desirability of reporting to the next Committee the present position of the case pending before the High Court in respect of the misappropriation of Rs. 20,000 by a clerk of the office of the Deputy Director of Industries (Cottage), West Bengal.

11. Report, page 4, paragraph 1(xi)—

Item "paragraph 1(k)" of the Report on the Accounts of 1961-62 [based on paragraph 14(e) of Audit Report, 1962]—

Desirability that the departmental verification for 1965-66 should be completed immediately with a view to avoiding any misappropriation of money by employees and that not only the verification of cash should be done but also the departmental figures should be reconciled regularly with the Accountant-General's figures.

12. Report, page 4, paragraph 1(xii) and the page 26, paragraph 2(i)—

Item "paragraph 1(d)" of the Report on the Accounts of 1961-62 (based on paragraph 16 of the Audit Report, 1962)—

Desirability of reporting to the next Committee the full particulars showing (a) the financial position as on the date of taking over the Murshidabad Estate by the Official Trustee and present position thereof, (b) the expenses for the maintenance, etc., of the office of the Official Trustee, (c) the sources of income and possibility of their augmentation, and (d) steps taken for liquidating the debt without taking recourse to the historical relics being sold.

**Health (Medical) Department**

The case is still sub-judice.

**Cottage and Small-Scale Industries Department**

The case has not yet appeared in the monthly Cause List of the Hon'ble High Court.

**Animal Husbandry and Veterinary Services Department**

Verification of cash is being done regularly. Verification of Departmental Accounts for 1965-66 has been completed. The reconciliation of departmental figures with those of the Accountant-General, West Bengal, is also being done regularly.

**Judicial Department**

(a) The Murshidabad Estate devolved on the Official Trustee, West Bengal, on 1st May, 1963, under the provisions of the Murshidabad Estate (Trust) Act, 1963. The Assets of the Estate as they stood on the 1st May, 1963, i.e., the date of taking over the Estate by the Official Trustee, were valued at Rs. 56,24,220 excluding the valuation of the Hazarduari Palace which is now being valued by the Public Works Department of the Government. After payment of a lump sum to the Nawab Bahadur under the provisions of the Murshidabad Estate (Trust) Act, 1963, as amended from time to time, to enable him to meet his personal liabilities, charges on account of capital commission and other charges, etc., the total value of the assets of the Estate on 6th May, 1967 stand at Rs. 47,83,334 exclusive of the valuation of the Hazarduari Palace.

Liabilities of the Estate as on 1st May, 1963 amounted to Rs. 19,78,490. The liabilities as they stood on 6th May, 1967 amount to Rs. 30,63,471. Increase in the liability is due to addition between 2nd May, 1963 and 5th May, 1967 of income-tax, wealth-tax, ground rent, etc. To get an idea at a glance of the financial position of the Trust Estate of Murshidabad as they stood on the date of taking over the Estate by the Official Trustee and as they stand now the existing assets and liabilities of the Estate have been shown in Annexure 'A'.

**Items****Action taken**

(b) Estimated annual expenditure for the maintenance of the Murshidabad Estate is about Rs. 6,86,942. This includes Rs. 84,000 payable to the Nawab Bahadur under section 5(2) of the Murshidabad Estate (Trust) Act. There are other expenditures on account of municipal taxes, income-tax, wealth-tax, agricultural income-tax, salaries of guards, sepoy and employees at Murshidabad and at the residence of the Nawab Bahadur, etc.

(c) The present gross annual income of the Estate is about Rs. 4,10,300. Details of annual income and expenditure of the Estate have been set out separately in summarised forms, in Annexures 'B' and 'C'. From these materials it will be evident that the income of the above Trust Estate which is Rs. 4,10,300 falls far short of the annual expenditure of Rs. 6,86,942. The resultant position is that there is occurring a deficit of about Rs. 2,76,642 per year in respect of the Estate. To raise the current income to the level of current expenses an additional sum of about Rs. 3,00,000 per year is necessary. On the question of exploring the avenues of increasing the income of the said Trust Estate there does not appear to be much scope for enhancing the existing rents of the tenants of the houses which appertain to the Estate in view of the Rent Laws now in force. Most of the house properties at Murshidabad are dilapidated and the condition of the majority of them are such that unless the same are repaired immediately they are likely to topple down soon. As these properties have been let out at low rent for a long time past it will not be profitable to spend large amount for their thorough repair and upkeep as no corresponding benefit from these properties will be received by enhancement of rent thereof.

(d) Section 5(a)(ii) of the Murshidabad Estate (Trust) Act, 1963, provides for payment of all debts out of the income of the Estate. The liabilities are growing day by day. This is because of the occurrence of the deficit to the tune of Rs. 2,76,642 per year and the interest on such liabilities.

It is, therefore, clear that the income of the Estate is quite inadequate to fulfil the financial obligations imposed upon the Official Trustee after meeting the expenses of day to day administration of the Estate, not to speak of liquidating the debts, liabilities and other statutory outgoings. Nevertheless, there is no proposal for selling the historical relics of the Murshidabad Estate.

## ANNEXURE A

Financial position of the Trust Estate of Murshidabad as on the date of taking over the Estate by the Official Trustees, West Bengal, which was done on 1st May, 1967.

Assets.	As on 1st May 1963.	Added between 2nd May 1963 and 5th May 1967.	Paid out between 2nd May 1963 and 5th May 1967.	As on 6th May 1967.
Immovable properties at Murshidabad, Calcutta, Midnapore, Malda and Patna approximate estimated value excluding Hazarduari Palace at Murshidabad.	*27,77,300.00	..	....	27,77,300.00
Movable properties at Murshidabad and Calcutta approximate estimated value.	1,25,000.00	..	Some arms surrendered to Government. Some building materials sold at Rs. 6,981.00	1,18,019.00 } 6,981.00 }
Amount in Fixed Deposit with Bank .. ..	8,75,183.00	..	Rs. 8,13,392.00 under Act and Ordinance.	61,791.60 }
Amount in Current A/c with Bank .. ..	8,004.00	..	....	2,119.00 } about 17,000.00 }
Cash balance at Murshidabad office .. ..	4,804.00	..	....	with Murshidabad Local Office awaiting transmission.
Amount in P. L. Accounts in Treasuries at Malda, Lalbagh and Midnapore.	1,78,072.00	..	Rs. 49,166.00 charged towards capital commission.	1,28,906.00 In fixed deposit.
Zemindary compensation .. ..	Not assessed	..	....	Not yet assessed.
Compensation moneys as claimed for acquisition of properties under L.A. Act (Final Award Decree not yet made (claimed)).	12,35,845.00	..	....	12,35,845.00
Rent in arrears .. ..	5,000.00	..	....	Being ascertained.
Rent due for repartition claimed .. ..	1,700.00	..	Rs. 1,700.00 Realised and charged for Capital. commission.	Nil
Rent under dispute .. ..	....	..	....	22,400.00
Rent covered by Suit .. ..	....	..	....	10,834.00
Rent in deposit with Rent Controller and Court .. ..	84,97.00	..	....	40,667.00
Rent due by L. A. Collector, Calcutta .. ..	33,660.00	..	Rs. 33,660.00 Realised by Income Tax Officer by attachment.	17,820.00
Refund receivable under Agricultural Income Tax Act	30,878.00	..	Rs. 24,372.00 charged towards capital commission. Rs. 3,331.00 By adjustment against adjusted arrear Agri. I. Tax due.	Nil 3,175.00
Refund receivable from Board of Revenue, Government of West Bengal including collection charges.	34,04,77.00	..	....	34,04,77.00
	Rs. 56,24,220.00	Rs. 6,981.00	Rs. 9,25,621.00	Rs. 47,83,334.00
<b>Liabilities.</b>				
Arrear Income Tax .. ..	8,69,631	8,69,031.00	....	8,39,30.00 3,09,339.00
Income tax from 1-5-63 to 31-3-67	12,06,791	....	12,06,791.00	3,93,269.00 ....
Wealth Tax (not assessed) approximate liability	20,76,422	3,50,000.00	3,60,000.00	....
Arrears of Ground Rent .. ..	38,443.00	26,766.00	40,046.00	25,163.00
Official Trustees's Commission charged on account of estimated capital.	1,11,100.00	....	75,261.00	35,839.00
**Amount claimed by Board of Revenue, Government of West Bengal.	5,84,316.00	....	....	5,84,316.00
Other unforeseen sundry liabilities .. ..	25,000.00	....	....	25,000.00
	Rs. 19,78,490.00	Rs. 15,93,557.00	Rs. 5,08,576.00	Rs. 30,63,471.00

N.B.—All figures have been taken in whole rupees. Valuations are only estimated.

\*Valuation of Hazarduari Palace not taken into account. The Palace is being valued by the P.W.D., West Bengal.

\*\*Subject to verification with the Local Office.

E & O. E.

A. K. DATTA,

Official Trustee of West Bengal.

The 8th May, 1967.

## ANNEXURE B

## (ii) Statement showing the expenses for the maintenance, etc., of the Official Trustee of West Bengal

	Rs.
1. Municipal taxes .. .. .	38,121·00
2. Ground rent .. .. .	6,691·00
3. O. T's commission on income .. .. .	9,530·00
4. Salaries of guards, sepoy and employees at Murshidabad and at the residence of the Nawab Bahadur, etc.	85,000·00
5. Religious expenses .. .. .	18,000·00
6. Law costs about .. .. .	7,000·00
7. Petty repair expenses and maintenance of lifts.	20,000·00
8. Fodder for animals, maintenance costs of Power House and other contingent expenses.	19,000·00
	2,03,342·00
9. Income tax .. .. .	3,09,000·00
10. Wealth tax .. .. .	90,000·00
11. Agricultural Income Tax .. .. .	600·00
	6,02,942·00
Payment to Nawab Bahadur U/S. 5(2) of the Murshidabad Trust Act.	84,000·00
	6,86,942·00

## ANNEXURE C

## (iii) Statement showing the source of income of the Trust Murshidabad Estate.

	Rs.
1. Political pension .. .. .	2,30,000·00
2. House Rent .. .. .	1,00,000·00
3. Sairati income expected .. .. .	20,000·00
4. Interest on Bank deposits .. .. .	10,300·00
5. Miscellaneous Collections .. .. .	3,000·00
6. Admission fee of the balance approximately	12,000·00
	3,75,300·00
7. Further rent in respect of three Calcutta properties to be added when realised.	35,000·00
	4,10,300·00

## Items

13. Report, page 4, paragraph 1(xiii) and page 61, paragraph 2(ii)—

Item "paragraph 1(m)" of the Report on the Accounts of 1961-62 (based on paragraph 14 of the Audit Report, 1962)—

Desirability of reporting to the next Committee the result of the civil suit against Messrs. Bhattar Mapara, Cash Collecting Agent of the Food and Supplies Department, pending before the High Court.

14. Report, page 4, paragraph 1(xiv) and page 49, paragraph 2(xxiii)—

Item "paragraph 1(o)" of the Report on the Accounts of 1961-62 (based on paragraph 25 of the Audit Report, 1962)—

Desirability of reporting to the next Committee the further progress in respect of the preparation of comprehensive registers containing particulars of loans of various kinds given to different persons.

## Action taken

## Food and Supplies Department

The civil suit against Messrs. Bhattar Mapara, Cash Collecting Agent, has not yet appeared in the list of hearing in the High Court. The Solicitor to the Government of West Bengal has been keeping watch and taking all necessary steps. The amount involved in the case is Rs. 5,01,024.

## Refugee Relief and Rehabilitation Department

It is regretted that the magnitude of the work was not properly appreciated in the past. Though in some small districts, like Howrah and Birbhum, writing of the family-wise loan-ledger has been completed, it is now felt that in districts, like 24-Parganas and Nadia, it may take a number of years to complete the job.

Before the question of re-writing of the loan-ledgers came up, staff in every district was reduced on the Government decision to wind up the Department. There is thus no adequate staff left anywhere who can take up the work and complete it within a reasonable time.

The work has been taken up in all the districts and we are getting periodical reports along with proposals for remission of loans, but we feel that the progress is not satisfactory.

**Items****Action taken****Development and Planning Department**

15. Report, page 4, paragraph 1(xv) and page 36, paragraph 2(viii)—

Item "paragraph 1(p)" of the Report on the Accounts of 1961-62 (based on paragraph 31 of the Audit Report, 1962)—

Desirability of submitting to the next Committee on the contractors' prayer for arbitration in connection with the construction of masonry service drains in Kalyani.

16. Report, page 4, paragraph 1(xvi) and page 33, paragraph 2(vi)—

Item "paragraph 1(r)" of the Report on the Accounts of 1961-62 (based on paragraph 32 of the Audit Report, 1962)—

Desirability of taking adequate steps against the official|officials concerned who went beyond their authority in raising the rate for supply of stone metal in connection with the widening of Dastipur-Falta Road and of taking steps to prevent recurrence thereof.

17. Report, page 4, paragraph 1(xvii) and page 33, paragraph 2(vii)—

Item "paragraph 1(s)" of the Report on the Accounts of 1961-62 (based on paragraph 40 of the Audit Report, 1962)—

Desirability that the disposal of the old spare parts of motor vehicles and road rollers which were mentioned in the survey report of various types of stores declared unserviceable should be watched.

18. Report, page 5, paragraph 1(xix) and page 62, paragraph 2(viii)—

Item "paragraph 1(v)" of the Report on the Accounts of 1961-62 (based on paragraph 32 of the Report on the Accounts for 1960-61)—

Desirability that the opinion of the Advocate-General in the matter of auditing by the Comptroller and Auditor-General of the receipts arising out of sales tax should be placed before the next Committee.

19. Report, page 5, paragraph 1(xx) and page 47, paragraph 2(i)—

Item "paragraph 3" of the Report on the Accounts of 1961-62 (based on paragraph 3 of the Audit Report, 1963)—

Desirability that the progress of the implementation of the departmental plan for integrating collections of land revenue, loans and irrigation rates in respect of the irrigation schemes declared as commercial should be reported to the next Committee.

The question of appointment of arbitrator is under consideration. Steps are being taken to appoint the arbitrator as early as possible.

**Public Works Department**

The observation of the Public Accounts Committee has been noted, and appropriate orders have been issued under Government order No. 502-Adt., dated 6th May 1967. It is, however, revealed that the Superintending Engineer concerned retired from service as early as in 1962.

**Public Works Department**

The unserviceable spare parts were already auctioned off for Rs. 3,000 on 29-6-67 and both the A. G. West Bengal and the West Bengal Legislative Assembly Secretariat were informed (vide this Deptt. letter No. 1098-Adt., dated 26-7-67).

**Finance (Taxation) Department**

The opinion of the Advocate-General has been forwarded to the Secretary to the Public Accounts Committee separately.

**Board of Revenue**

The matter is still under examination.

## Items

## Action taken

20. Report, page 5, paragraph 1(xxi) and page 32, paragraph 2(i)—

Item "paragraph 5(a)" of the Report on the Accounts of 1961-62 (based on paragraph 11 of Audit Report, 1963)—

Desirability that adjustment of recovery of loans to the Calcutta Corporation should be made by the end of 1966-67 and a report should be placed to the next Committee.

21. Report, page 5, paragraph 1(xxii) and page 47, paragraph 2(ii)—

Item "paragraph 5(b)" of the Report on the Accounts of 1961-62 (based on paragraph 11 of the Audit Report, 1963)—

Desirability of submitting to the next Committee the yearwise break-up figures showing the amounts due and realizations made in respect of the advances to cultivators, house building advances to flood affected people, loans to artisans, etc.

## Local Self-Government Department

Out of the total loan of Rs. 93,93,235 granted to the Calcutta Corporation the amount unrealised is Rs. 9,42,462. This sum was payable by the Corporation by March 1967. A D.O. letter was written to the Commissioner, Calcutta Corporation, on 12th May 1967, requesting him to report whether the amount has already been paid by the Corporation. His reply is being awaited.

## Board of Revenue

A copy of Board's D.-O. No. 17369-Colln., dated 18th July, 1966, containing the departmental replies is given in the Annexure below.

As regards outstanding loans, all the District Officers have been instructed to expedite recovery of the old loan.

## ANNEXURE

Special Officer and (ex-officio)  
Secretary,

Board of Revenue, West Bengal  
Writers Buildings, Calcutta.

Dated Calcutta, the 18th July 1967.

D.-O. No. 17369-Colln./3B-4/66

Shri A. CHATTERJEE, M.Sc., LL.B., W.B.C.S.

Dear Shri Basu,

Kindly refer to your D.-O. Nos. 22(29)A.P., dated 24th February 1966, and 26(29)-A.P., dated 9th March 1966, addressed to Shri J. K. Roy, Joint Secretary, Relief Department, regarding report of the Public Accounts Committee on the Appropriation and Finance Accounts, 1961-62 and Audit Report thereon and action taken on the recommendation of the Committee.

I enclose in triplicate the replies of the Board with regard to the items with which it is concerned.

Yours sincerely,

A. CHATTERJEE,  
Special Officer and (ex-officio)  
Secretary,

Board of Revenue, West Bengal.

Shri P. K. BASU, I.A. & A.S.  
Special Officer and (ex-officio)  
Secretary, Finance Department.

Statement showing comments and action taken on the observation made by the Public Accounts Committee on the Appropriation and Finance Accounts for 1961-62 and Audit Report thereon.

## Committee's observation

## Departmental replies

Report, Page 7—

**Paragraph 5(b):** In the matter of the advances to cultivators and House building advance to flood affected people, loans to artisans, etc., the Committee desire that—

- (i) figures relating to outstanding loans at the end of each year should be furnished to the Accountant-General, showing the yearwise break-up of the default, and
- (ii) a comprehensive report should be placed to the next Committee indicating the position relating to the realisation of loans together with the percentage of any non-realisable portion.

All District Officers have been instructed to furnish direct to the Accountant-General, West Bengal, a statement of figures relating to outstanding loans at the end of each year, showing the yearwise break-up of the default.

A comprehensive report showing the position relating to realisation of loans, outstanding and balance amounts during the year 1965-66, is appended hereto.

It may be stated here that a satisfactory collection target could not be reached during the year due to economic hardship of the loanees in general, drought, crop-failure and other reasons. However, all District Officers have been directed to make special efforts to action at least 60 per cent. collection during the current year.

Lastly, it may be pointed out that no District Officer is in a position to report the percentage of non-realisable loans as it involves a lot of paper work which the Collectors can hardly afford.

A. CHATTERJEE,  
Special Officer and (ex-officio)  
Secretary,  
Board of Revenue, West Bengal.

Consolidated statement showing all kinds of loan for the year 1965-66

District.	Outstanding demand as on 1st April 1965.	Advance during the year.	Total.	Recoveries during the year.	Closing balance.
	Rs.	Rs.	Rs.	Rs.	Rs.
1. Burdwan .. .. .	40,52,511	11,80,843	52,33,354	12,01,404	39,71,950
2. Birbhum .. .. .	27,71,143	8,21,600	35,92,743	4,64,498	51,28,245
3. Bankura .. .. .	40,78,385	8,98,650	49,77,035	7,34,294	42,42,741
4. Purulia .. .. .	38,55,115	3,96,151	42,51,266	4,16,853	38,34,413
5. Midnapore .. .. .	53,34,791	27,19,350	80,54,141	24,93,459	55,60,682
6. Hooghly .. .. .	47,13,866	6,72,103	53,85,969	9,49,128	44,36,841
7. Howrah .. .. .	23,96,887	1,14,477	25,11,364	4,46,037	20,65,327
8. 24-Parganas .. .. .	68,41,150	9,24,530	77,65,680	15,33,581	62,32,099
9. Nadia .. .. .	34,65,002	6,15,629	40,80,631	6,58,995	34,21,636
10. Murshidabad .. .. .	58,86,126	5,58,908	64,45,034	9,55,368	54,89,666
11. Malda .. .. .	77,98,484	3,50,275	81,48,759	9,20,944	72,52,815
12. West Dinajpur .. .. .	17,49,717	10,74,990	28,24,707	12,90,393	15,34,314
13. Jalpaiguri .. .. .	12,47,991	17,471	12,65,462	1,79,122	10,86,340
14. Cooch Behar .. .. .	26,09,441	4,28,506	30,37,947	2,44,531	27,93,416
15. Darjeeling .. .. .	5,11,917	8,000	5,19,917	48,364	4,71,553
<b>Total .. .. .</b>	<b>5,73,12,526</b>	<b>1,07,81,485</b>	<b>6,80,94,009</b>	<b>1,25,96,971</b>	<b>5,54,97,038</b>

**Items****Action taken****Housing Department**

22. Report, page 5, paragraph 1(xxiii) and page 34, paragraph 2(xxiii)—

Item "paragraph 5(c)" of the Report on the Accounts of 1961-62 (based on paragraph 11 of the Audit Report, 1963)—

Desirability that the latest position in respect of loans under the Low-Income Group Housing Scheme should be sent to the Accountant-General within two months and that further report with the comments of the Accountant-General should be submitted to the next Committee.

A report on this was sent with this Department Memo. No. 7192-H.E., dated 19th March 1966. (Copy given in Annexure below). A copy of the same is being furnished to the Accountant-General, West Bengal, now for necessary action.

**ANNEXURE****GOVERNMENT OF WEST BENGAL****Housing Department****Establishment****MEMORANDUM**

No. 7192-HE

FROM THE ASSISTANT SECRETARY (II) TO THE  
GOVERNMENT OF WEST BENGAL,

TO THE FINANCE (APPROPRIATION)  
DEPARTMENT.

Calcutta, the 19th March 1966

SUBJECT: Report of the Public Accounts Committee  
on the Appropriation and Finance Accounts for  
1961-62 and Audit Report thereon.

With reference to that Department memorandum No. 27(26)-A.G., dated 9th March 1966, the undersigned is directed to forward herewith, for disposal, a brief report in triplicate on item 28 of the questionnaire relating to paragraph 5(c) of the Public Accounts Committee's Report in question concerning this Department.

**Departmental Report**

Item No. 28 of the questionnaire [paragraph 5(c) of the Report of the Public Accounts Committee]—

Desirability of submitting a fuller report to the next committee in respect of loans under the Low Income Group Housing Scheme.

Necessary instructions have been issued to all concerned to rectify the mistake as pointed out in the objection. Loan ledgers are being maintained in proper form. The Drawing and Disbursing Officers concerned have been instructed to indicate clearly recovery and arrears of loan.

M. R. MAJUMDAR,  
Assistant Secretary II to the Government  
of West Bengal.



**Items****Action taken**

23. Report, page 5, paragraph 1(xxiv) and page 49, paragraph 2(xxiv)—

Item "paragraph 5(d)" of the Report on the Accounts of 1961-62 (based on paragraph 11 of the Audit Report, 1963)—

Desirability of submitting to the next Committee a further report in respect of loans and advances to displaced persons.

