

PUBLIC ACCOUNTS COMMITTEE
(1973-74)

(FIFTH LOK SABHA)

HUNDRED AND TENTH REPORT

[Action taken by Government on the recommendations of Public Accounts Committee contained in their 76th Report (Fifth Lok Sabha) on the Report of the C&AG (Civil) for the year 1969-70 relating to the Ministry of Home Affairs and Report of the C&AG (Civil) for the year 1970-71 relating to the Ministries of Home Affairs, Information and Broadcasting and Department of Agriculture and Appropriation Accounts (Civil), 1970-71 relating to the Department of Agriculture].



सत्यमेव जयते

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NEW DELHI

March, 1974/Phalguna, 1895 (SAKA)

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CORRIGENDA TO HUNDRED AND TENTH REPORT
(1973-74) PRESENTED TO LOK SABHA ON 11.4.74.

<u>Line</u>	<u>For</u>	<u>Read</u>
5	76th Report (Fifth Lok Sabha) relating to the Ministries of Home	76th Report (Fifth Lok Sabha) on the Report of the C&G for the year 1969-70 relating to the Ministry of Home Affairs and Report of C&G (Civil) for the year 1970-71 relating to the Ministries of Home
8	'an action'	'action Taken'
23	Omission	Omission
2	Delete the word 'TEXT'	
21	miling	mailing
15	out	cut

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PUBLIC ACCOUNTS COMMITTEE

(1973-74)

CHAIRMAN

Shri Jyotirmoy Bosu

MEMBERS

2. Shri Virendra Agarwala
3. Shri S. C. Besra
4. Shri M. Deiveekan
5. Shri C. D. Gautam
- *6. Shri Pampan Gowda
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20. Shri P. S. Patil
21. Shri Sasankasekhar Sanyal
22. Shri Sawaisingh Sisodia

SECRETARIAT

Shri M. S. Sundaresan—*Deputy Secretary.*

Shri T. R. Krishnamachari—*Under Secretary.*

*Elected on 29.11.73 *vice* Shri D.S. Afzalpurkar died.

INTRODUCTION

I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this 110th Report on action taken by Government on the recommendations of the Committee contained in their 76th Report (Fifth Lok Sabha) relating to the Ministries of Home Affairs, Information and Broadcasting and Department of Agriculture and Appropriation Accounts (Civil), 1970-71 relating to the Department of Agriculture.

2. On the 26th May, 1973 an 'An Action' Sub-Committee was appointed to scrutinise the replies received from Government in pursuance of the recommendations made by the Committee in their earlier reports. The Sub-Committee was constituted with the following Members :

Shri H.N. Mukerjee—*Convener*

- | | |
|------------------------------|------------------|
| 2. Shri Sunder Lal | } <i>Members</i> |
| 3. Shri Biswanarayan Shastri | |
| 4. Shri M. Anandam | |
| 5. Shri Nawal Kishore | |
| 6. Shri H.M. Patel | |

3. The Action Taken Sub-Committee of the Public Accounts Committee (1973-74) considered and adopted this Report at their sitting held on the 1st March, 1974. The Report was finally adopted by the Public Accounts Committee on the 25th March, 1974.

4. For facility of reference the main conclusions/recommendations of the Committee have been printed in thick type in the body of the Report. A statement showing the summary of the main recommendations/observations of the Committee is appended to the Report.

5. The Committee place on record their appreciation of the assistance rendered to them in this matter by the Comptroller and Auditor General of India.

NEW DELHI ;

March 26th, 1974.

Chaitra 3rd 1896(S).

JYOTIRMOY BOSU,

Chairman,

Public Accounts Committee.

CHAPTER I

REPORT

1.1. This Report of the Committee deals with action taken by Government on the recommendations contained in 76th Report (5th Lok Sabha) on the Report of C&AG (Civil) for the year 1969-70 relating to the Ministry of Home Affairs and Report of the C&AG (Civil) for the year 1970-71 relating to the Ministries of Home Affairs, Information & Broadcasting and Department of Agriculture and Appropriation Accounts (Civil), 1970-71 relating to the Department of Agriculture.

1.2. Action Taken Notes have been received in respect of all the 35 recommendations contained in the Report.

1.3. The Action Taken Notes on the recommendations of the Committee have been categorised under the following heads :—

(i) *Recommendations/observations that have been accepted by Government.*

S. Nos. 1, 3, 4, 6—9, 10, 12—14, 16, 17, 19, 20—26, 28—32 and 35.

(ii) *Recommendations/observations which the Sub-Committee may not desire to pursue in the light of the replies of Government.*

S. No. 18.

(iii) *Recommendations/observations replies to which have not been accepted by the Sub-Committee and which require reiteration.*

Nil.