24. Report, page 5, paragraph 1(xxv) and page 52, paragraph 2(ix)—

Item "paragraph 11" of the Report on the Accounts of 1961-62 (based on paragraph 21 of the Audit Report, 1963)—

Desirability that the conversion of any scheme from production on experimental basis to a large scale production on commercial basis would constitute a "New Service" however small the amount might be involved at the beginning and that steps should be taken in future to obtain the approval of the Legislature before incurring any expenditure in such cases.

25. Report, page 5, paragraph 1(xxvi) and page 22, paragraph 2(iii)—

Item "paragraph 13" of the Report on the Accounts of 1961-62 (based on paragraph 23 of the Audit Report, 1963)—

Desirability of submitting before the next Committee a further report in respect of the realisation of dues under the scheme "Loans to big growers".

26. Report, page 5, paragraph 1(xxvii) and page 22, paragraph 2(iv)—

Item "paragraph 14" of the Report on the Accounts of 1961-62 (based on paragraph 26 of the Audit Report, 1963)—

Desirability of furnishing to the next Committee a report of the District Magistrate, Burdwan, and also a report about the further progress relating to the realisation of loss due to shortage of 885 tons of coal while in storage in Burdwan due to the negligence of the Storing Agent.

**Refugee Relief and Rehabilitation Department**

It is regretted that the magnitude of the work was not properly appreciated in the past. Though in some small districts, like Howrah and Birbhum, writing of the familywise loan-ledger has been completed, it is now felt that in districts, like 24-Parganas and Nadia, it may take a number of years to complete the job.

Before the question of re-writing of the loan-ledgers came up, staff in every district was reduced on the Government decision to wind up the Department. There is thus no adequate staff left anywhere who can take up the work and complete it within a reasonable time.

The work has been taken up in all the districts and we are getting periodical reports along with proposals for remission of loans, but we feel that the progress is not satisfactory.

**Finance Department**

Public Accounts Committee's direction has been noted.

**Agriculture and Community Development (Agriculture) Department**

Out of 42 loanees, 18 loanees have fully repaid the loans. Civil suits were filed against 20 loanees, out of which decrees have been obtained against 15 loanees. Decrees against 5 loanees are being awaited. Civil suits are going to be filed against the remaining 4 loanees, the principal amount due from them (4 loanees) works out to Rs. 27,400.

**Agriculture and Community Development (Community Development) Department**

The case was referred to Legal Remembrancer for advice who raised further points for clarification. Accordingly, the District Magistrate, Burdwan, was requested to make available to the Legal Remembrancer the relevant papers together with the comments of Government Pleader, Burdwan, on those points.

The matter is being vigorously pursued with the District Magistrate for furnishing such materials.

**Items**

27. Report, page 5, paragraph 1(xxviii) and page 39, paragraph 2(xix)—

Item "paragraph 15" of the Report on the Accounts of 1961-62 (based on paragraph 27 of the Audit Report, 1963)—

Desirability of reporting to the next Committee whether the recommendations of the previous Committee in respect of the machines lying unused in Industrial Institutes/Centres were being properly observed.

28. Report, page 5, paragraph 1(xxix) and page 42, paragraph 2(xiv)—

Item "paragraph 16" of the Report on the Accounts of 1961-62 (based on paragraph 28 of the Audit Report, 1963)—

Desirability that the matter relating to the loss in the running of the scheme for the manufacture of surgical instruments at Baruipur should be thoroughly investigated and a report submitted to the next Committee.

29. Report, page 6, paragraph 1(xxx) and page 41, paragraph 2(i)—

Item "paragraph 19" of the Report on the Accounts of 1961-62 (based on paragraph 32 of the Audit Report, 1963)—

Desirability of submitting to the next Committee a final report regarding the disposal (or otherwise) of the unserviceable radio sets, purchased during 1949-52 for installations in the adult education centres and educational institutions in this State.

30. Report, page 6, paragraph 1(xxxi)—

Item "paragraph 20" of the Report on the Accounts of 1961-62 (based on paragraph 33 of Audit Report, 1963)—

Desirability that the liquidation proceedings regarding assets and liabilities of the Co-operative Societies of Sunderban Fishermen, etc., should be completed early and a report should be submitted to the next Committee and that in future no scheme should be taken up without prior consultation with experts.

**Action taken****Commerce and Industries (Industries) Department**

Recurrence of the irregularity is being avoided as far as possible. The recommendations of the Committee have been communicated to the Directorate concerned for future guidance and strict compliance.

**Cottage and Small-Scale Industries Department**

The matter was scrutinised according to the instructions given by Shri Prosad, Assistant Accounts Officer of Accountant-General, West Bengal, who visited the centre and revised profit and loss accounts and balance-sheet for the years 1961-62 to 1964-65 have been drawn up and sent to Accountant-General, West Bengal, for scrutiny and examination [vide Additional Director of Industries' letter No. 81(2)/Audit/3A-92/61Pt., dated 6th May 1967]. A net profit of Rs. 2,857.92 has been shown for the year 1964-65 subject to acceptance by Accountant-General, West Bengal.

**Education Department**

It is reported by the Bengal Engineering College that the radio sets are irreparable. The components of the sets, which are in working condition, are however, being utilised in imparting training to the students of the College.

**Fisheries Department**

Liquidation proceedings have not yet been completed by the liquidator. He, however, expects to complete the proceedings within this calendar year.

A copy of the report obtained from the Liquidator showing the progress of work and explaining the difficulties causing the delay is given in the Annexure below.

Co-operation Department has also been requested to see that the Liquidator completes the work expeditiously.

The Department has noted for guidance the recommendation of the Public Accounts Committee regarding drawing up of schemes with prior consultation with experts.

## ANNEXURE

## A report on the progress of liquidation works of the West Bengal Central Fishermen's Co-operative Society Ltd.

The liquidation procedure of the West Bengal Central Fishermen's Co-operative Society Limited is proceeding steadily. Delay was caused due to the fact that a huge sum of the assets of the society could not yet be recovered from the debtors. The major item of assets included cost of unmechanised boats and power boats which were transferred to the Director of Fisheries, West Bengal. Bills for cost of the boats amounting to Rs. 36,000 (approximate) were charged to Director of Fisheries, West Bengal, for crediting the said amount to the Liquidator. The Credit has not yet been made, on the contrary adjustment of Government shares has been proposed which is under consideration and being examined by the undersigned in terms of Government Order and Agreement thereafter made. Moreover a sum of Rs. 1,20,149 is recoverable from 10 primary affiliated societies. But unfortunately after the liquidation of this society, these

affiliated primary societies were also placed under liquidation causing a great difficulty in realisation of outstanding loans. Attempts are being made with the liquidation of these societies for finalisation and disposal of outstanding recoveries which for obvious reasons taking much time.

It is therefore expected that liquidation proceedings will be completed within this calendar year.

A. N. LAHIRI MAJUMDAR,

Co-operative Fishery Officer and  
Assistant Registrar of Co-op.  
Societies (ex-officio) and Liquidator,  
West Bengal Central Fishermen's  
Co-operative Society Ltd.

## Items

## Action taken

31. Report, page 6, paragraph 1(xxxii) and page 28, paragraph 2(xiii)—

Item "paragraph 21(a)" of the Report on the Accounts of 1961-62 (based on paragraph 34 of Audit Report, 1963)—

Desirability of taking effective steps towards submission of the muster rolls, etc., pertaining to old periods as well as of later periods to the Accountant-General immediately for scrutiny and return and of submitting to the next Committee a further report about the outstanding muster rolls, etc., indicating the actual position thereof.

## Relief and Social Welfare (Relief) Department

The matter was followed up by the Department with the district officers concerned. The enclosed statement shows the position in the matter of collection of outstanding muster rolls for rendering accounts to audit. As desired by the Public Accounts Committee, the District Officers have been asked to pass on immediately to the Accountant-General, West Bengal, the outstanding muster rolls so far collected without waiting for the local audit. They have also been asked to submit a report about the outstanding muster rolls, etc., indicating their actual position. On receipt of reports from the district Officers, a statement showing the progress made will be furnished to the next Public Accounts Committee.

## District and present position

1. West Dinajpur—Outstanding muster rolls have been collected and are ready for showing audit.
2. Bankura—Outstanding muster rolls have been collected and are ready for showing audit.
3. Purulia—The bulk of the adjustment completed.

Adjustment pending as follows:—

(1) Cash—Rs. 52,664.57.

(2) Wheat—8354 Mds.

(3) Gram—293 Mds.

4. Birbhum—Most of the muster rolls have been collected and are ready for showing audit.

5. Jalpaiguri—All the muster rolls have been collected and are ready for showing next audit.

6. Burdwan—All the muster rolls have been collected and shown to audit.

## Items

## Action taken

32. Report, page 6, paragraph 1(xxxiv) and page 49, paragraph 2(xxv)—

Item "paragraph 25" of the Report on the Accounts of 1961-62 (based on paragraph 41 of the Audit Report, 1963)—

Desirability that the progress in respect of the preparation of yearwise break-up of overdue recovery, etc., should be reported to the next Committee.

33. Report, page 6, paragraph 1(xl) and page 52, paragraph 2(xii)—

Item "paragraph 33" of the Report on the Accounts of 1961-62 (based on paragraphs 49-51 of the Audit Report, 1963)—

Desirability of reporting to the next Committee the further development in respect of the fixation of limit of permissible shortage under different kinds of articles, stores, where shortages often appear after physical verifications.

34. Report, page 7, paragraph 1(xlv) and page 46, paragraph 2(xix)—

Item 'paragraph 39' of the Report on the Accounts of 1961-62—

Desirability that the accounts of North Bengal State Transport Corporation should be made up-to-date and should be laid before the Assembly and the progress thereof should be reported to the next Committee.

7. Midnapore—Most of the muster rolls have been collected and shown to audit.

8. 24-Parganas—

(1) Subdivisional Officer, Sadar—Rs. 1,83,019 adjusted against the outstanding amount of Rs. 2,46,339 some of the muster rolls for clothings are yet to be collected.

(2) Subdivisional Officer, Basirhat — Rs. 1,51,349.88 adjusted against a total of Rs. 1,60,441.68 through M.R.

#### Refugee Relief and Rehabilitation Department

The loan ledgers of the local offices which form the main basis for preparing the required statement were previously being maintained loan-wise. But when it was decided that some sort of relief by way of remission of a portion of loan advanced to the displaced persons would be given to them it was found that unless the loan ledgers are re-written family-wise individual total loan burden cannot be ascertained. Accordingly the loan ledgers are being re-written family-wise and the work is in progress.

Consequent upon the decision that a portion of certain categories of loans will be remitted in the case of individual loanees after ascertaining their complete loan burden the situation has now been substantially changed, as amounts of loans and the interest accrued thereon will definitely decrease and in most of the cases there may not be any recoverable loan burden against them. Unless all the cases are dealt with and recorded in the family-wise loan ledgers after these are re-written, the break up of overdues recoveries cannot be furnished.

#### Finance Department

Views of some of the major departments are being awaited. On receipt of their views a decision will be taken in consultation with the Accountant-General, West Bengal. The defaulting Departments have been reminded.

#### Home (Transport) Department

The progress regarding finalisation of accounts of the Calcutta State Transport Corporation and the North Bengal State Transport Corporation is noted below:

- (A) Calcutta State Transport Corporation: Accounts for 1961-62 was laid before Legislature on 30th August 1966. Accounts for 1962-63 and 1963-64 have been finalised and will be placed before Legislature as soon as printed copies of the accounts for 1962-63 are received from the press. Accounts for 1964-65 have already been audited and the draft audit report is under consideration. Accounts for 1965-66 are awaited from the Calcutta State Transport Corporation.

## Items

## Action taken

(B) North Bengal State Transport Corporation: Accounts for the period from 15th April 1960 to 31st March 1961 and 1961-62 have been finalised and are in the process of printing. Printed accounts will be placed before Legislature as soon as received from the press. Accounts for 1962-63 and 1963-64 have already been audited and audit certificates received. North Bengal State Transport Corporation's comments on the audit reports on these accounts are awaited. On receipt of the same the accounts for 1962-63 and 1963-64 will be printed and placed before Legislature. Accounts for 1964-65 and 1965-66 are being prepared by the North Bengal State Transport Corporation.

The matter regarding clearance of arrear accounts of North Bengal State Transport Corporation is being consistently pursued by the Department and it is expected that the accounts for 1964-65 and 1965-66 will be submitted to audit within a short time.

35. Report, page 7, paragraph 1(xlvi) and page 40, paragraph 2(xxiii)—

Item 'paragraph 41' of the Report on the Accounts of 1961-62 (based on paragraph 62 of the Audit Report, 1963)—

Desirability of submitting a full report to the next Committee on the cases of other losses incurred by the West Bengal State Electricity Board (viz., loss of cash due to defalcation amounting to Rs. 11,569, loss of stores due to theft amounting to Rs. 59,151 and loss of stores due to other causes amounting to Rs. 7,64,403) as mentioned in paragraph 62(ii) of the Audit Report, 1963:

#### Commerce and Industries (Power) Department

(i) Latent position of the cases of defalcation of cash—

	Rs.
Total amount pointed out by Audit ..	11,569-00
Amount already realised .. ..	3,809-00
Amount dropped by Audit .. ..	16-00
	7,744-00
Present position of .. ..	7,744-00
One case stated to have been filed by Police since accused absconding (Re. Bunsdroni E/s).	1,456-00
One case at Uluberia—Total amount	9,508-00
Less amount recovered/settled ..	3,220-00
	6,288-00
	7,744-00

(The accused was tried in the Special Court, of 1st Additional District Judge, Howrah, during June-July, 1966. Judgement not received in this office).

(ii) Position of the cases of loss of stores due to theft—

Amount stated by Audit .. ..	59,151-00
(a) Cases ended in FIRs .. ..	-589-00
(b) Accused acquitted by Court ..	-500-00
(c) Para dropped by Audit .. ..	-150-00
(d) Write-off order under process ..	-2,172-60
	3,412-00
(e) Police Report/Departmental enquiry report awaited ..	55,739-00
(iii) Loss of Store due to other causes ..	7,64,403-00

## Items

## Action taken

Prior to 1st April 1959, the accounts of the Board were centralised and the practice was to issue stores direct to works for booking to the accounts of respective works orders. The issues used to be regulated according to sanctioned estimates and records were maintained to keep an watch over the consumption of stores. The amount shown as loss of stores in the Construction Division does not, therefore, represent actual loss. The figures were mostly taken from incomplete Stores Ledgers which did not record the actual issues. The matter is under examination in connection with the compilation of the accounts of the assets which will cover the question of the utilisation of these stores also for which detailed records of issue were not kept. All Construction Wings are maintaining Stores Ledger from 1st April 1959.

36. Report, page 7, paragraph 1(xlvii) and page 35, paragraph 2(i)—

Item 'paragraph 42' of the Report on the Accounts of 1961-62 (based on paragraph 64 of the Audit Report, 1963)—

Desirability that the forms of the pro forma accounts relating to Kanchrapara Area Development (Kalyani Township) Scheme should be finalised, the pro forma accounts made up to date and a report thereof should be furnished to the next Committee.

37. Report, page 7, paragraph 1(1) and page 42, paragraph 2(xvii)—

Item "paragraph 42' of the Audit Report on the Accounts of 1961-62 (based on paragraph 64 of the Audit Report, 1963)—

Desirability that a report in respect of the preparation of the pro forma accounts relating to the scheme for Industrial Centres should be submitted to the next Committee.

38. Report, page 7, paragraph 1(li) and page 49, paragraph 2(xxix)—

Item 'paragraph 42' of the Report on the Accounts of 1961-62 (based on paragraph 64 of the Audit Report, 1963)—

Desirability that the question regarding the pro forma accounts for the schemes for production centres under the Refugee Relief and Rehabilitation Department should be finalised and a report in this regard should be placed before the next Committee.

#### Development and Planning Department

The form of the pro forma accounts was under reference to the Accountant-General, West Bengal. The file from the Accountant-General, West Bengal, was received back on 20th April 1967. The matter is under examination of the Department.

#### Cottage and Small-scale Industries Department

The Additional Director of Industries, West Bengal, has been asked to depute officers to the various places where records of the Industrial Centres are reported to have been kept and to find out and prepare a list of records maintained for these Centres at the relevant period. The result is being awaited.

#### Refugee Relief and Rehabilitation Department

The matter was taken up with the Accountant-General, West Bengal, as would appear from the correspondence shown in the Annexure A below.

A note on the subject as furnished by the Accountant-General, West Bengal, in his Memo. No. Rep/AP-DP/71/61-62/459, dated 8th August 1967, is given in Annexure B.

## ANNEXURE A

Shri M. C. Mukharji, I.A.S., Secretary,  
Government of West Bengal,  
Refugee Relief and Rehabilitation  
Department,  
Writers' Buildings.

Calcutta, the 7th June, 1967.

D.O. No. 288-B & A.

Dear Shri Bhattacharyya.

Please refer to your D.-O. letter No. 58-A.P., dated the 10th May, 1967, regarding paragraph 1(Li) of the Report of the Public Accounts Committee for 1962-63 and Audit Report, 1964.

I write to say that as suggested by the Joint Secretary, Finance Department, in his notes, dated the 30th May, 1967, in my Department file No. B3A-27/62, the matter has been explained to the Accountant-General, West Bengal, in my office letter No. 5906-B & A, dated 7th June, 1967, a copy of which is enclosed for your information and necessary action.

Yours sincerely,  
M. C. MUKHARJI.

Shri S. C. BHATTACHARYYA, I.A. & A.S.  
Special Officer and ex-officio Secretary,  
Finance Department,  
Government of West Bengal.

## GOVERNMENT OF WEST BENGAL

Refugee Relief and Rehabilitation Department

B & A. Branch

No. 5906-B. & A.

From Shri B. K. GUHA ROY, Assistant Secretary  
to the Government of West Bengal,

To The ACCOUNTANT-GENERAL, WEST  
BENGAL, TREASURY BUILDINGS,  
CALCUTTA.

Calcutta, the 7th June, 1967.

**Subject: Paragraph 1(Li) of the Report of the  
Public Accounts Committee for 1962-63 and  
Audit Report, 1964.**

Sir,

I am directed to state that in paragraph 1(Li) of the abovementioned report Public Accounts Committee recommended that the matter was to be examined by the Accountant-General, West Bengal and the Finance Department. On the suggestion of the Finance Department, since given, I am to enclose a precis of the case which will explain the matter. Copies of relevant correspondence referred to in the precis, will be furnished, if necessary.

2. I am to state that the position has been explained in Financial Adviser Circular No. 171-F.A., dated 2nd July 1964, as to the reasons of non-maintenance of pro forma accounts on commercial lines in the production centres.

3. I am to invite a reference to this Department letters Nos. 7412-B & A, dated 27th July 1966, and 9687-B & A, dated 17th/18th November 1966, in which you were requested to inspect the accounts of the Production Centres at Habra, Uttarpara, Dharampur and Sock-knitting scheme under the Director (W.R.). It is presumed that the accounts of these centres have since been audited by your audit parties and found in order. In that case I am to request you to treat paragraph 1(Li) of the report of the Public Accounts Committee for 1962-63 and Audit Report, 1964, as settled.

Yours faithfully,

B. K. GUHA ROY,  
Asst. Secretary to the Govt. of  
West Bengal.

## PRECIS

The Production Centres were set up as Work-cum-Training Centres and were purely departmental institutions, originally created with the idea of training up unskilled displaced persons in some vocational trades and thereafter providing them with some sort of employment elsewhere. With the discontinuance of the training wing since November, 1960, the centres began to run as Production Centres on "no profit", "no loss" basis. There was regular provision all through for subsidy for the workers to make up the deficiency in their earning to the level of minimum subsistence. The records which are meant for keeping accounts on commercial lines (viz., Journals, ledgers, etc.) and are essential for preparing the pro forma accounts on commercial lines were not maintained by the Centres. Government also did not press for commercial sets of accounts, which would have meant employment of experts and other hands with knowledge in commercial accounting entailing increased financial implications to the centres.

Accountant-General, West Bengal, was requested to audit the accounts of these centres locally in February, 1958. But he could not arrange audit till the pro forma accounts on commercial basis of these centres were submitted to him since the dates of inception of the Centres. Trading and Profit and Loss accounts for the year 1957-58 to 1959-60 for each of the Production Centres at Taherpur, Khosbammohalla, Chakdah, Midnapore and also at Titagarh, Habra, Gayeshpur for Durry weaving and Tent manufacturing as prepared from the records maintained in these centres from the date of inception of each scheme were furnished to the Accountant-General, West Bengal, under Refugee Relief and Rehabilitation Department No. 3450-B & A, dated 19th April 1961. On receipt of these the Accountant-General, directed the local officers to prepare consolidated accounts of all the Production Centres yearwise from the year of inception to avoid inflation of the volume of the Appropriation Accounts. The balance-sheets could not however be prepared by them.

The Accountant-General insisted on the submission of pro forma Accounts, etc., in respect of the Production Centres in terms of Financial Adviser's Circular No. 54-F.A., dated 27th July 1951 (later modified under circular No. 139-F.A., dated 9th June 1959), in which commercial sets of accounts were prescribed.

Accountant-General, not being satisfied, took up the matter with the Secretary demi-officially in November, 1962. The reply stating the reasons as to why it would not be possible to prepare the accounts on commercial lines was then demi-officially furnished to the Accountant-General, on 24th November 1962. On receipt of the same Secretary was demi-officially requested by the Accountant-General in February, 1963 to refer the proposal to the Finance Department for decision as the circular No. 54-F.A., dated 27th July 1951, was issued by that Department.

The matter was then referred to the Financial Adviser. On his suggestion a copy of his notes, dated 3rd October 1963, was furnished to Accountant-General explaining the position of non-preparation of accounts on commercial lines. On receipt of the same the Accountant-General wanted that orders of Government modifying the circular might be issued from the Finance Department. Accordingly circular No. 171-F.A., dated 2nd July

1964, was issued by the Financial Adviser dispensing with the system of maintenance of records on commercial lines. Certain classifications were sought for by Accountant-General in November, 1964, viz., (i) date of effect of the revised procedure, (ii) whether approval of Government of India was necessary, and (iii) whether preparation of pro forma account was considered necessary. These points were clarified as per instruction of the Financial Adviser and views of Government were communicated to Accountant-General with the concurrence of the Financial Adviser, vide this Department No. 2063-B & A, dated 2nd April 1965, D.O. Nos. 297-B & A, dated 22nd May 1965, and 12747-B & A, dated 21st December 1965. On receipt of the orders Accountant-General wanted in January, 1966 a copy of Government of India's order referred to in the letter, dated 21st December 1965, and enquired whether the assets and expenditure statements of the Centres were ready for audit. In March, 1966 a copy of the Government of India's order was furnished to him. In July, 1966 he was informed that the accounts were ready for inspection.

#### ANNEXURE B

**Note given by the Accountant-General, West Bengal, in his Memo. No. Rep/AP-DP/71/61-62/459, dated 8th August 1967.**

Ten training-cum-production centres had been set up during the period from 1954-55 to 1956-57 (six centres in 1954-55; two in 1955-56 and two in 1956-57). The statement attached indicates inter alia the year of conversion of the centres to production centres on commercial lines and also the names of the present administrative department.

Refugee Relief and Rehabilitation Department's Circular No. 54(F & A), dated the 27th July 1951 lays down certain rules which should apply to training-cum-works schemes approved by the Government of India and sanctioned by the State Government. It was also laid down that these rules might also apply mutatis mutandis to other training schemes sanctioned by Government with the approval of the Government of India (rule 1). Rule 15 thereof made it obligatory that Manufacturing, Trading and Profit and Loss Accounts should be prepared and submitted in accordance with the commercial system and also a balance sheet drawn up half yearly. It was reiterated in Refugee Relief and Rehabilitation Department Circular No. 139 (Finance and Accounts), dated the 9th June 1959, the only change being in submission of these accounts, etc., annually instead of half yearly as stipulated in the earlier order.

The fact of non-submission of the proforma accounts was mentioned in paragraph 55 of the Audit Report, 1962 (vide Appendix IV). In the printed reply to the Public Accounts Committee, it was stated that steps were being taken to finalise the accounts.

In their Circular No. 171 (Finance and Accounts), dated the 2nd July 1964 the Refugee Relief and Rehabilitation Department dispensed with the prepara-

tion of the accounts of the centres on commercial lines on ground that "the function of these centres are by no means of the nature of regular full-fledged commercial undertakings". The circular dated the 27th July 1951 did not contemplate that the centres should be full-fledged commercial undertakings and even where the scheme was training-cum-work/production, the maintenance of accounts on commercial lines was considered necessary. The training wings of the schemes ceased to operate since November, 1960. These centres thereafter have existed as Production Centres.

Article 19 of the Account Code, Volume I, requires maintenance of suitable capital, manufacturing, trading and profit and loss account in respect of undertakings of a commercial or quasi-commercial character. And as Government system of accounts, being on a purely cash basis, is unsuitable for such commercial accounts, these are usually kept on a proforma basis outside the general accounts of Government. The abolition of commercial accounts is justified only when the character of an undertaking is changed from "commercial" to "service" or when it is accepted that the undertaking exists as a service-undertaking.

As the character of the Production Centres has not changed or they have not been declared to be service-undertakings the maintenance of proforma accounts in respect of these centres appears to be necessary.

**H. K. MAITRA,**  
Accountant-General, West Bengal.



## STATEMENT SHOWING THE PARTICULARS OF VARIOUS PRODUCTION CENTRES

Serial No.	Name of the Centre.	Year of inception.	Year of the conversion to production centres on commercial line.	Name of the administrative department.
1.	Habra Durrly making .. ..	1954-55	1959-60	Refugee, Relief and Rehabilitation.
2.	Habra Tent making .. ..	1954-55	1959-60	Tent making unit made over to the Rehabilitation Industries Corporation with effect from 1-10-62.
3.	Talharpur .. ..	1955-56	1955-56	R. I. Corporation with effect from 1-10-62.
4.	Khasbasmushalla .. ..	1956-57	1956-57	Ditto.
5.	Chakdah .. ..	1955-56	1955-56	Ditto.
6.	Gayaspur .. ..	1956-57	1959-60	Ditto.
7.	Dharampur .. ..	1954-55	Not known	Refugee, Relief and Rehabilitation.
8.	Uttarpara .. ..	1954-55	Not known	Ditto.
9.	Titagarh .. ..	1954-55	1959-60	Ditto.
10.	Midnapur .. ..	1954-55	1959-60	Refugee, Relief and Rehabilitation from 1-4-63 under the Home (Social Welfare).

N. C. DE,  
Asstt. Accounts Officer, West Bengal.

## Items

## Action taken

## Commerce and Industries (Durgapur Industries) Department

39. Report, page 7, paragraph 1(liii) and page 27, paragraph 2(vi)—

Item 'paragraph 45' of the Report on the Accounts of 1961-62 (based on paragraph 68 of the Audit Report, 1963)—

Desirability that, in connection with the dispute between Oriental Gas Co. Undertaking and Durgapur Projects Ltd. regarding meter-reading, a fuller report should be submitted to the next committee after enquiry from Bombay Gas Co. regarding their experience for reconciling the problem of difference of readings of different types of meters.

Necessary particulars are given in the Annexure below.

Messrs. Bombay Gas Company are most probably reluctant to part with the particulars asked for by the Administrator, Oriental Company's Undertaking.

## ANNEXURE

Points raised in the meeting of the Public Accounts Committee on 8th August 1966 on the replies of the Commerce and Industries (Durgapur Industries) Department to the relevant paragraphs of Audit Report, 1964, on the Accounts of 1962-63 and the action taken by the Department on those points.

Paragraph 45 of the Committee's report on the Accounts for 1961-62—

As regards variation in the reading of gas supply in the two types of meters now in operation it was suggested by the Committee that instead of going in for a third type of meter to verify the corrections of gas supply the authorities should contact M/s. Bombay Gas Co., M/s. Indian Oxygen & Acetylene Co. and such other analogous concerns to ascertain what type of meters are used by them and how they are arriving at correct readings of gas supply.

The representatives of M/s. Bombay Gas Co. at Calcutta and M/s. Indian Oxygen Acetylene Co., at Calcutta offices were contacted to ascertain which type of meter is actually being used by them for recording quantity of coal gas and carburated water gas (which supplied by the former), as also the quantity of Oxygen and Acetylene gas supplied by the Indian Oxygen & Acetylene Gas in cylinders for commercial use. It is understood from the Indian Oxygen & Acetylene Co. that the gas supplied by them is stored at a pressure of 10 lbs. per sq. inch in a liquid stage and is not in any way identical with the gas supplied by the Oriental Gas Company's Undertaking. They do not practically use any meter in their production site, excepting in case of bulk supply to M/s. Tata Iron & Steel Co. where they use a special type of meter suited to their requirement which is in no way similar to that required

4 4 5 4 2

by the Oriental Gas Company's Undertaking. As far as it could be gathered M/s. Bombay Gas Co. are manufacturing coal gas for supply to the city of Bombay at a pressure not exceeding 20" water gauge, which is far below the pressure at which gas is being supplied from Durgapur to Calcutta by Durgapur Projects Limited.

As the pressure of gas, at which they are manufacturing and supplying to meet the requirements of the city of Bombay, is very much on the low side and is in no way comparable to that being manufactured by Durgapur Projects Limited and supplied by the Oriental Gas Company's Undertaking, the metering arrangement cannot also be identical. As far as it is understood they are using only Holmes connersviles Rotary type positive displacement meter of a very low pressure capacity, which is in no way comparable to that requirement by the Oriental Gas Company's Undertaking.

However, a series of references was made to their Head Office at Bombay in this respect but no report could be obtained from them as yet.

A technical report submitted by the Administrator, Oriental Gas Company's Undertaking, in respect of the existing high pressure meters used at Bally and observes that there are two types of meter under use, one at Durgapur which is a positive type displacement meter of high pressure type for recording flow of gas up to a pressure of 22 atmosphere. There is a provision for proper record of variation of pressure and temperature separately, which is ultimately computed with the figures recorded in the index of the displacement meter for arriving at a correct flow of gas at NTP.

Another installed at Bally is one positive displacement type meter fixed at the high pressure side and an Orific type meter fixed at the reduced pressure side, both having capacity for recording flow at a pressure of 18 atmosphere and 5 atmosphere respectively. The actual flow of gas supplied, is however, transmitted at a pressure varying between 14 and 16 atmosphere, which is reduced to approximately 3 to 4 atmosphere before transmission to city storage from Bally end. This meter is identical with the meter fixed at Durgapur

end. The Orifice type meter however, records flow of gas in a graphical representation on percentage basis, with separate record of variations of pressure and temperature in different graphical charts. In case of positive type meter computation is required to be done for converting the quantity of flow, at NTP with reference to the average pressure and temperature, recorded in separate graphical charts. But in case of the Orifice meter, the actual flow, which is recorded on percentage basis has to be determined through plain meter from the graphical representations and also to be corrected for variations of pressure and temperatures from the record presented in separate graphical charts. As a matter of fact the Orifice meter cannot record correct flow of gas if there are high variations of pressures and temperature. Moreover, in both these types of meters, as great deal of human elements are required for computations relating to incorporation of variation of pressures and temperatures, there is every likelihood of getting an average record of flow, which may not be as correct as it should have been.

The existing high pressure meters at Bally end, however, record different flow of gas supplied through the same source. The flow as recorded in the positive type displacement meters is observed to be on average 12 per cent. more than that recorded in office meter. It is very difficult to ascertain which record more correct and what is actual correct flow of gas supplied by Durgapur Projects Limited to Oriental Gas Company's Undertaking. Attempts, as such, were made for contacting number of reliable firms located in India to ascertain if they are agreeable to undertake proper testing and calibration of both these meter for finding out which one is giving the correct flow of gas, but none of them could respond to the offer. It was, therefore, considered that the only solution to this problem would be installation of a recent positive displacement type meter, so that the human element for computation can be eliminated as far as practicable. A number of question have since been received, the price varying in the range of Rs. 40,000 to Rs. 50,000 each. They are under the consideration of Government.

### Items

40. Report, page 8, paragraph 1(liv) and page 32, paragraph 2(ii)—

Item 'paragraph 47' of the Report on the Accounts of 1961-62 (based on paragraph 72 of the Audit Report, 1963)—

Desirability that in connection with the grants given in excess to the municipalities the next year's subvention should be reduced by the amount of excess of previous year/years and a report should be placed before the next Committee.

### Action taken

#### LOCAL SELF-GOVERNMENT DEPARTMENT

As regards the superseded municipalities concerned, the District Officers have been requested to adjust the amounts of excess drawal of Government grants.

Regarding the other municipalities the District Officers concerned have been requested to opine how the excess drawal of Government subventions should be adjusted and whether any deduction should now be made from the grant payable by Government to them.

Items	Action taken
41. Report, page 8, paragraph 1(iv) and page 28, paragraph 2(xvii)—	Report will be submitted by the Sub-Committee direct.
Item 'paragraph 48' of the Report on the Accounts of 1961-62 (based on paragraphs 74-75 of the Audit Report, 1963)—	
Desirability that the urgent enquiry and detailed investigation in respect of the increasing number of outstanding audit objections and inspection reports should be taken up by the Sub-Committee set up for the purpose and the report of the Sub-Committee should be submitted to the next Committee.	

**(b) Statement of action taken on the Committee's Report on the Audit Report, 1964 (i.e., Accounts of 1962-63)**

Items	Action taken
	<b>Agriculture and Community Development (Community Development) Department</b>
42. Report, page 9, paragraph 2 and page 22, paragraph 2(vii)—	
Item 'paragraph 9(b)(4)' of the Audit Report 1964—	
Desirability that steps should be taken to realise due and overdue loans of the Agriculture and Community Development Department and the position should be reported to the next Committee.	The progress in the collection of loans through the block agency is very poor as they cannot attend to this work properly due to their pre-occupation with other pressing duties. To obviate this difficulty the question of transferring the responsibility of collection to the agency of the Board of Revenue has already been taken up.
	<b>Agriculture and Community Development (Agriculture) Department</b>
43. Report, page 9, paragraph 3 and page 22, paragraph 2(ix)—	
Item 'paragraph 28' of the Audit Report, 1964—	
Desirability that adequate steps should be taken for realisation of the dues in connection with the re-excavation of derelict irrigation tanks.	Collectors of the Tank Improvement Districts have been requested to take effective steps for realisation of the outstanding dues. In fact, the annual rate of realisation of Tank Improvement dues during 1965-66 could be increased to Rs. 8.08 lakhs in spite of adverse condition, i.e., drought, prevailing in some parts of the State during that year.
	<b>Agriculture and Community Development (Agriculture) Department</b>
44. Report, page 9, paragraph 4 and page 22, paragraph 2(x)—	
Item 'paragraph 52(a)' of the Audit Report, 1964—	
Desirability that in future no scheme should be implemented without the advice of the authority competent to accord sanction on technical points.	Noted for future guidance.
	<b>Agriculture and Community Development (Community Development) Department</b>
45. Report, page 9, paragraph 5 and page 23, paragraph 2(xii)—	
Item 'paragraph 65(b) of the Audit Report, 1964—	
Desirability that immediate steps should be taken for realisation of all outstanding rents of Government buildings in different townships and National Extension Service Blocks.	The outstanding rent could not be realised so long owing to non-finalisation of standard rent. Standard rent has since been fixed by Government and the local officers have also been instructed to arrange recovery of the arrear rent. The latest position is being ascertained from local officers.

## Items

## Action taken

**Animal Husbandry and Veterinary Services Department**

46. Report, page 9, paragraph 6 and page 54, paragraph 2(i)—

Item 'paragraph 29' of the Audit Report, 1964—

Desirability that the current accounts of the Greater Calcutta Milk Supply Scheme should be maintained according to the pro forma and that with regard to the outstanding accounts steps should be taken to finalise the matter by June 1967 in consultation with the Accountant-General and a report should be submitted to the next Committee.

In order that the current accounts of the Greater Calcutta Milk Supply Scheme can be maintained according to the pro forma, it was necessary to create certain categories of staff in the Directorate of Dairy Development, West Bengal, Finance Department's concurrence in the matter has been received recently and sanction to the creation of the staff has already been accorded.

It would now be possible to maintain the current accounts of the Greater Calcutta Milk Supply Scheme according to the prescribed pro forma.

So far as the preparation of arrear pro forma accounts relating to the Greater Calcutta Milk Supply Scheme is concerned, it may be stated that the Secretary, Animal Husbandry and Veterinary Services Department, discussed the matter in the meeting of the Public Accounts Committee held on the 30th May, 1967. The Secretary, West Bengal Legislative Assembly Secretariat, has since been informed that the pro forma accounts are expected to be completed by the middle of February, 1968.

47. Report, page 9, paragraph 8 and page 40, paragraph 2(xxiv)—

Item 'paragraphs 9(b) and 72' of the Audit Report, 1964—

Desirability that the State Government should examine the provisions of Act 54 of 1948 and if there were any lacuna at all as explained by the Department regarding payment of Capital loaned by the Government of India they should be approached to amend the Electricity (Supply) Act, 1948, and that the rate of interest in respect of loans advanced to the West Bengal State Electricity Board after 1960-61 should be settled without any further delay.

**Commerce and Industries (Power) Department**

There was no provision for payment of loan advanced to the West Bengal State Electricity Board by the State Government in the Act 54 of 1948. Recently a provision has been made in the said Act by amending section 67 whereby the Board will have to create a fund called "Development Fund" and the Board is now required to repay the loan amount out of the said fund. The rate of interest in respect of loans advanced to the West Bengal State Electricity Board after 1960-61 is nearing finalisation.

48. Report, page 9, paragraph 9 and page 40, paragraph 2(xxix)—

Item 'paragraph 78' of the Audit Report 1964—

Desirability that a report on the results of working of the internal cell of the West Bengal State Electricity Board, formed to look into the cases of under-assessment and non-assessment should be furnished to the next Committee.

**Commerce and Industries (Power) Department**

The Internal Audit Cell was reconstituted with effect from August 1966. The full complement of staff sanctioned for this Cell could not be provided owing to the fact it has not been possible for the Board to form panels for recruitment/promotion to the posts of Sr. Accts. Clerks, Asstt. Accts. & Accts. for various reasons.

The sanctioned strength of the Internal Audit Cell and the existing strength are shown below:

Category of posts.	S. S.	Number of post filled up.	Number of posts vacant.
A.O. .. ..	1	1	0
Acctt. .. ..	4	1	3
Asstt. Acctt. .. ..	6	4	2
Sr. A. C. .. ..	9	..	9
A. C. .. ..	6	5	1

**Action taken**

With this depleted strength it has not been possible to take up the internal audit of revenue on a large scale. This Cell has completed the audit of bulk consumers of Howrah Division and Industrial Consumers of Dasnagar E/S, Santragachi E/S and Makhla E/S and the preliminary report prepared in this connection is under the examination of the Divisional Authorities concerned.

The Internal Audit Cell has since taken up the Audit of Barrackpur Division. It is expected that with the filling up of the vacancies in the Internal Audit Cell it will be possible to take up scrutiny of the assessment of revenue on a regular programme basis in the near future.

**Commerce and Industries (Power) Department**

The prosecution has since started.

49. Report, page 9, paragraph 10 and page 40, paragraph 2(xxx)—

Item 'paragraph 79' of the Audit Report, 1964—

Desirability that a report of the present position of the case regarding misappropriation of money of the West Bengal State Electricity Board from Midnapore Treasury which was subjudice should be submitted to the next Committee.

50. Report, page 10, paragraph 12 and page 43, paragraph 2(xxi)—

Item 'paragraph 32(i)' of the Audit Report, 1964—

Desirability that a fuller report should be submitted to the next Committee as to why an avoidable interest charge of Rs. 7,000 had to be paid to the Government of India for obtaining a loan towards implementing a scheme 'Establishment of Central shot blasting and electroplating and store enamelling station for rendering service to small scale cycle parts manufacturers at Belghoria' which could not be implemented and that the following points should also be furnished to the next Committee: (a) the rate at which the land compensation was paid at rates prevalent in 1957 or in 1960; (b) when the compensation was actually paid; and (c) when the land was acquired.

51. Report, page 10, paragraph 13 and page 43, paragraph 2(xxiii)—

Item 'paragraph 84 and Appendix VIII(a), Serial No. 10' of the Audit Report, 1964—

Desirability that the progress in respect of the preparation of arrear pro forma accounts of Sales Emporia should be reported to the next Committee.

52. Report, page 10, paragraph 14(a) and page 43, paragraph 2(xxiv)—

Item 'paragraph 84 and Appendix VIII(a), Serial No. 11' of the Audit Report, 1964—

Desirability that a report in respect of the preparation of pro forma accounts of Silk Reelers Co-operative Organisation should be submitted to the next Committee.

**Cottage and Small Scale Industries Department**

The Special Land Acquisition Collector has been requested to give the particulars. The same when received will be placed before the Committee.

**Cottage and Small Scale Industries Department**

The Sales Emporia were reorganised in the year 1963-64. Pro forma accounts from the date of reorganisation are under preparation. It will not be possible to prepare the pro forma accounts of the Sales Emporia from the inception up to the date of reorganisation. Preparation of pro forma accounts for this period may, therefore, be exempted.

**Cottage and Small Scale Industries Department**

Finance Department have been moved for agreeing to this Department's proposal to conduct a Special Audit with the help of a suitable officer of the Accountant-General, West Bengal.

## Items

## Action taken

53. Report, page 10, paragraph 14(b) and page 43 paragraph 2(xxv)—

Item 'paragraph 84 and Appendix VIII(a), Serial No. 2' of the Audit Report, 1964—

Desirability that a report of submission of pro forma accounts of Central Engineering Organisation, Dasnagar, should be submitted to the next Committee.

54. Report, page 10, paragraph 15 and page 43, paragraph 2(xxix)—

Item 'paragraph 90(b)(i),' of the Audit Report 1964—

Desirability that in connection with the non-submission of detailed contingent bills for Rs. 23,538 in support of the abstract contingent bills drawn between March 1956 and December 1957 to the audit, the officer drawing the bills should be called upon to ascertain the actual position and an investigation should be undertaken and a report thereof should be submitted to the next Committee.

## Cottage and Small-scale Industries Department

Pro forma accounts from 1960-61 up to 1963-64 have been sent to the Accountant-General, West Bengal under this Department letter No. 7470-Cot, dated 12th August 1966, and No. 9802-Cot, dated 18th November 1966, Pro forma accounts for the later years are under preparation.

## Cottage and Small Scale Industries Department

As desired by the Public Accounts Committee, Shri A. Mitra was requested to assist in tracing out the missing documents but his reply under Memo. No. Admn.24/67, dated 6th May, 1967 (copy given in the Annexure below) shows that the bills were drawn long before he joined the Directorate of Industries and that the whereabouts of the relevant records are not known to him. Additional Director of Industries has been asked to trace out the relevant records and to find out the name/names of the officers(s) who drew and disbursed the money during the relevant period. The result is being awaited.

## ANNEXURE

## GOVERNMENT OF WEST BENGAL

## Directorate of Industries

New Secretariat Buildings (9th floor),

Calcutta-1.

No. Admn-24/67.

To Shri A. CHOUDHURY, I.A.S., Additional Director of Industries (Cottage), West Bengal.

Calcutta, the 6th May, 1967.

SUBJECT: *Non-submission of detailed contingent bills for Rs. 23,538 (Rupees twenty-three thousand five hundred and thirty-eight only) drawn between March, 1956 and December, 1957 as included in the paragraph 90(b) of the Audit Report, 1964.*

SIR,

I am to state that the bills were drawn long before I joined this Directorate and as such I have got no knowledge about this.

After I joined this Directorate I took further actions in the matter and entered into correspondence with Accountant-General on the basis of papers placed before me by Accounts Officer, Shri K. Dey. I do not know whereabouts of the records.

Yours faithfully,

A. MITRA,

Dy. Director of Industries (Admn.).

## Items

## Action taken

55. Report, page 10, paragraph 16 and page 35, paragraph 2(iii)—

Item 'paragraphs 9(b) and 72(4)' of the Audit Report, 1964—

Desirability that in connection with the loans to West Bengal Development Corporation the following particulars should be furnished to the next Committee:

- (a) whether Budgets of different years were placed before the Legislature,
- (b) whether Annual Reports were laid before the Legislature,
- (c) the details of loans and advances made to the Development Corporations with dates and objects,
- (d) under what circumstances loans and advances were made without settling the terms and conditions,
- (e) why no capital was raised by the Corporation,
- (f) when was the auditor appointed (the Auditor's reports should also be presented),
- (g) full report on the assets taken over on liquidation; basis of assessment of value and by whom made?

## Development and Planning Department

(a) The budgets of the different years of the West Bengal Development Corporation could not be placed before the Legislature for reasons explained below:

The West Bengal Development Corporation (since liquidated) used to submit their annual budgets to the State Government. Such budget estimates represented their demands for execution of development schemes entrusted to them, which were unrealistic and were not in conformity with the availability of funds from the State fund allocable for developmental works. Moreover due to the uncertainty about availability of funds for the different schemes it was not also possible for the State Government to make any commitment of funds to the West Bengal Development Corporation even at the end of the financial year.

(b) No annual report could be laid before the Legislature for the reasons indicated below:

The West Bengal Development Corporation furnished a copy of the Annual Report for the period from 11th August 1956 to 31st March 1962 in February, 1963. The said Corporation was requested in March, 1963 to furnish 400 copies of the Report for distribution amongst the members of the Legislature. 400 copies of the said Report were received by Government only in September, 1965. As the Assembly was not in session at that time the placing of the Report before the Legislature had to be kept pending. Thereafter the West Bengal Development Corporation had been put into liquidation and it was not, therefore, considered necessary to place the Report before the Legislature. Again, a copy of the Annual Reports for 1962-63 and 1963-64 were received in October, 1965 and those for 1964-65 and 1965-66 in July, 1966. But 400 printed copies of the reports have not yet been received by Government.

(c) A Statement is given in Annexure below.

(d) The loans given to the West Bengal Development Corporation were treated as advances towards the capital to be subscribed by the State Government according to sections 19(1) and 19(3) of the West Bengal Development Corporation Act, 1954. Instead of, however, treating the advances as interest free the collection of interest at usual rate were deferred till the advances were converted into capital.

(e) Under section 19(1) of the West Bengal Development Corporation Act, 1954, the State Government may provide to the Corporation any capital that may be required by it for the purpose of carrying on its undertakings or for purposes connected therewith on such terms and conditions not inconsistent with the provisions of this Act as the State Government may determine. Section 19(2) of the said Act, provides that the Corporation may supplement its capital by the issue of shares when so authorised by the State Government. The Corporation's attempts to raise funds were not successful in as much as the terms the market offered were not suitable.

(f) The Auditor was appointed on 11th February 1965.

## Items

## Action taken

The audited accounts of the said Corporation for the years 1956-57 to 1959-60 were received by the State Government in the Development and Planning Department on 24th May 1966. The accounts for the years 1960-61, 1961-62 and 1962-63 of the said Corporation have been audited by Messrs. G. Basu & Co. but no reports in this respect has yet been received. The accounts for the years 1963-64 to 1965-66 are being audited.

(g) The full report on the assets will be prepared by the Auditor on completion of the audit of the accounts for the year 1965-66.

## ANNEXURE

## Statement showing yearwise allotment of fund to the West Bengal Development Corporation (now in liquidation)

Financial year.	Date.	Amount.	Object for which sanctioned.	
		Rs.		
1956-57	28-1-57	....	Rs. 20,000.00 (Ad hoc Loan).	
1957-58	28-11-57	10,000.00		
	28-3-58	17,000.00	Rs. 27,000.00 (Ad hoc Loan).	
1958-59	6-12-58	30,000.00		
	26-3-59	12,000.00	Rs. 42,000.00 (Ad hoc Loan).	
1959-60	26-6-59	20,000.00		
	8-1-60	18,000.00		
	25-3-60	1,00,000.00	Rs. 1,38,000.00 (Ad hoc Loan).	
1960-61	24-6-60	2,00,000.00		
	13-10-60	48,00,000.00	Rs. 50,00,000.00 (Ad hoc Loan).	
1961-62	8-11-61	....	Rs. 50,00,000.00 (Ad hoc Loan).	
1962-63	30-5-62	30,00,000.00		
	20-3-63	20,00,000.00	Rs. 50,00,000.00 (Ad hoc Loan).	
1963-64	28-8-63	20,00,000.00		
	24-2-64	25,00,000.00		
	21-3-64	7,00,000.00		
	25-3-64	9,00,000.00	Rs. 61,00,000.00 (Ad hoc Loan).	
1964-65	21-4-64	14,81,000.00	Municipality W. S. Schemes.	
	16-6-64	30,00,000.00	Dum Dum Superhighway.	
	3-9-64	10,00,000.00	Dum Dum Superhighway.	
	3-10-64	30,00,000.00	Calcutta Durgapur Expressway.	
	23-3-65	3,47,000.00	Municipal W. S. Schemes.	
	29-3-65	10,00,000.00	Calcutta Durgapur Expressway.	
			Rs. 98,28,000.00.	
	1965-66	17-5-65	25,00,000.00	Calcutta Dum Dum Superhighway.
		4-8-65	30,00,000.00	Calcutta Durgapur Expressway.
		9-9-65	15,00,000.00	Calcutta Dum Dum Superhighway.
9-9-65		8,63,000.00	} Calcutta Durgapur Expressway.	
8-11-65		10,00,000.00		
15-11-65		9,00,000.00	Kona Township.	
21-2-66		1,00,000.00	} Calcutta Dum Dum Superhighway.	
15-3-66	1,00,000.00			
20-3-66	7,66,000.00			
			Rs. 1,07,29,000.00	
<b>Grand Total</b>			Rs. 4,18,84,000.00	



**Items**

56. Report, page 10, paragraph 17 and page 36, paragraph 2(v)—

Item 'paragraph 66' of the Audit Report, 1964—  
Desirability that steps should be taken to prevent fresh accumulation of arrears in the recovery of rent and other charges.

57. Report, page 10, paragraph 18 and page 55, paragraph 2(ix)—

Item 'paragraph 72(4)' of the Audit Report, 1964—

Desirability that there should not be any recurrence of lapse in future in non-submission before the Legislature of Annual Budget and Annual Report of any Undertaking or Corporation where placing of these documents is a statutory obligation.

58. Report, page 10, paragraph 19 and page 59, paragraph 2(ii)—

Item 'paragraph 87' of the Audit Report, 1964—

Desirability that bricks manufactured by the Brick and Tile Board should be sold primarily to Government and Local Bodies. Public Institutions like schools, colleges, hospitals, etc., but if these have to be sold to private parties in absence of demands from the above parties and/or for other compelling reasons the sale price should not be less than the prevailing market rates and that the cost analysis should be made according to commercial standard and reported to the next Committee.

59. Report, page 11, paragraph 20 and page 27, paragraph 2(vii)—

Item 'paragraph 82(i)' of the Audit Report, 1964—

Desirability that an explanation on the loss shown in the Accounts of the Durgapur Project Ltd. for the year 1962-63 should be reported to the next Committee showing inter alia the establishment cost, overhead charges and depreciation and that the relation with other Departments/Organisations and the difficulties faced by the Company should also be reported to the next Committee.

**Action taken****Development and Planning Department**

The directions of the P. A. Committee have been noted for compliance.

**Development and Planning Department**

The directions of the P. A. Committee have been noted for strict compliance in future.

**Development and Planning Department**

The directives of the Committee have been noted in the Department for compliance and also brought to the notice of the Secretary and the Superintending Engineer, Brick and Tile Board.

**Commerce and Industries (Durgapur Industries) Department**

Rupees in lakhs.

Loss as per printed accounts	..	..	36.72
(a) Less credit for depreciation as per Electricity Act vis-a-vis Indian Companies Act.			- 7.48
(b) Add debit for additional depreciation on account of Water Works.			+ 1.58
(c) Less for interest on unsecured loan originally charged out to revenue but capitalised and added to capital work in progress latter.			- 39.45
(d) Add for 'Other Expenses' charged through the prior period adjustment account in later years.			+ 13.00
			6.37
		Net loss	.. 6.37

The total loss of Rs. 6.37 lakhs was arrived at after adjusting a profit of Rs. 10.64 lakhs for Power Plant against a loss of Rs. 17.01 lakhs in the Coke Oven Plant. The profit of Power Plant would have been Rs. 21.48 lakhs if energy was not sold to Messrs. Aluminium Corporation and West Bengal State Electricity Board at concessional rates below the cost of generation. The total amount of concession on account of Aluminium Corporation and West Bengal

**Items****Action taken**

Electricity Board was approximately Rs. 9.64 lakhs and Rs. 1.20 lakhs respectively for the year 1962-63. Thus it will be found that after adding back the concession amount of Rs. 10.84 lakhs the total loss of Rs. 6.37 lakhs would have been converted into a profit of Rs. 4.47 lakhs.

As mentioned earlier, the loss of Rs. 17.01 lakhs for Coke Oven Plant was mainly due to under recovery of the total cost of production of Coke through the selling price. The controlled price of Coke varied from Rs. 46.60/MT against the cost of production amounting to approximately Rs. 70/MT.

The establishment cost, overhead charges and depreciation for the Coke Oven Plant were Rs. 25.67 lakhs, Rs. 56.96 lakhs and Rs. 38.24 lakhs respectively and those for the Power Plant were Rs. 18.56 lakhs, Rs. 39.56 lakhs and Rs. 20.10 lakhs respectively.

**Commerce and Industries (Durgapur Industries)  
Department**

60. Report, page 11, paragraph 21(a) and page 27, paragraph 2(viii)—

Item 'paragraph 83' of the Audit Report, 1964—

Desirability that a fuller report as to whether the plant costing about Rs. 10 lakhs could so far be commissioned should be presented before the next Committee.

It was explained in this Department's Memo. No. 2441/1A-15/64, dated 24th August 1965 that the Decarbonisation and the Sulphuric Acid Plant could not be put into commission as the required quantity of sulphur was not available from the quantity of gas generated by the 1st and 2nd batteries of the Coke Ovens. The rated capacity of the Sulphuric Acid Plant is nearly 10 tonnes per day, as against which, not more than 2.5 to 3 tonnes per day can be manufactured, on account of low sulphur content in the gas (sulphur content in coking coal being low) and the Plant cannot be operated on this load, which is less than 30 per cent. of the rated capacity. The position has since remained the same. The 3rd Unit of the Coke Oven battery has only been put into commission on the 18th April 1967 and the date of commissioning of the 4th battery of the Coke Ovens is not yet known. The question of putting into commission the Sulphuric Acid Plant will be taken up only after the 4th Unit of the Coke Oven Battery is put into commission, and the required quantity of sulphur is made available to us, for operating to its rated capacity of 10 tonnes per day.

**Commerce and Industries (Durgapur Industries)  
Department**

61. Report, page 11, paragraph 21(b), and page 27, paragraph 2(ix)—

Item 'paragraph 83' of the Audit Report, 1964—

Desirability that steps should be taken to expedite the recovery of dues on account of coke and that an early agreement should be made with the customers and that a list of private distributors in 1962-63 who defaulted in making payments should be submitted to the next Committee.

A list of private distributors in 1962-63 who defaulted in making payments is given in Annexure below. Agreement with the customers has been formulated and a copy of the same is given in Annexure below:

## ANNEXURE

**The Outstandings against individual parties for sale of Coke as on 31st March 1963.**

Sl. No.	Name of the Party.	Rupees in lakhs.
1.	Tata Iron Steel Co. Ltd. .. ..	8 27
2.	Tata Chemicals (A/c TISCO LTD.) ..	1.98
3.	S. D. Sethia & Co. Ttd. .. ..	4.40
4.	Nourt (India) Co. (P) Ltd. .. ..	52
5.	Khaakenda Colliery (P) Ltd. .. ..	2.08
6.	Chatterjee Brothers .. ..	9
7.	Joshi & Company .. ..	64
8.	T. M. Shah .. ..	53
9.	Andrew Yule & Co. Ltd. .. ..	10
10.	ISIS Coal Co. .. ..	1.93
11.	Gautam & Co. .. ..	44
12.	Agency & Supply Syndicate .. ..	21
13.	K. C. Thapar & Bros. (CS) (P) Ltd. ..	1.47
14.	Sahu Chemicals .. ..	1.43
15.	Indian Railways .. ..	7.41
16.	Post & Telegraph Workshop, Alipore ..	13
17.	National Metallurgical Laboratory ..	52
18.	National Coal Development Corporation ..	8
19.	Hindusthan Steel Ltd. .. ..	12
20.	The Controller of Defence Service, Calcutta ..	10.05
21.	Miscellaneous Parties .. ..	34
	<b>Total .. ..</b>	<b>42.74</b>

**General Conditions of Contract of the Durgapur Projects Limited**

The following terms and conditions of sale will apply to all sales made by the Company except in so far as they are inconsistent with any statutory control, restrictions, regulations, etc., imposed by Government on the production, distribution and/or movement of products manufactured by the Company:

**Interpretation—**

(i) The "Company" means The Durgapur Projects Limited.

(ii) The "Works" means the Durgapur Coke Oven Plant at Durgapur.

2. The sale order issued by the Company shall be the basis of the contract between the Company and the customer, subject to the subsequent clauses on prices, taxes, duties, etc.

3. All prices are subject to change without notice.

4. (i) A price quoted by the Company with reference to a definite tonnage will not hold good where an order is placed for less than the tonnage originally enquired for.

(ii) \*\*Special quotations, unless expressly or otherwise stated, will hold good for ten days.

5. All prices are exclusive of Sales taxes and other taxes or duties, local or State or Central, which may be payable upon the goods under the contract, and the customer shall, in addition to the price quoted, pay any such taxes to the Company, as may be levied upon the goods forming the subject of the contract, whether or not such sales tax or other taxes or duties, local or State or Central shall be levied before or after the despatch of the sale order by the Company and before actual delivery to the customer.

6. Where goods are sold F.O.R. Works siding or F.O.R. destination station all responsibility of the Company shall cease after the goods are delivered in wagons at the work siding to the Railway authorities, and any shortage, damage or loss, whether total or partial during transit shall be borne by the Customer.

The Company loads as near as possible to the carrying capacity of the wagons, as specified by the Railways, and the buyer shall be responsible for payment of the minimum chargeable weight, irrespective of the weight of coke, being less than the minimum chargeable weight.

\*\* This will apply to the sales of the by-products.

7. Prices quoted 'F.O.R. Works siding' or 'F.O.R. destination' station are in all cases for full wagonloads. If, after despatch of a large part of an order, the portion of the same remaining undespached does not amount to a full wagonload such portion will be despatched and the customer will be charged for the difference in freight between a full wagonload and less than a wagonload or alternatively the Company shall be at liberty to cancel the contract so far as it relates to such undespached portion.

8. The Company cannot undertake to despatch materials, except in full wagonloads, unless definitely specified in the customer's order, and confirmed by the Company in the sale order.

9. The Company may, unless otherwise agreed to in writing, despatch materials against a sale order, either in parts or in full at a time, according to the Company's convenience and customers should, therefore, make necessary financial and other arrangements for the prompt clearance of the consignments. If the customer does not clear the documents of any consignment, the Company may divert the materials to other customers or dispose them of in any manner considered suitable by the Company and all extra expenditure incurred by the Company thereby in the shape of freight, demurrage, handling and any other charges or loss, if any, which the Company may incur would be debited to the Customer's account.

10. Claims for shortages should be made against the Railway and the Company will not in any way be responsible or liable for such claims.

In respect of covered wagons, if seals appear to have been tampered with, open delivery should be insisted upon the Railways and the claims filed with the Railway authority for shortages, if any, immediately and within the time limit prescribed by the Railway authorities but in any event the Company shall have no liability in respect of any such shortage.

11. The date of delivery as stated in all orders or contracts shall not be the essence of the contract, but shall be approximate only, and the Company shall be under no liability to a customer for damages or penalty for earlier delivery or late delivery or failure to deliver.

12. Offers by letter or otherwise from ready stock with the Company are subject to acceptance within seven days from the date of offer.

13. All demurrage or other charges incurred by reason of non-clearance of materials in time after the arrival of the same at destination or for any other reason shall be borne by the customer.

14. No claim whatsoever will be considered until the invoices have been accepted and paid in full.

No complaints of any sort will be entertained unless it is forwarded to the sales office immediately after the arrival of the goods at destination and the Company has a reasonable opportunity for investigation by the Company's own representatives.

15. The prices charged to the customers shall be the prices ruling on the date of the despatch of the goods, and not those ruling on the date of booking of the order. All objections as to price must be made within ten days of the receipt of the invoice.

To avoid any disputes the customers should specify the price as they understand it on every order, whether or not against contracts but no such specification shall affect the liability for payment of the correct price in accordance with the Company's general conditions of sale or the contract therefor.

Customers shall not except the consent of the Company be entitled to change or modify any specification, detail or despatching instructions comprised in the order itself.

16. Any special condition (in writing) with regard to a particular order shall prevail over the provisions of these general conditions of contract except those on clause 17 (the *force majeure* clause).

17. The Company will not be liable for non-performance of any contract, either wholly or in part or for any delay in performance resulting from or due to any cause beyond the Company's control including fires, strikes, pestilence, dispute with workmen, war, riots, civil commotion, epidemics, floods, accidents, damages, or accidents to machinery, shortage of wagons, shortage of fuel or other materials, shortage of labour, acts, demands, or requirements of Government, *force majeure* or any other circumstances beyond the control of the Company whether directly due to or in consequence of the aforesaid causes or not and the existence of such cause or consequence shall operate to extend the time of performance on the part of the Company of the terms of the contract for such period as may be necessary to enable the Company to effect performance after the cause of delay shall have ceased to exist. Should the Company so determine it shall be entitled at any time on notice to the Customer to cancel any contract the performance of which is likely to be delayed by any of the causes aforesaid and in such case the customers shall have no claim upon the Company of any kind.

The provisions of this paragraph shall not be limited or abrogated by any of the other terms of the contract whether printed or written.

18. The general conditions of the Company for the time being in force and the customer shall be deemed to have full knowledge of them which shall form part of the contract unless any such condition shall be expressly omitted or waived by mutual consent.

19. All quotations and tenders, offers and acceptances by the Company must be deemed to include and be subject to the Company's general conditions of contract and general provisions in force at the time of the conclusion of the contract which shall be deemed to form part of the contract except in so far as the same may expressly be varied. A copy of such general condition of contract and special provisions will be furnished on request but the failure to furnish same shall not prejudice or affect the terms and conditions.

20. All contracts without any exceptions shall, unless special terms and conditions are agreed to between the Company and the customer, be subject to the above terms and conditions.

21. If any time, any question, dispute or difference whatsoever shall arise between the Company and the customer upon or in relation to or in connection with the contract, either party may forthwith give to the other notice in writing of the existence of such question, dispute or difference and the same shall be referred to an arbitrator, if the Company and customer agree upon one, or otherwise to two arbitrators, one to be nominated by the Company and the other to be nominated by the customer, with an Umpire in accordance with the provisions of the Arbitration Act, 1940, or any statutory modifications thereof for the time being in force and the award of the arbitrator or arbitrators or the umpire as the case may be shall be final and bindings:

Provided however that the supply under the contract shall be continued by the Company during the

arbitration proceedings unless the matter is such that the supply cannot possibly be continued until the decision in such arbitration proceedings is finally awarded. Save as otherwise expressly provided in the contract, the customer shall not be entitled to withhold any payment due or payable by the customer on account of such arbitration proceeding unless it is the subject-matter or one of the subject-matters thereof.

**Special provisions forming part of the general conditions so far as may be applicable**

#### 1. Sale Order

Customers should carefully check the Sale Orders issued by the Company and advise promptly if any discrepancies are found. The Customer shall not be entitled to change or modify any specification, details or instructions contained in the Sale Order except with the consent of the Company.

#### 2. Delivery

The date of delivery is not the essence of the contract. The delivery indicated in the Sale Order is without guarantee unless otherwise agreed to in writing. Every endeavour will, however, be made to effect despatches as early as circumstances permit. When delivery is specified in parts, the general conditions of sales shall apply to each part. Handling the goods over to the carrier constitutes due fulfilment of the contract by the Company so far as

#### 3. Claims and Complaints

In the event of any claim arising for shortage and defective supply within the scope of the general conditions of contract full details, as given below are to be furnished to the Company at the time of making such claims:—

1. Wagon number.
2. Date and time of arrival of wagon, completion of unloading and discovery of discrepancies or defect.
3. Whether the seals of the closed railway wagons were intact.
4. Whether the wagon was reweighed by the railway authorities at customers' request and claim lodged with the railways.
5. Quantity received short.
6. Shortage Certificate from the railway authorities.
7. Railway Receipt number.
8. Invoice number under which the materials were despatched.

Payments, whether in part or in full, should not be withheld in adjustment of claims. The required adjustment will be made on the consideration and admission of the claim by the Company. The goods in the original state returned and accepted as not up to the standard will be replaced free of charge, or suitable compensation allowed in cash, but no claim shall be entertained for labour or any direct

or indirect charges other than the price of substandard goods.

No adjustment is to be made from the bills of the Company of any amount that may be due to the customer relating to consignment under a different bill, for which credit notes are to be issued by the Company.

#### 4. Claims against Railways

Under no circumstances, the Company is to be made one of the co-defendants in any law suit which a customer may file against the Railway administration. The Company shall as per as it lies in its power assist by making available the relevant records that the court may require to prove that the wagons were correctly loaded from the works of the Company. The Company may also arrange for the examination of witnesses to prove the correctness of such portions of documents as the Court may require. These witnesses may be examined on commission at customer's expense for which the necessary steps are to be taken by customer.

#### 5. Insurance

If desired the consignments may be insured by the customer against loss in transit, theft, pilferage and non-delivery risks, and reasonable data required in this connection will be supplied by the Company. The Company will not normally insure any consignments.

#### 6. Aids to quick and prompt business

1. The customer shall furnish the Company with sales tax declaration in compliance with the provisions of the Act in force in the State where delivery is to be made.
2. The customer shall make necessary financial arrangement as soon as called upon.
3. The customer shall clearly state the correct railhead destination.
4. The customer shall state the name of the party to whom bills are to be forwarded for payment.
5. The customer shall clearly inform the Company if insurance of the goods at the time of despatch is desired. If insurance is required, the customer must confirm that all insurance arrangements will be effected by the customer and all charges will be borne by the customer.
6. Once the order is booked, i.e., the Sale Order is issued, no amendments will be permissible.
7. The customer should avoid suspension unless absolutely necessary. Imposition of suspensions will retard the date of delivery.
8. Letters of credit and Bank guarantee should be in the form approved by the Company and the same are to be renewed where necessary in proper time. Non-renewal will entail suspension of the order concern.
9. In case of an order which falls short of a wagon-load, the customer should stipulate that underload charges will be paid by the customer.

## Items

## Action taken

Commerce and Industries (Durgapur Industries)  
Department

62. Report, page 11, paragraph 21(c) and page 27, paragraph 2(x)—

Item "paragraph 83(c)" of the Audit Report, 1964—

Desirability that a full report of investigation in the irregularities pointed out by the Company Auditors together with the report of responsibility of the Officers of the Company in this matter should be submitted to the next Committee.

Reply to paragraph 83(C)—

(i) There was no scientific system of procurement and inventory control in respect both operation and construction stores, minimum and maximum stock limits were not determined.

(ii) The Asset Registers being incomplete, asset inventories were not prepared nor reconciled with the balances under each head of fixed assets as disclosed in the accounts.

(iii) Operation stores and raw materials aggregating to Rs. 6.69 lakhs were charged to consumption without issue vouchers.

(iv) The detailed inventories of small tools amounting to Rs. 3.22 lakhs were not periodically reconciled with the subsidiary records.

It is not understood how the minimum and maximum stock levels could be fixed up for construction stores. For the operation stores however, the minimum-maximum method for the procurement is partially followed in Power Plant. The minimum-maximum and re-order levels as well as economic order quantity for individual stores item will be fixed up with the mechanisation of the stores routing during weekly stock status summary.

In the Financial Note attached to and forming part of the Accounts for 1962-63 it was mentioned that the Asset Registers were under compilation on completion of which detailed inventories would be prepared and reconciled with the balances appearing in the 6th Schedule annexed to the Accounts. It may be mentioned that the detailed inventories of the various assets taken over by Durgapur Projects Limited from the Government of West Bengal are still under the audit of Accountant-General, West Bengal. The inventories of the various assets as on 14th September 1961 have still not been finalised. Asset Registers under the most scientific Loose Leaf Kalamazoo system have since been completed to the satisfaction of the Auditors amounting to Rs. 3,002.17 lakhs.

The variations aggregating to Rs. 6.69 lakhs were mainly due to difference between the actual and pre-determined rates for customs duty material handling and other incidental charges which are normally charged out to consumption during the closing of the accounts. It may be mentioned that at the time of issuance all these incidental costs on raw materials and stores are not available. The entire consumption during the year was made against duly authorised issue vouchers which were priced out at weighted average price taking into account provisional expenditure for the incidental expenses. The variations worked out to approximately 3.3 per cent. of the total consumption amounting to Rs. 201.67 lakhs. It may be pointed out that whatever method of pricing stores is adopted, i.e., FIFO, LIFO, weighted average, simple average, etc., such variation would always occur. It will be revealed from the reports of subsequent years that this variation has been progressively controlled.

Out of the total inventory of Rs. 3.22 lakhs for small tools, Rs. 2.48 lakhs represent carry-over from the pre-incorporation period. The details of Rs. 2.48 lakhs are still not available which was included in the provisional purchases consideration. The details should have been available with Accountant-General, West Bengal. The details of the balance Rs. 0.74 lakhs incurred during the company period are available.

**Items**

(v) Various control accounts appearing in the General Ledger were not periodically reconciled with the subsidiary records.

(vi) The accounting control over construction stores was practically non-existent as most of the stores were not subjected to physical verification, materials lying at site as on the 31st March 1963 were not fully incorporated, nor the materials issued to contractors on loan had been accounted for.

**Action taken**

Due to the formation of the Company, the existing accounts section under the Government department was not enable of producing the accounts of the company as required under the Indian Companies Act and as such Messrs. H. Majumdar & Co., a firm of Chartered Accountants, was appointed on contract basis for closing of accounts for 1962-63. There was no scope for periodical reconciliation with the subsidiary records.

The physical verification of the various construction stores was made during the year departmentally as per P.W.D. syetem. As suggested by the Auditors, physical verification of all the construction stores have been brought under a "Continuous-stock-taking" system rotating all the year round. The team of stock verifiers working for this under the Internal Audit Department is independent of the General Accounts Department. As mentioned earlier, the quantum of verification made in 1965-66 in various divisions was satisfactory, as given below:—

Divisions.	(Rupees in lakhs.)	Per- cent- age
1. Electric Dvn. .. ..	10.67	85
2. Division I .. ..	20.71	58
3. Division II .. ..	10.91	53
4. Division III .. ..	8.07	86
5. Division (Mech.) .. ..	14.68	80
6. Trans. & Distb. Dvn. .. ..	5.09	33

Construction materials are being issued from stores direct to the work as per actual requirement against individual requisitions. Site Accounts are not maintained, as issuance of bulk construction materials to site has been discontinued.

**Commerce and Industries (Durgapur Industries)  
Department**

63. Report, page 11, paragraph 22 and page 27, paragraph 2(xi)—

Item "paragraph 84" of the Audit Report, 1964—

Desirability that the matter of certification of pre-Company period of accounts of the Durgapur Projects Ltd. should be settled with the Accountant-General, West Bengal, immediately.

The matter of certification of pre-Company period of accounts has not yet been settled. It is expected that the same will be settled soon in consultation with Accountant-General, West Bengal.

64. Report, page 11, paragraph 23 and page 41, paragraph 2(ii)—

Item "paragraph 17" of the Audit Report, 1964—

Desirability that back log in the submission of utilisation certificates in respect of Grants-in-aid should be cleared very soon.

**Education Department**

The Director of Public Instruction has called from the Accountant-General, West Bengal, a detailed statement in respect of grants for which utilisation certificates were wanting for taking necessary action.

**Items**

65. Report, page 11, paragraph 24 and page 41, paragraph 2(iv)—

Desirability that a full report in respect of the savings in grants under "Capital Outlay on P.W.—Engineering College" should be submitted to the next Committee.

66. Report, page 11, paragraph 25 and page 41, paragraph 2(vi)—

Item "paragraph 27(a)" of the Audit Report, 1964.—

Desirability that the practice of drawal of funds at the end of the year in order to avoid lapse of budget grants should not be repeated.

67. Report, page 11, paragraph 26 and page 42, paragraph 2(viii)—

Item "paragraph 62" of the Audit Report, 1964.—

Desirability that actual requirement of machines for any Educational Institutions should be assessed first before orders are placed for purchase of those machines and that a report of the Departmental investigation in respect of the utilisation of machines lying idle for long years should be submitted to the next Committee.

68. Report, pages 11-12, paragraph 27 and page 42, paragraph 2(ix)—

Item "paragraph 89(a)" of the Audit Report 1964.—

Desirability that grants should be released only when the preconditions of utilisation were complete and that a detailed explanation of the cases mentioned in paragraph 89(a), pages 77-78 of Audit Report, 1964, should be given to the next Committee.

**Items****Development and Planning (Construction Board) Department**

The Education Department does not control the budget allotment under head "Capital Outlay on Public Works" and as such is not in a position to offer any comment in this connection.

The Development and Planning (Construction Board) Department has been asked to furnish a full report in the matter.

**Education Department**

Noted.

**Education Department**

The experts deputed from the Bengal Engineering College are examining the cases. Further report will follow.

**Education Department**

Recommendations of the Public Accounts Committee have been noted. Detailed explanations in respect of the cases mentioned in the Audit Report are furnished in Statement 'A' given in Annexure below:



## ANNEXURE

## STATEMENT—A.

Particulars of paragraphs and items of  
Audit Report, 1964.

1

Remarks in the Notes on  
Audit Report, 1964.

2

Further remarks.

3

Chapter IX—Pages 77-78, Paragraph 80.

Chapter IX, page 80.

*Grants-in-aid.*—The total amount of grants-in-aid paid by the State Government during 1962-63 was about Rs. 22.37 crores. The following are some of the important irregularities noticed during the course of audit of grants disbursed to institutions other than local bodies :—

- (i) The certificates of departmental authorities that the grants drawn and disbursed had been utilised by the grantees for the purpose for which they had been sanctioned have not been furnished in a large number of cases as mentioned in paragraph 17 of Chapter I of this Report.
- (ii) In the following cases grants were paid in advance of requirements and some of these amounts have still not been utilised.

Name of the grantee institution and purpose of the grant.	Amount of grant.	Month, year of the payment.	Remarks.
	Rs.		
1. Sabal Singur Junior Madrasah for repair of the school building.	5,900	February 1961.	The amount has neither been utilised nor refunded (January, 1964).
3. Junior Technical School at Hooghly.		March 1961.	An amount of Rs. 45,000 could be spent out of the building grant up to January 1962, while Rs. 13,000 could be spent out of the equipment grant. The information regarding the utilisation of the balance amount is awaited (January 1964).
Building grant ..	1,00,000		The position has been explained to the Accountant-General, West Bengal, in Education Department letter No. 270, dated 15th April 1964, that as on 11th March 1964 sums of Rs. 2.81 lakhs and Rs. 1.27 Lakhs have been utilised, against building grant of Rs. 3.50 Lakhs and equipment grant of Rs. 1.60 Lakhs.
Equipment grant	60,000		
4. Junior Technical School at Hooghly.			These grants were released against a demand by the grantee for Rs. 1 Lakh only as building grant. Information regarding the utilisation of these grants is awaited (January, 1964).
Building grant ..	2,50,000		The slow progress in utilisation of building grant was due to delay in obtaining controlled goods such as cement, iron materials, etc.
Equipment grant	1,00,000		
Capital and maintenance grants paid to.			Amounts of grants remaining utilised at end of July, 1963, are shown against each institution.
	Rs.		
5. Basanti Devi College, Calcutta	95,875	1961-62.	27,000
			The grant of Rs. 27,000 for extension of Library was deposited by the college with the construction Board and the work started in the last quarter of 1962.
			The work could not be completed by the original contractor and the contract has to be cancelled. Fresh tender was accepted on 29th January 1966. Expenditure incurred up to to 30th June 1966 was Rs 28,500.

Particulars of paragraphs and items of Audit Report, 1964.	Remarks in the Notes on Audit Report, 1964.		Further remarks.
1	2		3
Rs.			
6. Junior Technical School, Krishnagar 5,81,000.	3,67,132	No formal departmental reply was sent as the matter was under correspondence.	The unspent balance of building grant was fully utilised by the year 1964-65. The main reasons for delay in utilisation of the grant were delay in receipt of controlled materials, etc.  The major portion of the equipment grant was received in February and March, 1962 and the grant was fully utilised during 1962-63.
7. Murshidabad Institute of Technology, Berhampur.	6,65,000	1961-62	2,77,771
		No formal departmental reply was sent as the matter was under correspondence.	The excess maintenance grant of 31,087.79 pertaining to the year 1961-62 was duly adjusted against the maintenance grant for the year 1962-63.  Regarding the unspent balance of "Equipment Grant" amounting to Rs. 2,47,672.36, a sum of Rs. 1,18,610.63 was spent by 31st March 1963 for the purpose for which the same was sanctioned and the balance sum of Rs. 1,29,061.73 was utilised for the construction of the Hostel Building by 28th March 1963. Regarding the delay in utilisation of the equipment grant it is stated that the major portion of the unspent balance was spent by 1962-63 and that very small amount was spent thereafter to meet outstanding liabilities. Regarding diversion of equipment grant of construction of hostel building, action is being taken to regularise the matter.
8. J. C. Ghosh Polytechnic, Calcutta.	2,80,000	1960-61 and 1961-62	1,93,093
		No formal departmental reply was sent as the matter was under correspondence.	The unspent balance of "Maintenance Grant" amounting to Rs. 18,900.61 at end of 1961-62 was carried over to the next year and spent in full during the first quarter of 1962-63.  The unspent balance of "Equipment Grant" amounting to Rs. 1,74,166.41 at end of 1961-62 was fully utilised by the year 1963-64. The delay in utilisation of 'Equipment Grant' was due to non-availability of equipments and machines necessary for the Institution and some of them had to be imported from foreign countries and difficulties were experienced for getting Import License in time.
9. Gopalnagar Haripado Institution, Bongaon.	73,124	1961-62	54,944
		No formal departmental reply was sent as the matter was under correspondence.	The unspent balance of the grants have been fully utilised for the purpose for which those were sanctioned.  Out of the unspent balance of Building Grant amounting to Rs. 40,002, Rs. 47,887 was spent by July 1963 and the rest amount thereafter.  The delay in utilisation of the 'Building Grant' was due to delay in receipt of the approved plan from the Construction Board and delay in receipt of controlled building materials.

Particulars of paragraphs and items of Audit Report, 1964.				Remarks in the Notes on Audit Report, 1964.	Further remarks.
1				2	3
10. Holoncha High School, Bongaon.	1,00,467	1961-62	73,215	No formal departmental reply was sent as the matter was under correspondence.	Out of the unspent balance of Rs. 73,215 at end of 1961-62, Rs. 58,347.99 was spent during 1962-63. The balance amount of Rs. 14,867.65 being unspent balance of furniture and equipment grant was fully utilised by the year 1965 for the purpose for which the same was sanctioned. Delay was due to want of accommodation including laboratories where the equipments and furniture could be placed.
11. Bipradas Pal Chowdhury Institute of Technology, Krishnagar.	3,19,000	1960-61 and 1961-62	1,83,970	No formal departmental reply was sent as the matter was under correspondence.	Out of the unspent balance of "Building Grant" amount to Rs. 56,498 at end of 1961-62, Rs. 40,950 was spent by 1963-64. The balance amount of Rs. 15,548 was utilised for other approved additional construction works. The reason for delay was that planning for the utilisation of the balance could not be finalised earlier.  The unspent balance of "Equipment Grant" of Rs. 1,27,472 was fully utilised by 1964-65 for the purpose for which the same was sanctioned. The delay in utilisation was non-availability of some suitable equipments and delay resultant on procuring certain imported equipments.
12. Kandi Raj High School, Murshidabad.	1,27,708	1960-61 and 1961-62	1,17,708	No formal departmental reply was sent as the matter was under correspondence.	The unspent balance has since been fully utilised for the purposes for which the same was sanctioned.
13. Victoria Institution, Calcutta.	1,30,011	1961-62	27,000	No formal departmental reply was sent as the matter was under correspondence.	The amount is still lying unutilised as the college Authority's suggestion for constructing the Library Expansion Block on the top of the present Library was rejected by Construction Board as the building was found lacking in foundation for a second floor. Another site has been selected and the construction is in progress.
Some of the irregularities reported by the Examiners, Local Audit Department, during 1962-63, in regard to the utilisation of grants-in-aid by local bodies which are under this audit are summarised below :				No formal departmental reply was furnished as the requisite informations were being collected.	
(iii) Grants for construction of 3 Junior and 6 Part Basic Schools under the District School Board, Nadia, paid during 1956-57, 1957-58 and 1959-60 were found to be in excess of the actual cost of construction by more than Rs. 12,000, the amount has not been refunded (January 1964).				....	The District School Board has requested the D. P. I., West Bengal, to permit utilisation of the unspent grant for the betterment of the said school buildings and the matter is under examination in his office.
(iv) Utilisation certificates in respect of improvement grants amounting to Rs. 2.19 lakhs paid to primary schools during 1961-62 under 6 District School Boards have not been furnished to the Examiner by the Departmental Officers (January, 1964).				....	The grants were utilised through Block Development Officers. The District School Boards concerned are making efforts to get the utilisation certificates from the Block Development Officers concerned. From the Accountant-General, West Bengal's Audit notes for 1964-65 it is seen that objections in respect of wanting utilisation certificates amounting to Rs. 82,946 have been settled out of the total objection of Rs. 2,23,000 in this connection.

## Items

## Action taken

## Education Department

69. Report, page 12, paragraph 28 and page 42 paragraph 2(xi)—

Item "paragraph 90(b)(ii)" of the Audit Report 1964.—Desirability that, in connection with the non-submission of detailed contingent bills for Rs. 1,15,086, an enquiry of all facts relating to the N.C.C. Officer should be made and a report should be submitted to the next Committee.

70. Report, page 12, paragraph 31 and page 62, paragraph 2(vii)—

Item "paragraph 88, sub-paragraphs 3(a)(ii), 3(b)(i), 3(b)(ii), 3(c)(i), 3(c)(ii)" of the Audit Report 1964 : (i) Regarding 3(a)(ii).—Desirability that, in connection with the State Trading on rice and paddy and wheat and wheat products, depreciation should be charged of fixed assets acquired since post-partition period and that a pro forma adjustment should be made in respect of both interest and depreciation in the accounts in hand.

(ii) Regarding 3(b)(i).—Desirability that, in connection with the State Trading on rice and paddy and wheat and wheat products, the Central records in proper forms should be maintained which would inter-alia contain columns showing transit and godown shortages and the registers should be submitted to Audit as and when demanded by it.

(iii) Regarding 3(b)(ii).—Desirability that, in connection with the State Trading on rice and paddy and wheat and wheat products, remedial measures should be adopted in consultation with the Railways, if necessary, for the purpose of minimising losses of foodgrains sent in seals intact wagons and the position of claims preferred with the Railways should be reported to the next Committee.

The work of collection of all facts relating to the case has not yet been completed. Further report will follow.

## Food and Supplies Department

(i) Controller of Finance is taking steps to include interest on advances from the State Bank of India in the year of Accounts concerned. As for the question of inclusion of the list of fixed assets and depreciation thereon, C.F. of this department has been asked to append such lists in the P.L. account as soon as the list will be ready. The list is now under preparation.

(ii) Individual shortages during transit and in godown are watched by respective units and action for their recovery or write-off are taken by them in due course under orders of Government. These cases are also duly pursued by the local audit through respective Inspection Report.

As for maintenance of detailed account of transit as well a godown shortages centrally in the C.F.'s office as recommended by Public Accounts Committee it may be stated that action is being taken for maintenance of such accounts by C.F. of this department in consultation with the Accountant-General, West Bengal.

(iii) The break-up of the total amount of Rs. 17.85 lakhs for which claims were preferred against the Railways is as follows :

Amount repudiated	..	Rs. 8.83 lakhs.
Amount accepted	..	Rs. 1.60 lakhs.
Amount pending	..	Rs. 7.42 lakhs.

This pending amount includes a claim for Rs. 6,74,000 approximately filed against Bihar Government due to diversion of wagons during the Central Government strike.

No claims for shortage for 1.84 lakh maunds worth Rs. 29.46 lakhs could be preferred because of the G.I. Circular No. M-1043/III/Z/IV, dated 30th January 1952. The Railways are not responsible for shortage from sound bags received at destination in seals-in-tact wagons. Although according to Railway rules, dunnages are required to be provided to prevent bleeding through flap-door, it was found impracticable both by the State as well as by the Central Government to make such provision and ultimately we were exempted from the operation of this provision on the condition that claims would not be preferred for such flap-door bleeding. In the Inspection Report on the accounts of District Controller of Food and Supplies, Darjeeling, for 15th January 1963 to 31st January 1964, the Audit suggested that in order to minimise such shortages during the Railway transit, check-weighment by Superior officers of the Department should be done and secondly the sealed-wagons should also be locked by departmental officer. The first suggestion has

## Items

## Action taken

already been given effect to by the Department but the second suggestion was found to be impracticable as already pointed out to Accountant-General, West Bengal, in this Department letter No. 820-FS., dated 3rd February 1965. Although the amount of shortages shown here may appear to be very high, it should be remembered that these occurred in the course of 3 years. The percentage of shortages during these 3 years is given below :—

1959-60	..	..	1.7 per cent.
1960-61	..	..	1.9 per cent.
1961-62	..	..	1.5 per cent.

Particulars from the remaining 19 defaulting officers have been collected as shown below—

Total shortage	..	Rs. 2.35 lakhs
Claims preferred	..	Rs. 1.03 lakhs
Accepted balance	..	Rs. 0.08 lakhs pending.

(iv) Regarding 3(c)(i).—Desirability that, in connection with the State Trading on rice and paddy and wheat and wheat products, the Department should, in order to avoid unusual delay in the linking up of supplies, gear up their machinery to effect such reconciliation within the year of occurrence or the year following without fail.

(v) Regarding 3(c)(ii).—Desirability that the present position in respect of wanting invoices for foodgrains valued at Rs. 1,09.25 lakhs should be reported to the next Committee.

(vi) Regarding 3(c)(ii).—Desirability that, in connection with the State Trading on rice and paddy and wheat and wheat products, every possible measure should be taken against double payment of railway freight and Departmental action should be taken against the persons responsible for delay in despatching papers and the present position of the claims should be reported to the next Committee.

(iv) The accounts of this Department are in arrears. At the time of finalisation of the accounts unlinked items are not left behind. Any item remaining unlinked are pursued vigorously still they are linked up. However, steps have been taken to gear up the machinery to effect reconciliation as quickly as possible.

(v) Final accounts for the years from 1959-60 to 1962-63 have been duly audited and certified by the Accountant-General, West Bengal. The accounts were finalised only after reconciliation of stocks at Headquarter to the satisfaction of audit. However, steps have been taken to ensure quick despatch of invoices failing which Directorate concerned has been asked to take action against the defaulting Officers.

(vi) Present position of double payments made during the years 1959-60, 1960-61 and 1961-62 is as follows:—

Double payments made in 3 years by stock holding officers	Rs. 1,47,436.31
Amount realised from railways	Rs. 86,286.98

When R.R. is not received by the consignee, he is to clear the consignment on payment of railway freight although the same might have been paid by the consignor. Immediate steps are however taken by the consignee to realise the excess amount paid when he comes to know about the double payment on receipt of R.R.

All the stock holding officers (including 33 mentioned as instance by audit) have to issue credit notes to avoid demurrage. Each individual case is pursued by Audit through respective I.Rs and balance, if any, unrecovered is pursued by the next audit in the I.R. for the subsequent year.

## Health Department

71. Report, page 13, paragraph 35 and page 39, paragraph 2(x)—

Item "paragraph 59(a)(1959-60, Serial No. 1)" of the Audit Report 1964.—Desirability that, in connection with the Stores and Stock Accounts, steps should be taken to evaluate the "free gifts" as required under the Government of India orders.

In accordance with the directions of the Public Accounts Committee the values of free gifts from foreign countries are being ascertained by the local officers for incorporation in the stores accounts. In case where the exact values cannot be ascertained, comparable and estimated market values are taken into account in preparing the stores accounts, after consulting the officers and firms handling such special stores. A note is also kept in the remarks column of the accounts registers to the effect that no valuation was intimated by the donors of the stores.

**Items****Action taken****Health Department**

The grant has since been fully utilised by the Chittaranjan Seva Sadan authorities. The utilisation certificates in respect of the grants were sent to the Accountant-General, West Bengal, during 1966-67 and 1967-68.

**Home (Civil Defence) Department**

The matter is still being pursued with the Government of India. It has however been decided that the share of expenditure should be realised on the basis of the Government of India's policy directive as an interim measure.

**Home (Defence) Department**

Non-realisation of the balance for the services of the West Bengal National Volunteer Force personnel utilised by the Durgapur Brick Board and Durgapur Industries Board was due mainly to the wide divergence in the claim of the National Volunteer Force Directorate as due to them and that of the claims of the Durgapur Brick Board and Durgapur Industries Board as due. Some progress has since been made. The Managing Director and the Deputy Chairman, Durgapur Projects Ltd., has been moved to expedite the payment of our dues and a reply is being awaited.

**Home (General Administration) Department**

It was reported to the Public Accounts Committee at its meeting held in November 1966 that the criminal case against the Assistant Nazir, Cooch Behar Collectorate, was proceeding in the Court of the Special Judge, Cooch Behar, at that time. The Deputy Commissioner, Cooch Behar, has now reported that the judgment of the Special Court in the criminal case against the Assistant Nazir was passed on the 19th April 1967. The Court convicted the Assistant Nazir under sections 409 and 477A of the Indian Penal Code to rigorous imprisonment and sentenced him three years and two years and also a fine of Rs. 9,335.17 and in default to rigorous imprisonment for one year.

In the judgment the Special Judge has observed that there were lack of supervision on the part of the Nazir and the Cashier. Departmental action is being taken against them by the Deputy Commissioner, Cooch Behar.

The report of the Commissioner, Jalpaiguri Division, as regards fixation of responsibilities of the officers who were in charge of the Nazareth Section during the period, has since been received and the same is now under examination.

72. Report, page 13, paragraph 37 and page 39, paragraph 2(xv)—

Item "paragraph 89(a)" of the Audit Report 1964.—Desirability that the report on the utilisation of the grant to Chittaranjan Seva Sadan should be furnished to the next Committee.

73. Report, page 13, paragraph 38 and page 44, paragraph 2(i)—

Item "paragraph 22" of the Audit Report 1964—

Desirability that, as the excess over voted grants under the head "Expenditure connected with the National Emergency, 1962" occurred due to smaller recovery from the Government of India of their share of cost of various Civil Defence measures adopted by the State Government on account of the National Emergency, the final arrangement relating to the recovery from the Government of India should be reported to the next Committee.

74. Report, page 13, paragraph 39 and page 54, paragraph 2(ii)—

Item "paragraph 35" of the Audit Report 1964.—

Desirability that a full report on the settlement of the outstanding dues in respect of services of the National Volunteer Force personnel utilised by Durgapur Brick Board and Durgapur Industries Board for manufacture of bricks and other jobs together with information relating to the total number of N.V.F. men employed, period of employment and the total output of their work should be reported to the next Committee.

75. Report, page 13, paragraph 40 and page 54, paragraph 2(iii)—

Item "paragraph 48(b)" of the Audit Report 1964—

Desirability that a report showing the departmental actions taken against the delinquent officers and staff should be made to the next Committee after the disposal of the Court case of the Nazir who defalcated the Government money and was under trial in the Special Court.

## Items

## Action taken

## Home (Transport) Department

76. Report, page 13, paragraph 42 and page 46, paragraph 2(xxi)—

Item "paragraph 9(b) and 72 regarding loans and advances granted to the State Transport Corporation of the Audit Report 1964—

Desirability that the rate of interest between Department and the State Transport Corporation should be finalised within two months and the result should be reported to the next Committee.

The matter relating to the rate of interest between the State Government and the State Transport Corporation (Calcutta and North Bengal) has been finalised and necessary orders issued in G.O. No. 3234-W.T., dated 31st March 1967.

(Copy given in the Annexure below).

## ANNEXURE

GOVERNMENT OF WEST BENGAL  
HOME (TRANSPORT) DEPARTMENT

No. 3234-WT/8B-102/65.

From—Shri M. M. Sarkar, W.B.C.S., Assistant, Secretary to the Government of West Bengal,  
To—The Accountant-General, West Bengal.

Calcutta, the 31st March 1967.

Sir,

I am directed to say that with the conversion of the State Transport undertakings at Calcutta and Cooch Behar into autonomous State Transport Corporations under the Road Transport Corporations Act, 1950, with effect from the 15th June 1960 and the 15th April 1960, respectively, it has become necessary to settle the terms and conditions in respect of capital, capital advances and loans provided by the State Government and the Government of India to the said State Transport Corporations, viz., the Calcutta State Transport Corporation and the North Bengal State Transport Corporation, and the rate of interest payable on Depreciation and other Reserve Funds deposited with the State Government. After careful consideration of the matter, the Governor is pleased to decide as follows:—

**I. Capital, capital advances and loans provided by the State Government and the Government of India,**

(i) The rate of interest on the capital declared by the State Government on the dates of formation of the Corporations under section 47B(2) of the Road Transport Corporations Act, 1950, excepting its portion representing the value of stocks and stores as on the dates immediately before such formation shall be 6 per cent. (six per cent.) per annum. In the case of the North Bengal State Transport Corporation, the said rate shall be subject to the approval of the Government of India as required under section 23 of the said Act, as that Corporation in a joint venture of the State Government and the Central Government. No rebate shall be allowed for payment of interest on such capital unless a scheme of repayment of the capital is agreed to by the Corporations and such interest should be paid on or before the 31st March of each year.

(ii) As for the capital advances and loans given by the State Government to the Corporations, the rate of interest shall be 6 per cent. (six per cent.) per annum subject to annual review in future and subject to a rebate of  $\frac{1}{4}$  per cent. if the capital advances and loans are repayable within a period of 30 to 15 years. The capital advances and loans should be repaid in equated instalments of principal with interest and the rebate will be allowed for timely repayment of such instalments according to

the schedule of payments as may be fixed for each loan, no rebate of interest will be allowed for the period for which a moratorium of principal may be granted.

(iii) Interest on the value of stocks and stores treated as part of the capital as on the dates of formation of the Corporations shall be 4 per cent. (four per cent.) per annum, as a special case.

(iv) Loans sanctioned by the Ministry of Rehabilitation, Government of India, and paid to the State Transport Undertakings through the State Government up to 1960-61.

The rate of interest on these loans shall be the same as in item (i) above.

These loans will be treated as part of the capital provided by the State Government to the Corporations and the annual instalments of principal with interest payable to the Government of India will be met by the State Government.

(v) Loans sanctioned by the Ministry of Rehabilitation, Government of India, and paid to the Corporations after 1960-61 or loans taken from any source other than the State Government.

Such loans will be repaid by the Corporations with the principal and interest according to the terms and conditions prescribed for each such loan.

**II. Interest or balance of Depreciation and other Reserve Funds of the Corporations deposited with the State Government.**

The rate shall be 6 per cent. (six per cent.) per annum if the deposits are made on long term basis for ten years or more, and no withdrawal is made during that period. In the case of deposits for a lesser period, interest shall be paid at such rate as may be fixed by Government.

2. This order issues with the concurrence of the Finance (Budget) Department vide their unofficial No. F1/2302, dated 14th September 1966.

3. The Chief Executive Officer, North Bengal State Transport Corporation and the General Manager, Calcutta State Transport Corporation, has been informed.

Yours faithfully,  
M. M. SARKAR,  
Assistant Secretary to the Government  
of West Bengal.

## Items

77. Report, pages 13-14, paragraph 44 and page 46, paragraph 2(xxv)—

Item "paragraph 68" of the Audit Report, 1964.—

Desirability that the department should furnish to the next Committee the information as to when the Demand Register containing 22,000 cases outstanding was brought up-to-date.

78. Report, page 14, paragraph 48 and page 34, paragraph 2(xxvii)—

Item "paragraph 40 regarding review of Low Income Group Housing Scheme" of the Audit Report, 1964.—

Desirability that a full and complete report on all the specific points raised in the Audit Comments in paragraph 40 of the Audit Report, 1964, should be submitted to the next Committee.

## Action taken

## Home (Transport) Department

It has been reported by the Director, Public Vehicles Department, Calcutta, that the work of bringing the Demand Register up-to-date, so far as missing details are concerned, was completed on 9th November 1966. As regards the defaulters orders are being issued by the Public Vehicles Department, under section 13 of the Bengal Motor Vehicles Tax Act suspending registration where tax demands prior to the period of 1961 are still outstanding.

## Housing Department

As the Public Accounts Committee were not satisfied with the original Departmental replies, revised comprehensive replies regarding Review of Low Income Group Housing Scheme, are given in broadsheets in the Annexure below. Subsequently the following actions were taken in the matter:—

(a) The Development and Planning Department were requested to furnish necessary particulars regarding sale of houses at Kalyani or depute an Officer to explain the point in the Committee's next Meeting.

(b) (ii) The Accountant-General, West Bengal, has furnished districtwise break-up of the 200 cases of default and accordingly the District Officers concerned and the Registrar of Co-operative Societies have been written to in the matter for necessary report. So far, reports from five District Officers have been received. The defaulting Officers have been reminded.

## ANNEXURE

## State Audit Report, 1964.

40. Review of Low Income Group Housing Scheme:

(a) The Scheme which was introduced in 1955-56 provides for the grant of long-term loans for construction of residential houses to persons of low income and to co-operative societies, institutions, etc., and for the construction of houses by the State Government or their agencies for sale to persons in low income group. The State Government obtained loans amounting to Rs. 2,40,20 lakhs from the Central Government, at varying rates of interest ranging from 3 per cent. to 4½ per cent. per annum, up to the year 1961-62, as detailed below:

	(in lakhs of rupees)
1955-56	40.00
1956-57	18.80
1957-58	38.40
1959-60	81.70
1960-61	42.37
1961-62	18.93
Total	240.20

## Housing Department

## Departmental replies—

Portion (a) of paragraph 40 of the Audit Report, 1964, gives the following particulars after review of the Low Income Group Housing Scheme:—

	(Rs. in lakhs.)
(1) Loans drawn up to the end of 1961-62	240.20
(i) Loans disbursed to individuals, etc., to end of December 1962	166.64
(ii) Amounts spent on Government constructions	64.15
(iii) Balance remaining un-utilised till April 1962	10.41

The Accountant-General, West Bengal, has objected to the amount remaining unutilised on the ground that the State Government had to pay interest to the Government of India on this account. But, the amount remaining unspent works out to even less than 5 per cent. of the total loan drawn, which is unavoidable, considering the various factors that have to be taken into account in the disbursement of loans to individuals, etc., after they have fulfilled certain formalities and made definite progress on their works to become eligible to draw such loans.

In this part of the Audit Report, the Accountant-General, West Bengal, has also remarked that the total number of houses sold had not been intimated to Audit. The total number of 2,569 housing units completed up to 31st December 1962 as mentioned



Loans amounting to Rs. 16,564 lakhs were disbursed by the State Government to the individual loanees, co-operative societies and institutions up to the end of December 1962; the loans carry interest at the rates between 6 per cent. and 6½ per cent. per annum. A sum of Rs. 64.15 lakhs was spent towards construction of houses by the State Government or their agencies and the balance of Rs. 10.41 lakhs has remained unutilised (April 1963) for which the State Government had to pay interest to the Government of India.

The total number of houses sanctioned for construction by the State Government up to the 31st December 1962 was 5,492 against which only 2,569 houses were reported to have been completed and 933 houses were under construction. The total number of houses sold has not been intimated to Audit.

(b) It has been reported by 14 out of 19 District Officers that—

(i) Utilisation of loans in respect of 61 cases, involving an amount of Rs. 3.06 lakhs, could not be verified by them,

(ii) there are about 200 cases of default in respect of repayment of loan instalments amounting to Rs. 1.48 lakhs as principal and Rs. 1.48 lakhs as interest. Legal action has been taken against 9 defaulters only. The reports from five other District Officers are awaited (September 1963).

(c) The following defects in the maintenance of loan records and other points have been noticed during local audit of 4 offices:—

(I) Loan Ledgers were not properly maintained—

(i) Entries in the Loan Ledgers in respect of realisation of loans were not attested.

(ii) Treasury challan numbers and date under which realisations were effected were not recorded in the Loan Ledgers.

(iii) Amounts of loans which fell due for recovery were not worked out and recorded in the Loan Ledgers.

## Housing Department

### Departmental replies—

in this part of the report actually comprised the following:

(i) Houses completed by individuals ..	1,419	} 2,569
(ii) Houses completed by members of Co-operative Societies.	59	
(iii) Houses built by Institutions for their Staff.	60	
(iv) Houses built by Government Agencies.	1,031	

The houses built by individuals, members of Co-operative Societies, and Institutions are meant for their own residential purposes only while out of 1,031 houses built by Government, 400 houses built at Kalyani were only meant for sale and the Development and Planning Department are in charge of the disposal of those houses. Report about the number of houses sold is still awaited from that Department, who informed in July 1964 that 381 out of 400 such houses were being advertised for sale.

Portion (b)(i).—Under the rules laid down by Government, loans to individuals, etc., are payable by instalments as noted below:—

(i) 20 per cent. on execution of mortgage deed.

(ii) 30 per cent. on construction reaching plinth level.

(iii) 50 per cent. on construction reaching roof level.

Repayment is to commence from a date within one year from the date of advance of the total amount of loan taken by the borrower. Thus, in disbursing loan instalments, Disbursing Officers are only required to see that certain conditions have been fulfilled and/or construction has reached certain stage of completion which would imply that loans paid have been fruitfully utilised by the individual loanees. Certificates of the Disbursing Officers about fulfilment of such conditions for payment of loan instalments to individuals, etc., may, in the circumstances stated, be considered as sufficient. Actual verification of the private individuals loan accounts to certify their utilisation does not seem to be at all feasible, nor is called for under the Rules.

Portion (b)(ii).—The Accountant-General, West Bengal, may be requested to furnish Districtwise break-up of the 200 cases of default with amounts of repayment of loan instalments and interest charges due in each case and also indicate in which cases of 9 defaulters, legal action was taken as mentioned in the report. The names of the five other District Officers whose reports were awaited till September 1963 may also be intimated with report as to whether their replies have since been received by the Accountant-General, West Bengal.

Portion (c), (I)(i) to (iii).—'Key' attached to the draft paragraph of the Audit Report sent to this department with Accountant-General, West Bengal's memo. No. Ref./DP/64/81/600, dated 8th October 1963, indicates that the defects referred to in the maintenance of the Ledger Accounts, were noticed in the office of the Deputy Commissioner, Cooch Behar, vide paragraph 8 of the I.R. on the P.L. Account of the Deputy Commissioner for Low Income Group Housing Scheme for the period from 1st November 1959 to 31st October 1962. The defects were rectified and Broadsheet Replies thereto were duly furnished by the Deputy Commissioner to the Accountant-General, West Bengal, through the Commissioner, Jalpaiguri Division, in reply to which the

## Housing Department

### Departmental replies—

Accountant-General, West Bengal, in his letter No. OA/1730, dated the 7th August 1963, addressed to this department, agreed to treat the objection as settled with the remarks "Next Audit will see".

(II) In one office [office of the Administrative Officer, Housing (Development) Department] there were 56 loanees who were in arrears by 5 to 6 instalments (number of instalments 161 for Rs. 0.58 lakh as principal and Rs. 0.62 lakh as interest).

(II) Out of the 56 defaulters mentioned, three have cleared their loans with interests in full, while 15 others have paid their instalments due in part. Total sum realised in these 18 cases so far, as principal and interest, amounts to 43,922 only. The remaining 38 cases are being examined by the Law Officer, Housing, for filing suits in the Law Courts.

(III) A sum of Rs. 0.97 lakh was paid to a co-operative society (Naktola Sarbartha Sadhak Samabaya Samity). The society was under liquidation and a sum of Rs. 3,100 as principal and Rs. 3,929 as interest only had been recovered so far. Government order in the matter of instituting certificate case against the society was awaited.

(III) Out of Rs. 97,100 paid to the 15 members of the Naktala Sarbartha Sadhak Samabaya Samity, a sum of Rs. 5,150 towards principal and Rs. 6,248 towards interest charges were realised from the Society up to the end of 1963 before the Society was put under orders of liquidation. The Liquidation Orders were subsequently withdrawn on appeal in 1965 and realisation of outstanding dues has started. The amounts so realised will be shown to the next Audit while inspecting the P.L. Account of the Deputy Registrar of Co-operative Societies in due course.

The matter was reported to Government in October 1963. But no reply has so far been received (January 1964).

Incidentally it may be mentioned that these loans under the Low Income Group Housing Scheme are ordinarily repayable in 20 to 25 instalments, so that outstanding dues, if any, for the period of liquidation are not likely to be considerable.

### Items

79. Report, page 14, paragraph 49 and page 56, paragraph 2(i)—

Item "paragraph 38 regarding extension of Rural Broadcasting and School Programme" of the Audit Report, 1964—

(a) Desirability that the radio sets in hand should be distributed as quickly as possible in the best interest of Government and that a departmental Committee should investigate into the disposal of batteries and report the result to the next Committee.

(b) Desirability that Finance Department being entrusted with the financial responsibility of the State should, henceforth, consider all aspects of schemes or programme of different departments for which sanction would be sought for.

80. Report, page 14, paragraph 50 and page 45, paragraph 2(xvii)—

Item "paragraph 59(a)" of the Audit Report 1964—

Desirability that a report should be submitted to the next Committee on the result of examination by the Accountant-General on the Stores Accounts for 1961-62 and 1962-63, already furnished to the Accountant-General, West Bengal.

### Action taken

#### Information and Public Relations Department

(a) The radio sets in hand have almost all been distributed through Technical Supervisors who have been requested to report the present position.

As recommended by the P.A. Committee, a Departmental Committee consisting of three officers has been formed to investigate into the disposal of the batteries. The result of investigation will be reported to the P.A. Committee.

#### Finance Department

(b) The observation of the Committee has been noted.

#### Information and Public Relations Department

Replies in respect of the remarks of Audit on the Stores Accounts for 1961-62 furnished to the Accountant-General, West Bengal, are given in Annexure below. No further remarks of audit have been received in this Department.

As regards the Store Accounts for 1962-63, the observation made thereon by the audit have been referred to the local officers for replies on receipt of which a report will be submitted to the P.A. Committee under intimation to the Accountant-General, West Bengal.

## ANNEXURE

## Stores and Stocks Accounts

## Departmental Replies—

## Information and Public Relations Department

1961-62.

Name of the Department.	Description.	Open- ing bala- neo.	Recei- pts during the year.	Issues during the year.	Closing balance.
(in lakh of rupees)					
1. Home (Publicity) Department (Publicity Branch excluding distribution section).	Miscellaneous Stores.	16.88	11.12	8.36	19.64

## (i) Folk Entertainment Section—

(a) Value of some articles acquired from other stores has not been shown in the Stores Account.

(b) Certificate of physical verification of stores has not been recorded.

As the value of the articles acquired from other stores was not mentioned in the relevant challans issued from those stores it could not be recorded in the Stock Accounts of the F.E. Section. This is being done at present.

Certificates of physical verification were being recorded by the officers who conducted the verification, at the close of the accounts in certain cases. These certificates are now being recorded on each page as advised by the Inspecting Audit Party. Necessary instructions have been issued.

(c) Value of the damaged or depreciated articles (Rs. 7,924) though condemned by the Department has not been written off since 1962-63.

The sum of Rs. 7,924 shown under the column 'Depreciation and Damaged articles' in the store accounts of the F.E. Section actually represents the value of the articles consumed by the Artistes employed in the section. No orders for writing off the value of the articles are necessary. As desired by the Audit, Survey Report has been obtained and depreciated value will be written off after auctioning off the used materials if possible.

## (ii) Radio Repair Workshop.

(a) Closing balance does not include stores held by 15 Technical Supervisors in various districts.

The articles required by the Technical Supervisors under this Department are purchased and entered in the Stock Register. These articles are issued to them from time to time and as such the closing balance does not include them. The Technical Supervisors, however, also maintain a Stock Accounts of the stores with them. Steps are being taken to include these stores as well in the Store Account in future and necessary instructions have been issued to technical Supervisors with the request to submit annual statement of Stores issued to them showing their closing balance on 31st March every year for the preceding financial year to the Officer-in-Charge, Radio Repair Workshop, who was also requested to include the Stores in the Stock Account.

(b) Value (not assessed) of unserviceable or condemned articles yet to be disposed of, has not been reflected in the stores account.

Separate account of unserviceable or condemned articles yet to be disposed of are maintained but the cost of each item is not indicated therein. As advised by the Audit necessary instructions have been issued to the Officers-in-Charge of the Stores concerned to note the values of such Stores also in the accounts, where available.

(c) Value of some articles prepared in the Radio Repair Workshop has been left out of the Stores Account.

The separate book value of some articles prepared in the Radio Repair Workshop was not noted as they were manufactured from the materials stocked in the stores. However, the value of these stores will be noted in the Store Account in future and necessary instructions have been issued to the Officers-in-Charge of the Stores concerned.

Name of the Department.	Description.	Open- ing balance.	Recei- pts during the year.	Issues during the year.	Closing balance.
1961-62.					
(in lakhs)					
2. Home (Publicity) Department— Distribution Section.	Miscellaneous stores.	9.75	31.54	37.08	4.26
		Nos.	Nos.	Nos.	Nos.

In the Distribution Section only numerical accounts are kept. Value accounts have not been kept although required under the rules.

(2) The values of most of the publications viz., leaflets, pamphlets, handbills, posters, etc., printed by this Department through the West Bengal Government Press or received from the Government of India for free distribution which are entered in the Stock Register of the Distribution Section are not available in the Department. As the West Bengal Government Press are unable to furnish cost of these publications separately and as the Government of India also do not intimate cost of the publications supplied by them, only numerical accounts of these stores are maintained.

1963-64

(b) Non-submission of Stores Accounts : The Accounts of stores and stock indicated below have not yet been furnished by the Departments (October, 1964).

Description	Year of Accounts 1962-63 and 1963-64.	Remarks.
1. Stores Account of the Home (Publicity) Department.	....	Consolidation of figures for 1962-63 has not yet been completed by the Director of Publicity. Figures for 1963-64 are not yet ready in the Director's office.

Consolidated Stores Accounts for the year 1962-63 were furnished to Audit on 3rd February 1965 and the same for the year 1963-64 on 27th May 1967.

#### Items

#### Action taken

#### Irrigation and Waterways Department

81. Report, page 14, paragraph 51 and page 30, paragraph 2(x)—

Item 'paragraphs 16 and 50—regarding financial result of Irrigation and Multipurpose River Schemes' of the Audit Report, 1964—

Desirability that a report of the departmental committee constituted with the Agricultural Commissioner and the Officers of the Irrigation and Waterways Department to go into the cost of financial loss in Irrigation and Multipurpose River Schemes and shortfall in actual irrigation should be submitted to the next Committee.

The P.A. Committee was not informed by this Department that a departmental committee had been constituted both with the Agricultural Commissioner and the officers of this Department to go into the matter. The actual position is that the P.A. Committee, while discussing the matter, made some queries regarding "field channels" and they were informed that discussion on the construction of field channels in the D.V.C. and Mayurakshi command areas had been held between the Agricultural Commissioner and the Secretary of the Department. The Committee then verbally directed that a note on the discussion should be submitted to the next Committee. A note is accordingly given in the Annexure below.

## ANNEXURE

## A note on construction of field channels in D.V.C. and Mayurakshi command area.

The two major irrigation projects so far completed in West Bengal are the Mayurakshi Reservoir Project and the Durgapur Barrage and Irrigation Project of the D.V.C. Extension and Improvement works of these two projects are still under execution. The potential created under the Mayurakshi Project is 5,10,000 acres, the actual utilisation during the Kharif season of 1965 being 5,02,000 acres, the percentage of utilisation standing at 98.4 per cent. At the time of transfer of the Barrage and Irrigation System to the State Government in April, 1964, the D.V.C. claimed to have created potential of the order of 7,15,000 acres. The actual utilisation during the kharif season of 1965 was 6,68,482 acres. Percentage of utilisation thus works out to 93.5. Although the percentage of utilisation of irrigation potential created under these 2 major projects cannot be considered unsatisfactory, construction of water courses and field channels is considered essential for speeding up better utilisation of irrigation potential created under these 2 projects, with a view to be able to explore the possibilities of increasing the potential further both by better water management and by introducing new cropping patterns.

The Planning Commission suggested the following procedure for the construction and maintenance of water courses and field channels in respect of irrigation projects—

- (i) Project authorities should be responsible for the construction of water courses at Government cost for chaks and blocks up to 100 acres in area. This limit may however be varied according to local conditions.
- (ii) (a) The survey and alignment of field channels beyond the points up to which water courses are constructed at Government cost should be the responsibility of project authorities.
- (b) Responsibility for excavation of field channels should be entrusted to the beneficiaries and they should be helped and organised for the purpose, e.g., by Community Project authorities through Panchayats and Co-operatives.

In 1960 it was decided in consultation with the Legal Remembrancer that—

- (a) It would neither be equitable nor legally valid to compel by legislation, the owner or occupier of land in an area where compulsory water rate has been imposed to construct and maintain field channels or to maintain the water courses for the benefit of others. (Water rate is compulsory both in Mayurakshi and D.V.C. command areas).
- (b) On the same ground, the Village Panchayats cannot be empowered to undertake such works and recover the cost from the beneficiaries.

Co-operative Societies of beneficiaries can undertake such works voluntarily but this cannot be their statutory responsibility,

Accordingly construction of the water courses has been taken up at the cost of the Project and has made some progress. It is expected that it may be possible to complete the same in the course of next 2 or 3 years. The water courses so far constructed are also being maintained by Government at Government cost.

The necessity of the 'field channels' for the proper and equitable distribution of the available supply from the canal to the fields hardly needs any explanation. That 'field channels' are a 'MUST' for the purpose of proper and economic utilisation of the available irrigation potential of all irrigation projects has been stressed over and over again by all concerned. The amount of water which goes to waste in the process of field to field irrigation can be saved by the construction of field channels and well utilised for irrigation of additional lands to the ultimate benefit of the project as a whole.

This has been appreciated by all Departments concerned and constant vigorous attempts have been made to persuade the beneficiaries to excavate the field channels, at their cost. Maps showing alignments of field channels have been and are being sent by the Officers of the Irrigation and Waterways Department to the District Magistrates for the purpose. There have been discussion a number of times in the Development Committee meetings to find out solutions as to how the excavation of the field channels can be expedited.

But in spite of best efforts from all possible quarters construction of field channels could not be pushed because of lack of interest shown by the beneficiaries in the matter. The problem was again discussed in the last meeting of the Mayurakshi Development Committee held on 4th May 1966. In view of the apathy of the beneficiaries in the matter of construction of field channels, the District Magistrate, Birbhum, suggested that the field channels should also be constructed by the Government, the cost thereof being realised from the beneficiaries. He suggested that land required for the construction of 'Field Channels' should be acquired by Government and his idea was that once the land was acquired by Government excavation of the channels might be entrusted to the Anchal Panchayats. He thought that cultivators would themselves come forward to excavate these channels when they would find that land for the channels belonged to Government and there was no opposition from the land owner.

Since enforcement of responsibilities for construction and maintenance of field channels on beneficiaries and in case of default by them execution of the work by Panchayats or ultimately by Government at the cost of the beneficiaries of an area where the charge for water is a compulsory levy has legal implications, it has been decided that without waiting further for the beneficiaries to come forward to construct field channels voluntarily at their cost, the field channels should be constructed by the Government. The question of realisation of cost thereof from the beneficiaries, if possible may be left for later consideration. This should not stand in the way of early execution of the field channels initially at Government cost in the interest of better

utilisation of the Irrigation Potential created under these two major projects. It has further been decided in consultation with the Agricultural Commissioner that funds required for construction of field channels within the command of Mayurakshi

and the Durgapur Barrage and Irrigation Project would be made available by the Agriculture and Community Development Department out of allocation for the Minor Irrigation and allied Programmes, depending however on the availability of funds.

### Items

### Action taken

#### Irrigation and Waterways Department

82. Report, page 14, paragraph 53 and page 30, paragraph 2(xiii)—

Item "paragraph 51" of the Audit Report, 1964—regarding Unvouched Outlay—

Desirability that vouchers should be produced without delay.

In paragraph 51 of the Audit Report, 1964, it was pointed out by the Accountant-General, West Bengal, that up to 31st March 1963, 129 items of expenditure involving a total sum of Rs. 5.44 lakhs had been held under objection for want of vouchers, in so far as this Department were concerned. It may be stated in this connection that vouchers include C. T. Rs. (Consolidated Treasury Receipts), which when received in the Divisional offices from the Treasury officers are required to be submitted to the Accountant-General, by the Divisional officers. It was revealed from the reports received from the Divisional offices that vouchers in respect of most of the 129 cases in question were already furnished to the Accountant-General, West Bengal, by the Divisional offices. Those cases were taken up with the Accountant-General, West Bengal, from this end and thus, objections in respect of 96 cases involving a total sum of Rs. 3.70 lakhs have since been settled. The remaining 33 items involving Rs. 1.74 lakhs are being actively pursued and are expected to be settled soon.

#### Irrigation and Waterways Department

83. Report, page 14, paragraph 54 and page 30, paragraph 2(xvi)—

Item "paragraph 54" of the Audit Report, 1964—regarding shortfall in silt clearance—

Desirability that the work should be expedited and a report furnished to the next Committee.

Works on only the essential items of the scheme for "Silt clearance and completion of the Calcutta Corporation • Outfall System from Bantola to Kulti" were taken up in 1957-58 in view of its urgency pending transfer of the Outfall System to the State Government after execution of an agreement with the Corporation setting forth the terms and conditions of transfer in details. Works have, however, been suspended since 1962 mainly due to non-finalisation of the agreement. The Government have since decided to take over the entire outfall system from Topsia to Kulti subject to certain terms and conditions. All possible steps are being taken in consultation with the officers of the Calcutta Corporation and the Government Solicitor for finalising the agreement containing the terms and conditions for transfer of the Outfall System. A number of complicating factors are involved in the transfer and there is some delay in spite of best efforts to expedite the matter. The work will be resumed immediately after the agreement is executed by the Corporation and the Outfall System actually transferred to the State Government by the Corporation. The matter in regard to the finalisation of the agreement is being actively pursued.

#### Irrigation and Waterways Department

84. Report, pages 14-15, paragraph 55 and page 30, paragraph 2(xviii)—

Item "paragraph 55(b) regarding the Aerial Ropeway under Kangsabati Project" of the Audit Report, 1964—

Desirability that a full report in justification of the purchase of ropeway containing inter alia the names of officers associated with the survey work, drawing and

The report together with the particulars asked for has been called for from the Superintending Engineer, Kangsabati Circle.

**Items**

execution of the Project as also the name of the company from whom the ropeway was purchased should be submitted to the next Committee.

85. Report, page 15, paragraph 56 and page 31, paragraph 2(xxii)—

Item "paragraph 74(a)" of the Audit Report, 1964—

Desirability that ways and means should be suggested to reduce the large unadjusted balances under "Suspense" and "Remittance" heads in respect of Irrigation and Waterways Department.

86. Report, page 15, paragraph 57 and page 27, paragraph 2(v)—

Item "paragraph 72—regarding non-settlement of terms and conditions of loans to Durgapur Development Authority" of the Audit Report, 1964—

Desirability that the Department should take expeditious action in the matter of settling the terms and conditions of loans given to the Durgapur Development Authority and that suitable arrangement for the audit of the accounts of the Authority should be done immediately.

87. Report, page 15, paragraph 59 and page 57, paragraph 2(iii)—

Item "paragraph 43—regarding khas lands vested in the State" of the Audit Report, 1964—

Desirability that the progress of distribution and utilisation of land vested in the Government being very slow and resulting in loss of revenue to Government, steps should be taken to expedite utilisation of land, if necessary, suitable changes in the Legislation should be made at an early date.

**Action taken****Irrigation and Waterways Department**

Necessary action for reducing the unadjusted balance under the "Suspense" and "Remittance" heads is taken by the Divisional Officers under the Irrigation and Waterways Department. The difficulty that stands in the way of reducing an unadjusted balance can, therefore, be stated and the possible ways and means to overcome them suggested by the Divisions. The Chief Engineer (I) of the Irrigation and Waterways Department has been requested to furnish a report in the matter as early as possible.

The matter will be taken up with the Finance Department on receipt of this report.

**Development and Planning (Town and Country Planning) Department**

Due to some defects in the existing Durgapur Act, there was no scope to settle the terms and conditions of the loans so far given by the Government to the Durgapur Development Authority. As such, in order to remove the defects and to give an autonomous status to the Durgapur Development Authority to create its own funds so as to enable the Authority to repay the loans, Government was contemplating to issue an ordinance for this purpose. Subsequently it was decided that instead of ordinance a proper Bill might be prepared to amend the existing Act.

Such being the position, neither any action could be taken by this Department to fix up the terms and conditions for the repayment of loans by the Durgapur Development Authority nor could any step be taken for the audit of the accounts of the Authority in pursuance of the recommendation of the Public Accounts Committee so long. Necessary action will be taken as soon as the Act is amended on the basis of the proposed Bill.

**Board of Revenue**

At the time of implementation of the West Bengal Estates Acquisition Act, 1953, the area of lands expected to vest was worked out on the basis of settlement records available during the initial stages of the Settlement Operation, and as such the figures did not depict the correct position about the actual area vested. Since then the settlement records have undergone considerable changes as a result of implementation of the different sections of the said Act, e.g., section 44(2a), section 6(5), etc. The intermediaries have also filed suits against the Government objecting to the notice issued under section 10(2) of the Act. These suits are in many cases pending. It has also been found in some cases that lands taken possession of by the Government had to be given back to the intermediaries as a result of the decision of the Court of Law.

It is, therefore, not possible to work out at this stage the exact area of lands vested in the State. Consequently, it is not also possible to say how much of the land is to be taken possession of. A statement showing the areas of different classes of lands taken possession of and the area under litigation up to 31st January, 1967, is given in Annexure below.

## ANNEXURE

**Settlement of Agricultural Land:** The policy of Government in the matter of settlement of vested agricultural land has been laid down in section 49 of the Land Reforms Act. This section has since come into operation. Pending implementation of the provisions of this section, agricultural land is being distributed on temporary licence basis. The period of licence commences from the 1st Baisakh of the Bengali year and expires at the end of Chaitra. With the expiry of the period of licenses, fresh licences are issued in respect of the same lands.

The reasons for the wide gap between the area of agricultural land taken possession of and the area licensed out are stated below:

- (a) A large portion of the land is unfit for cultivation.
- (b) Some lands are of marginal character and these require reclamation. Nobody is willing to spend any amount for reclamation on short term licence, which is the present policy of Government. It is, however, expected that Government will be in a position to lay down policy for long term settlement of agricultural land in near future when the question of utilisation of lands of marginal character may be taken up.
- (c) Some lands are occupied by persons having more than the maximum quantum of land that can be possessed by an individual licensee and as such they are not entitled to licence under the existing arrangement. Eviction proceedings are, however, being started against these persons.
- (d) In some cases there are part vested plots and these cannot be licenced out in the absence of demarcation. To demarcate the area which has actually vested to the Government co-operation of the intermediary is necessary, but for lack of co-operation from the intermediaries demarcation is being delayed.
- (e) Some plots of land lying isolated are very small and nobody is interested in taking licence of such small plots.

- (f) Lands taken possession of after the sowing seasons cannot be licenced out for that year.

There are statutory provisions for settlement of vested agricultural lands. These are yet to be implemented. If in course of implementing the above provisions, difficulties are encountered with, the question of amending the existing provisions may then arise.

**Non-agricultural lands:** Non-agricultural land is generally settled when there is demand for such land. In terms of rule 212 of the G.E. Manual where land is found fit for settlement the collector advertises the land, inviting applications and settlement is made with the best available candidate.

Most of the unsettled lands are located in isolated blocks and situated far away from the locality and as such there is no demand for such lands.

**Forest:** Vested Forests are taken possession of by the Forest Department direct and are being managed by them.

**Other lands:** This category of lands includes path, grazing field, burial ground, etc., or lands on which the public has easement right. This class of land is not generally settled.

*Statement showing particulars of vested lands as on 31st January 1967*

1. Area taken possession of :		Acres
(a) Agricultural land	.. ..	4,02,735.72
(b) Non-agricultural land	.. ..	2,20,751.76
(c) Forest	.. ..	8,55,792.03
(d) Other land	.. ..	1,01,921.81
2. Area of agricultural land licensed out		.. 1,04,374.59
3. Area of non-agricultural land settled		.. 17,967.89
4. Area under litigation (all categories of lands)		1,08,939.52

## Items

88. Report, page 15, paragraph 64 and page 33, paragraph 2(xvi)—

Item 'paragraph 55(c)—regarding extra expenditure incurred in connection with the reconstruction of the Diamond Harbour Road Bridge at Majerhat' of the Audit Report, 1964—

Desirability that papers (report of the Superintending Engineer) containing the unacceptable stipulations involved in the first tender as well as those of the lower tender should be made available to the Audit.

## Action taken

## Public Works Department

The relevant Secretariat file was duly sent to Accountant-General, West Bengal, for perusal. The file has been returned and the Accountant-General, West Bengal, has also informed the P.A. Committee and Government (vide A.G.W.B. letter No. Rep/DP-64-20/585, dated 3-10-66) that the objection has been finally settled.



## Items

## Action taken

## Public Works Department

89. Report, page 15, paragraph 65 and page 34, paragraph 2(xxi)—

Item 'paragraph 74—regarding large unadjusted balances under "Suspense" and "Remittance" heads' of the Audit Report, 1964—

Desirability that a report on the outstanding balance should be made to the next Committee.

The unadjusted balances under "suspense" and "Remittance" heads as on 31st March 1966 are as follows:

	(in lakhs)
(1) Miscellaneous Public Works Advances (Debit) . . .	Rs. 3,27,02
(2) Purchase (Credit) . . .	Rs. 5,52,33
(3) Remittance into Treasury (Debit) . . .	Rs. 14.40
(4) Public works cheques (Credit) . . .	Rs. 294.74

## Development and Planning Department

90. Report, page 16, paragraph 67 and pages 36-37, paragraph 2(xi)—

Item 'paragraph 55(d), (e) and (f), 56 and 57—regarding extra expenditure, allotment of works without obtaining fully competitive rates and inadmissible payment' of the Audit Report, 1964—

(1) Desirability that, in connection with the works "Construction of Basic Training College with Hostel and Staff quarters at Banipur", "Construction of Workshop shed and Laboratory shed of the Regional Engineering College at Durgapur" and "Construction of Hostel Buildings and twin teachers' quarters for the College of Physical Education at Banipur" undertaken by the Construction Board, all necessary papers and files including the confidential report on the tenders, the names of the members of the Construction Committee at the relevant point of time and the proceedings and decisions of the meetings of the Construction Committee pertaining to the acceptance of the tenders under objections should be submitted to the next Committee.

(2) Desirability that in connection with the above construction works the following information should be furnished to the next Committee—

(a) Regarding "paragraph 55(d)—Construction of Basic Training College with Hostel and staff quarters at Banipur".—Was the contractor a first class contractor at that time?

Is he still an enlisted contractor, if so, in what capacity?

The confidential reports from the Executive Engineer regarding the working of the contractor.

(b) Regarding "paragraph 56—Construction of 20 six-roomed dormitories estimated to cost about Rs. 2 lakhs and 147 six-roomed dormitories estimated to cost about Rs. 15 lakhs"—

(i) Dates of administrative approval/technical sanction of the work;

(ii) Dates of calling for tenders/receipt of tenders/acceptance of tenders;

(iii) Dates of orders for commencement/actual starting of work;

(1) All necessary papers and files including the confidential report on the tenders, the names of the members of the Construction Committee at the relevant point of time and the proceedings and decisions of the meeting of the Construction Committee pertaining to the acceptance of the tenders under objection mentioned in these paragraphs of the Audit Report, 1964 will be submitted before the Committee in their next meeting.

(2)(a) *Paragraph 55 (d)*: Shri U. L. Naha, concerned contractor, was a first class contractor at that time and he is still an enlisted contractor in first class. There is no confidential report from the Executive Engineer, regarding the working of the contractor. The then Chief Engineer and Secretary, Construction Committee, Shri S. N. Gupta, was informed by the Refugee, Relief and Rehabilitation Department (vide Shri B. L. Sen, Assistant Secretary's D.O. No. 1257-CH&C, dated 9/10-11-59) that the roof of one ward of Habra Boys' Home was leaking and in one place it had cracked. The work of construction of Boys' Home at Habra estimated to cost Rs. 4,16,529 was entrusted to Shri U. L. Naha at Rs. 3,26,257. As this work carried out by Shri Naha was very much defective, Shri S. N. Gupta insisted on the other members of the Committee not to accept the tender of Shri U. L. Naha. Of course the remarks of Shri S. N. Gupta had not been specifically mentioned in the minutes of the relevant Committee Meeting.

(b) *Paragraph-56*: (i) The work was administratively approved by Refugee, Relief and Rehabilitation Department No. 1596-Misc., dated 24th February 1955 at Rs. 14,25,565. The technical sanction was accorded by the Construction Board in its 40th meeting held on 8th August 1955.

Items	Action taken
(iv) Scheduled date of completion vis-a-vis the actual date thereof;	(ii)(a) Dates of calling for tender are given in Annexure below.
(v) When were the buildings occupied—date; number of buildings occupied; and	(b) Date of receipt of tenders are given in Annexure below.
(vi) names of the participating tenders—first occasion/second occasion.	(c) Date of acceptance of tender—17th April 1956.
	(iii)(a) Date of orders for commencement—14th July 1956.
	(b) Date of actual starting of work is given in Annexure below.
	(iv)(a) Schedule date of completion—12th November 1956.
	(b) The actual date of completion is given in Annexure below.
	(v) When were the buildings occupied; date, number of buildings occupied—Will be furnished later.
	(vi) Names of participating tenders:
	(a) First Call—
	(1) Messrs. Indian Engineers.
	(2) Messrs. K. C. Ghosh & Sons.
	(3) Messrs. Commercial Planners.
	(4) Messrs. Mariwalla Builders.
	(5) Messrs. Eastern National Construction Co., Ltd.
	(6) Shri B. N. Ghosh.
	(7) Shri B. Mazumder.
	(8) Messrs. Modern Construction Co.
	(9) Shri Bimal Mukherji.
	(b) Second Call—
	(1) Shri B. Mazumder.
	(2) Messrs. K. C. Ghosh & Sons.
	(3) Messrs. Mariwalla Builders.
	(4) Messrs. Eastern National Construction Co., Ltd.
	(5) Shri Bimal Mukherji.

## ANNEXURE

Serial No. of Groups	Name of Contractor.	No. of dormitories in the Group.	Date of invitation of tender.	Date of receiving tender.	Date of acceptance by Construction Committee.	Date of commencement and actual starting.	Date of completion as per work order.	Date of actual completion.
A	Mariwalls Buildings ..	20	14-3-56	22-3-56	26-6-56	13-7-56	12-11-56	28-7-57
B	Mariwalls Buildings ..	20	14-3-56	22-3-56	26-6-56	13-7-56	12-11-56	28-7-57
C	B. Mazumdar ..	20	14-3-56	22-3-56	26-6-56	23-7-56	22-11-56	15-9-57
D	K. C. Ghosh & Sons	20	14-3-56	22-3-56	26-6-56	28-7-56	27-11-56	31-1-58
E	Mariwalls Buildings ..	47	Not invited since awarded by negotiation. Accepted by C. B. at the recommendation of S. E. (N).	27-1-57	11-1-57	8-2-57	7-8-57	3-12-57
F	B. Mazumdar ..	17		21-2-57	11-1-57	1-3-57	15-6-57	24-12-57
G	K. C. Ghosh & Sons ..	23		29-2-57	11-1-57	15-3-57	15-7-57	28-2-59

## Items

## Action taken

## Public Works (Roads) Department

91. Report, page 16, paragraph 68 and page 37, paragraph 2(xv)—Item “paragraph 58 — regarding infructuous expenditure on the purchase of a launch for ferry service at Dhulian-Khejuriaghat on the National Highway” of the Audit Report, 1964—

Desirability that the Department should produce to the next Committee all materials and information connected with the survey, inspection, purchase, etc., of the launch with special reference to the following points:—

(a) papers showing that the vessel was intended for stand-by arrangement;

(b) copy of “survey certificate” issued by the Mercantile Marine Department, Government of India, and other relevant reports (including Inspection Report) issued by that authority;

(c) the intended accommodation of the vessel as per notice, inviting quotations and the actual capacity of the vessel purchased;

(d) a copy of the offer of the builders of vessel (Messrs. Varuna Ship Builders Ltd.).

(e) circumstances under which (1) no agreement was executed, (2) no guarantee was obtained, (3) no security demanded and (4) no penalty imposed for delay in supplying the vessel;

(f) number of days (year-wise) the vessel made journeys since 1961 to date.

(a) Unfortunately, the original Secretariat file relating to the purchase of the launch in question could not be traced out at such a distant date. It is, therefore, regretted that papers are not now available for examination to find out that the vessel was intended for stand-by use. It is, however, seen that the vessel has been in use in the Dhulian-Khejuriaghat Ferry as a stand-by.

(b) A copy of the Inspection Reports from the ship surveyors of the Mercantile Marine Department, Government of India, as received from the Directorate office is given in the Annexure ‘A’ below.

(c) As per notice inviting quotations, the intended accommodation of the vessel was for 60 passengers with a temporary seating arrangement for 40 more passengers capable of being converted into a space for carrying one motor car. The vessel purchased was of the specification as per notice inviting quotation.

(d) A copy of the offer of the builders of the vessel (Messrs. Varuna Ship Builders Ltd.) is given in Annexure “B” below.

(e) In the absence of the relevant file in this connection, it is regretted that it is not possible to state the exact reasons why (i) no agreement was executed. (ii) No guarantee was obtained, and (iii) no security was demanded. (iv) Regarding non-imposition of penalty for delay in supplying the vessel, it may be stated that the firm was intimated that in case of their delay in effecting delivery of the vessel beyond 31st August 1954 up to which time was extended, the order for supply might be cancelled. The firm was also intimated that if for any delay on their part, Government had to incur any unnecessary expenditure on maintenance of the vessel at Calcutta for a year being unable to send the same to Dhulian for service, because of the Bhagirathi becoming unnavigable, the amount of such expenditure would be recovered from their bill. As, however, the delivery was ultimately accepted and no extra expenditure had to be incurred by Government for maintenance of the vessel at Calcutta it being possible to send the same to Dhulian immediately after delivery, no penalty was imposed.

(f) The following journeys were made by the launch in question since 1961 to date:

1961	..	..	41 days.
1962	..	..	47 ..
1963	..	..	No records.
1964	..	..	No records.
1965	..	..	18 days.
1966	..	..	14 days.
1967 to date	..	..	15 days.

## ANNEXURE "A"

## GOVERNMENT OF INDIA

## Ministry of Transport

Office of the Principal Officer, Mercantile Marine Department "Marine House" Hastings.

No. S/1140/S-180

The Executive Engineer, Mechanical Division,  
Anderson House, Alipore, Calcutta-27.

Calcutta, 22nd October, 1954.

**SUBJECT:** *Ferry Boat for Dhulian Ferry*

Inspection report on the above boat from the Surveyors of this Office, is forwarded herewith as requested in your letter No. 6458, dated 15th September, 1954, for necessary action.

Senior Engineer and Ship Surveyor,  
For Principal Officer,  
Mercantile Marine Department,  
Calcutta District.

*Inspection Report on the Ferry Boat for Dhulian Ferry.*

15-9-54: Vessel aboard the S.S. "Jalakala" at No. 3 Esplanade Moorings.—Examined the engines, propellers, shafts and the rudders. All these parts appeared to be good condition and no damage was evident to any of them.

24-9-54: I accompanied the vessel when it was taken out for her loading and running trials. But

the loading test could not be carried due to inadequate arrangements. I then witnessed the running trials and manouverability tests. The vessel performed well and her manouverability was exceptionally good. She averaged a speed of 8.25 m.p.h. at 1000 R.P.M. (Her maximum revs. 1250 p.m.). The trials on the measured mile were carried out when there was a very strong Ebb tide. Hence in my opinion, the vessel under loaded condition with full throttle and fairly slack water condition will safely do the required speed of 8.5 m.p.h.

K. RAMAKRISHNA, E. & S.S. M.M.D.,  
Calcutta.

This ferry boat was inspected while stowed on deck of S.S. "Jalakala" lying at river moorings in the Hooghly on 15th September 1954. The inspection was only with regard to the hull of which the general condition appeared to be good except at a few places of hull sides and bottom where slight dentings were noticed. These dentings were considered to be due to handling of the craft during shipment.

H. C. RAUT, Ship Surveyor, M.M.D.,  
Calcutta.

**ANNEXURE B**  
**VEHICLE AND PASSENGER FERRY LAUNCH**

Drawing No. 418 (Revised 459)

The loading dimensions of this vessel to be built in accordance with drawing No. 418—Subject of course, to technical modifications where found advisable in the interest of efficiency of the completed vessel will be as under:—

Length on Deck—40'-0"

Length over all—50'-6"

Beam—15'-0"

Draft—2'-6"

Estimated speed—8.5 m.p.h. loaded

Pay load—11 tons approximately.

**General:** Full details of decking facilities are not known but it is assumed that it will be possible to "end load" vehicles from a roap ramp or "hard" with a declivity of not less than about 7:1. The vessel proposed is powered with twin engine driving twin screws and having twin rudders operating in the propeller shipsteams. The best possible manouverability of this rather wide shallow craft shall be obtained by this arrangement of propellers and rudders.

Power of 120 B.H.P. proposed should give a loaded speed of 8.5 m.p.h. with some reserve of power, and we feel this should be sufficient for river navigation.

The vessel is arranged so that vehicles drive on board over the vessels "drop ramp" or prow (which, when in raised position) closes the bows against choppy seas and are parked on the 32 ft. long centre deck. The stern and sides of the vessel are arranged with seats under permanent wood awning for 60 passengers. In addition, a further 40 passengers may be accommodated on hinge up seats in the vehicle space when vehicles are not being carried.

Control position is arranged above the awning aft where a good view for navigation and docking is obtained. All engine controls will be carried to this position as well as steering leads from the twin rudders.

**Machinery:** Two Marine Diesels of about 60 B.H.P. each are proposed as the propelling machinery (our estimate is based on Ailsa Craig R.F. 6 engine,

these engines being fairly readily obtainable at present) driving twin bronze propellers of 22" diameter using direct drive reversing gear boxes, thro' bronze shafts and brass stern tubes engine will be provided with all electric equipment and self-starters fuel oil sufficient for 30 hours running at full speed will be provided. Tools and spares will also be provided.

**Steering:** Steering will be by means of M. S. Plate rudders, quadrants, and chain to 30" teak wood wheel in wheelhouse.

**Construction:** The hull of the vessel which is of hard chine construction will be built of steel of adequate scantling (Hull plating 3/16" generally) well protected by renewable wood on sides, ends and under the prow where contract would be made with the ramp. The lowering prow will be steel framed and the jols of steel also.

Decking and superstructure would be of teakwood throughout.

**Equipment:** Vessel will be equipped with all necessary fairleads, bollards, mooring warps and anchors and with special hand winches lowering and raising the ramp. The vessel will also be provided with electric deck lights, floodlights for illuminating the ramp, and with navigation lights.

**Painting and Finishing:** The hull and super structures will be well painted and varnished with best marine grade materials and selected colours.

**Price:** The price of the vessel will be Rs. 1,15,000 ex. shipyard, exclusive of sales tax or any other tax, if applicable, and subject to alteration without notice.

**Delivery:** This will be dependable on availability of materials and subject, of course, to usual clauses concerning strikes, etc., but, as of today, we would be able to effect delivery within 5 months from the receipt of firm order by us.

**Terms:** In accordance with the usual shipbuilding practice, we would require a cash payment of 25 per cent. with order 25 per cent. when the hull is complete 25 per cent. when the engines are lowered and the balance 25 per cent. on delivery afloat Bombay.

**Items**

92. Report, page 16, paragraph 69 and page 49, paragraph 2(xxx)—

Item "paragraph 9(b)" of the Audit Report, 1964—

Desirability that the loan ledger in respect of loans and advances to displaced persons should be completed as early as possible and that the extent of progress should be submitted to the next Committee and pending completion of the ledger the figures in instalment should be reported to the next Committee.

**Action taken**

**Refugee Relief and Rehabilitation Department**  
Same reply as in item 32.

## Items

93. Report, pages 16-17, paragraph 71 and page 49, paragraph 2(xxxiii)—

Item "paragraph 44" of the Audit Report 1964—  
Desirability that, in connection with the incorrect totalling of Rs. 70,000 in the cash balance in hand remaining undetected for about 6 months, a full report containing result of investigation as suggested by the Accountant-General should be made to next Committee.

## Action taken

## Refugee Relief and Rehabilitation Department

The matter has been investigated by the Deputy Refugee Rehabilitation Commissioner, West Bengal, and ex-officio Deputy Secretary, Refugee Relief and Rehabilitation Department and a copy of his report is given in the Annexure below:

## ANNEXURE

## INVESTIGATION REPORT

As ordered by the Secretary I investigated into the matter "why the amount of Rs. 70,000 remained undetected for about six months" in the cash book maintained by the Director (S. & A.). I am to report as follows:—

- (i) This particular cash book is known as the Accountant General's cash book as explained to me by the Senior Accountant and the Accounts Officer. Shri Niranjana Bose was the cashier and Shri Sunil Guha, W.B.C.S., was the Director, Supply and Accounts. In page 84 of this cash book altogether six cheques amounting to Rs. 99,127.91p. appeared to have been received on 11th December 1961 from the Accountant-General, West Bengal, and entered in the cash book on the same date. Out of these, two crossed cheques—one for Rs. 75,827.70p. and the other for Rs. 2,039.18p. were drawn in favour of M/s. Indian Iron and Steel Co. Ltd. and M/s. Aryan Trading Corporation, respectively. The remaining four cheques (open cheques) amounting to Rs. 21,216.03p. on account of cash doles for Cossipore, Haringhata, Basberia Homes, etc., were drawn in favour of Director, Supply and Accounts. Though the total of the six cheques comes to Rs. 99,127.91p. the same had been recorded as Rs. 29,127.91p. in the cash book on the date. Individual entries, however, appeared to have been recorded correctly. Thus there was a short totalling of Rs. 70,000 on that date.
- (ii) This short totalling on the receipt sides was detected on 28th June 1962 by the Cashier and it is remarked on page 231 of the cash book that the amount of Rs. 70,000 was omitted through oversight from the total and was, therefore, added to the cash thus rectifying the mistake.
- (iii) The book balance in the cash book comprises of the following items:—
- (a) Liquid cash in hand;
- (b) Cheques in hand;

- (c) Advances given to Superintendents of different Homes and other officers (vouchers).

Director (Supply and Accounts) who signed the cash book every day explained that while making physical verification of the cash, he took into account only the liquid cash and did not ordinarily verify the cheques. In the cash book, there is no record regarding the details of the three items mentioned above. There is no indication in the cash book with regard to the details of the cheques which were in hand every day. Obviously, therefore, the failure to detect the short fall of Rs. 70,000 in the cash book for a period of six months was due to the fact that there was no verification of the cheques during verification of the cash balance by the Director (S. & A.). Detection would have been possible if the cheques maintained in the cash were verified from time to time or even monthly as laid down in the rules. The relevant rule specifically lays down that monthly verification of cheques should be made and a certificate to that effect must be recorded in the cash book. There is no such certificate recorded as no such verification was done. Even then at the end of the financial year when all yearly accounts were closed, there was a chance of detection if the details of cheques maintained in the cash were verified by the Officer-in-charge. This also does not appear to have been done and the error in adding up of Rs. 70,000 in the cash book remained undetected till 28th June 1962 when the Cashier during his checking of the cash is reported to have found out the mistake. Apparently, the detection of the error in the cash book has been delayed on account of failure to observe the rules of cash verification.

The Director (S. & A.) was already warned by the then Secretary on 4th December 1964 and he was asked to see that this type of irregularity does not occur again. I have also asked the Director (S. & A.) to follow the rules strictly.

A. K. CHATTERJEE,  
Deputy R.R.C., West Bengal,  
and Ex-officio Dy. Secretary  
R. R. and R. Department.

**Items**

94. Report, page 17, paragraph 72 and page 49, paragraph 2(xxxv)—

Item "paragraph 46—regarding shortage and defective maintenance of accounts with regard to supply of petrol" of the Audit Report, 1964—

Desirability that the present position in respect of the subjudice case arising out of non-maintenance of stock accounts of petrol prior to 29th December 1961 should be reported to the next Committee.

95. Report, page 17, paragraph 73 and page 50, paragraph 2(xxxvi)—

Item "paragraph 47 and Appendix VI, Sl. 3 regarding non-accountal of foodgrains in the Relief Stores" of the Audit Report, 1964—

Desirability that a report of the present position of the subjudice case should be made to the next Committee.

96. Report, page 17, paragraph 74 and page 50, paragraph 2(xxxix)—

Item "paragraph 71" of the Audit Report, 1964—

Desirability that effective steps should be taken to realise the outstanding rents in respect of Ganguli Bagan Scheme, Poddar Park Scheme and Hawkers' Corner Scheme, Calcutta.

97. Report, page 17, paragraph 75 and page 48, paragraph 2(xvi)—

Item "paragraph 17" of the Audit Report, 1964—

Desirability that the outstanding utilisation certificates in respect of the grants-in-aid made by the Tribal Welfare Department to various Local Bodies and private institutions/individuals should be furnished to the Accountant-General, West Bengal, by the end of 1966.

98. Report, page 17, paragraph 76 and page 48, paragraph 2(xix)—

Item "paragraph 89(a)" of the Audit Report, 1964—

Desirability that the outstanding utilisation certificates in respect of the grants-in-aid made by the Tribal Welfare Department to the Nayaform Bani Bidyapith, Rani Junior High School, Bijilpur Saradmoni Balika Vidyapith and Nirmal Hriday Ashram should be furnished to the Accountant-General, West Bengal, without any delay.

**Action taken****Refugee Relief and Rehabilitation Department**

The case is still subjudice.

**Refugee Relief and Rehabilitation Department**

The case is still subjudice.

**Refugee Relief and Rehabilitation Department**

Noted. The local officer has been asked to take steps for realisation of the outstanding rents.

The local officer has reported that demand notices have been issued to the defaulting tenants. Besides, 46 rent and ejection suits have been filed, of which 13 cases have been disposed of in favour of Government and 2 against Government. 31 suits are still pending in Court. Steps are being taken to file more suits against defaulting tenants.

**Tribal Welfare Department**

In absence of item-wise break-up, it is not understood whether any of the items concerning this Department has been included in this para.

However, the drawing officers concerned are being reminded at regular intervals for expediting the submission of the particulars. A general circular is also being issued.

**Tribal Welfare Department**

The outstanding utilisation certificates referred to in the paragraph covered five items. Utilisation certificates in respect of all the items were sent to the Accountant-General, West Bengal, as detailed below:—

Name of the Institution	No. and date of letter in which the utilisation certificates were sent.
(1) Bagasty Union Haricharan Scheduled Caste School.	3857-T.W., dated 18th May 1964.
(2) Bani Vidyapith	3073-T.W., dated 5th August 1966.
(3) Ranarani Junior High School.	1200-T.W., dated 24th March 1964.
(4) Bijilpur Saradmoni Balika Vidyapith.	4472-T.W., dated 27th November 1964.
(5) Nirmal Hriday Ashram	1819-T.W., dated 9th April 1965.

**Items****Action taken**

99. Report, page 17, paragraph 77 and page 53, paragraph 2(xx)—

Item "paragraph 18" of the Audit Report, 1964—

Desirability that replies to the draft paragraphs should be furnished to the Accountant-General within the stipulated time.

100. Report, page 17, paragraph 78 and page 53, paragraph 2(xxv)—

Item "paragraph 25" of the Audit Report, 1964—

Desirability that the materials for the Appropriation Accounts should be furnished to the Accountant-General most expeditiously.

The above fact was explained by the Secretary in the meeting of the Public Accounts Committee. No further action in the matter is necessary.

**Finance Department**

The observation of the Committee has been brought to the notice of all Departments. (Vide Annexure A below).

**Finance Department**

The observation of the Committee has been brought to the notice of all Departments. (Vide Annexure B below).

**ANNEXURE A****GOVERNMENT OF WEST BENGAL****Finance (Appropriation) Department**

No. 68(58)-A.P.

Calcutta the, 22nd May, 1967.

**MEMORANDUM**

**SUBJECT:** *Desirability that replies to the draft paragraph should be furnished to the Accountant-General within the stipulated time.*

The undersigned is directed to refer to paragraph 77 at page 17 and paragraph 2(xx) at page 53 of the Report of the Public Accounts Committee on the Appropriation and Finance Accounts for 1962-63 and the Audit Report, 1964, and to bring to the notice of all departments the observation of the Committee

that replies to the draft paragraphs should be furnished to the Accountant-General within the stipulated time.

N. K. PAL, Deputy Secretary.

To

The.....

.....Department.

**ANNEXURE B****GOVERNMENT OF WEST BENGAL****Finance (Appropriation) Department**

No. 67(58)-A.P.

Calcutta, the 22nd May, 1967

**MEMORANDUM**

**SUBJECT:** *Desirability that the materials for the Appropriation Accounts should be furnished to the Accountant-General most expeditiously.*

The undersigned is directed to refer to paragraph 78 at page 17 and paragraph 2(xxv) at page 53 of the Report of the Public Accounts Committee on the Appropriation and Finance Accounts for 1962-63

and the Audit Report, 1964, and to bring to the notice of all departments the observation of the Committee that the materials for the Appropriation Accounts should be furnished to the Accountant-General most expeditiously.

N. K. PAL, Deputy Secretary.



## Items

## Action taken

## Finance (Taxation) Department

101. Report, page 17, paragraph 79 and page 53, paragraph 2(xxvii)—Item “paragraph 67—regarding outstanding Agricultural Income Tax” of the Audit Report, 1964—

Desirability that steps should be taken to realise the outstanding amounts as expeditiously as possible and that the arrears up to the year 1965-66 should be reported to the next Committee.

The total arrears under the Bengal Agricultural Income Tax Act, 1944, at the close of the year 1965-66 stood at Rs. 1,20,08,395 only.

All possible steps are being taken by the Commissioner of Agricultural Income Tax, West Bengal, for realising the above outstanding dues as expeditiously as possible. A copy of Commissioner, Agricultural Income Tax's Order No. 1397(29)-C, dated 20th June 1967, containing instructions to the Agricultural Income Tax Officers for expeditious collection of arrear taxes is given in the annexure below.

## ANNEXURE

## GOVERNMENT OF WEST BENGAL

Office of the Commissioner, Agricultural Income Tax, West Bengal

New Sectt. Buildings, (12th floor), Calcutta-1.

## ORDER

No. 1397(29)-C

Calcutta, the 20th June 1967.

Attention of every Agricultural Income Tax Officer is drawn to the direction of Finance (Taxation) Department contained in Memo. No. 1293-F.T., dated 11th April 1966, forwarded to the Range Offices with this office Memo. No. 867(9)-C, dated 20th April 1966, about speedy realisation of arrears of agricultural income tax.

2. Arrears of Agricultural Income Tax at the close of the financial years from 1958-59 to 1965-66 are tabulated below:

			Rs.
1958-59	...	...	88,11,000
1959-60	...	...	94,30,000
1960-61	...	...	99,67,000
1961-62	...	...	1,14,28,000
1962-63	...	...	1,09,06,000
1963-64	...	...	1,06,30,000
1964-65	...	...	1,15,86,000
1965-66	...	...	1,20,08,000

Except at the end of 1962-63 and 1963-64, the arrears, of agricultural income tax increased.

3. Rise in arrears of Rs. 32,00,000 in 8 years has not only been disliked by the Finance (Taxation) Department but has attracted also the attention of the Comptroller and Auditor-General of India. Under the direction of the latter, the Accountant-General, West Bengal, has taken up the matter in the Public Accounts Committee.

4. The rates of collection of arrears from 1959-60 to 1965-66 are furnished below:

1959-60	...	...	17 per cent.
1960-61	...	...	18 per cent.
1961-62	...	...	12 per cent.
1962-63	...	...	19 per cent.
1963-64	...	...	18 per cent.
1964-65	...	...	12 per cent.
1965-66	...	...	12 per cent.

The collection of arrears at the above rates has proved totally inefficacious in reducing the arrears. To stop the steep rise in the arrears, the rate of collection of arrears must be increased by each Agricultural Income Tax Officer.

5. In order to do it, each Agricultural Income Tax Officer must be in constant touch with the records of the defaulters. No debtor pays money unless he is constantly pressed upon to do it. It means constant vigilance and effort on the part of every officer.

6. Collection of arrears from the assessee entrusted to each officer is the individual responsibility of that officer. Good collection resulting from individual keenness of some has been set off by bad collection due to lack of ardency of others. Each Agricultural Income Tax Officer is required to be equally zealous.

7. Issue of certificates under the P. D. R. Act, in pursuance of section 45(3) of the Bengal Agricultural Income Tax Act, is a bad reflection upon the efficiency of an Agricultural Income Tax Officer. For, the incapacity of the Agricultural Income Tax Officer to collect his demands under the Bengal Agricultural Income Tax Act is covered up by certificate proceedings under the P. D. R. Act. Each officer is to see that demands made by him or his predecessor-in-office are collected without requiring the issue of certificates under section 45(3) of the Bengal Agricultural Income Tax Act. That is to say, each assessing officer should make it a point to collect the demands in 95 per cent. cases without recourse to the P. D. R. Act.

8. The required number of disposal of assessment cases to reach the target of demands should better be completed within February each year and the month of March should be only devoted towards collection. This will reduce the arrears as well as augment the collection. This procedure may be considered by each officer.

9. Each officer is asked to devote proper attention towards the collection of arrears just now and stop it from going up. Some directions for doing it have been set out above for guidance. In specific cases, each officer should act according to surrounding circumstances to speed up arrear collection.

10. Assessing Officers are not considered to do their duty properly if that duty is severed from the responsibility of collecting the arrears.

11. A copy of this order is sent to Finance (Taxn.) Department with reference to No. 2267/1(1)-F.T., dated 9th June 1967.

B. B. SEN,  
Commissioner,  
Agricultural Income Tax, West Bengal.

To  
Shri

Agricultural Income Tax Officer,  
.....Range.

#### Items

102. Report, page 17, paragraph 80 and page 53, paragraph 2(xxiii)—Item "paragraph 22-23" of the Audit Report, 1964—

Desirability that excesses under voted grants and charged appropriations for the year 1962-63 should be regularised.

103. Report, page 17, paragraph 81—Item "paragraph 49—regarding delay in finalisation of suspension cases of Government servants" of the Audit Report, 1964—

Desirability that the suspension cases which could be disposed of by the Departments themselves unilaterally should be finalised without least delay.

#### Action taken

The excess expenditure over voted grants and charged appropriations during 1962-63 will be regularised by the West Bengal Appropriation (Excess Expenditure, 1962-63) Bill in due course.

#### Finance (Audit) Department

Instructions have been issued to all Departments and heads of offices to guard against the delay in finalisation of suspension cases of Government servants in Memo. No. 2474(200)-F, dated 15th July 1967 (copy given in the Annexure below). Another instruction indicating the detailed procedure to be followed in the matter will be issued soon in consultation with the L. R. and Vigilance Commissioner.

### ANNEXURE

#### GOVERNMENT OF WEST BENGAL

Finance Department

Audit Branch

No. 2474(200)-F./F1A-3(28)/67.

Calcutta, the 15th July 1967.

**SUBJECT:** *Delay in finalisation of suspension cases of Government Servants.*

It has come to the notice of Government that sometimes unusual delay occurs in disposing of departmental proceedings instituted against Government servants. Recently the Public Accounts Committee have in item 81, paragraph 49 of their Report for 1964, directed that the cases which could be disposed of by the Departments themselves unilaterally should be finalised without least delay. The undersigned is therefore directed to impress upon all concerned that

every attempt should be made for early finalisation of suspension cases so that no extra financial liability devolves on Government for unnecessary delay in disposing of such cases. As a precautionary measure arrangements for periodical check up should be made by the authority competent to dispose such cases.

2. A copy of the instruction should be communicated by the respective Department to its subordinate offices concerned.

B. B. BISWAS,  
Deputy Secretary to the Govt. of West Bengal.

To

The.....Department.