(iv) *Recommendations/observations in respect of which Government have furnished interim replies.*

S. Nos. 2, 5, 11, 15, 27, 33 and 34.

1.4. The Committee hope that final replies in regard to the recommendations to which only interim replies have been furnished, will be submitted to them expeditiously after getting them vetted by audit.

1.5. The Committee will now deal with the action taken on some of the recommendations.

Delay in the construction of buildings and furnishing of revised estimates, audited statements of expenditure and final bills for certain works.

[Paragraphs 1.18 & 1.21 S. Nos. 2 & 5].

1.6. In paragraphs 1.18 and 1.21, the Committee had made the following observations regarding the delay in furnishing of revised estimates, audited statements of expenditure and final bills in respect of the buildings constructed by the National Buildings Construction Corporation for the Delhi Municipal Corporation :

“1.18. The Committee are concerned to note that although almost all the five buildings have been completed, the N.B.C.C. have not so far furnished revised estimates in respect of three works and the audited statements of expenditure and the final bills in respect of some of the works in spite of several reminders and personal efforts from the D.M.C. Because of several years delay in the completion of the works, the cost of the buildings originally estimated at 15.59 lakhs has jumped to 22.86 lakhs. The cost is likely to go up further when final bills are presented by N.B.C.C.”

1.21. The Committee would also like to observe that N.B.C.C. should not stand on technicalities but should do all it can to help a sister organisation. They trust that all issues between the two Corporations will be settled amicably and the accounts finalized without further loss of time.”

1.7. The Ministry of Home Affairs in their reply dated the 8th November, 1973 have stated as follows :

“1.18. It has been intimated by the Municipal Corporation that the final bills have not yet been presented to the Corporation by the National Building Construction Corporation despite repeated reminders from the Corporation. The matter is still being pursued by the Corporation with the N.B.C.C.

1.21. The matter has again been taken up by the Municipal Corporation with the N.B.C.C. and it may take some time before the same is finalised.”

1.8. Dealing with the delay in construction of buildings through the National Building Construction Corporation and in getting from them revised estimates, audited statements of expenditure and final bills in respect of some of the works, the Committee had observed that the NBCC should not stand on technicalities but should do all it could to help a sister organi-

sation (Delhi Municipal Corporation). They had also desired that all issues between the two Corporations should be settled amicably and the accounts finalised without further loss of time. It is seen from the reply that the final bills have not yet been presented by the NBCC despite repeated reminders from the DMC.

*The Committee would await a report in this regard from the Ministry of Works and Housing.

Misappropriation of Government money

[Paragraph 1.92 (S. No. 19)]

1.9. In paragraph 1.92, the Committee had made the following observation regarding cases of misappropriation of Government money in connection with the Central Purchase Organisation Scheme.

1.92. That as many as ten cases of misappropriation of Government money/sale proceeds of stores came to be noticed in the operation of the scheme during two years (1968-69 and 1969-70) shows that either there is lacunae in the system which enabled dishonest persons to circumvent the rules or else the checks and counter-checks prescribed for detecting the frauds are inadequate and ineffective. The Committee, therefore, desire that apart from handing over the cases to the CBI the Administration should take steps to investigate the procedural snags and slackness, if any, on the part of the supervisory staff concerned for appropriate remedial measures. They would urge that detailed instructions should be issued to guard against the possibility of such frauds in future and for the guidance of the staff concerned. The Committee trust that suitable action would be taken against persons found guilty so that it acts as a deterrent against any such laxity in future.

1.10. The Ministry of Home Affairs in their reply dated the 10th December, 1973 have stated the following :

The position in regard to the 10 cases of mis-appropriation of Government money/sale proceeds of stores in the operation of the schemes during two years (1968-69 and 1969-79) is given below :—

- (a) *Waii*.—A case has been filed in the court of special Judge, A.P. against a (A), L.D.C. who was found guilty in the alleged misappropriation case. The result is still awaited.

*Ministry of Works and Housing have furnished a revised note on 15-3-74 stating that NBCC have submitted final bills in respect of all the five works to DMC.

- (b) *Seppa*.—The case has been taken up by the S.P.E., Shillong, the report of which is still to be received.
- (c) *Tato*.—A criminal case has been registered in the court of law against the official involved in the case. Verdict of the court is awaited.
- (d) *Boleng*.—The storekeeper (B) who was involved in the misappropriation is absconding and his whereabouts are still not known. The loss sustained has been duly examined and found to have occurred under normal circumstances. Therefore, the loss has been written off ; as nobody was found responsible for it.
- (e) *Namsal*.—The departmental action against the storekeeper involved in the misappropriation case is in progress in the office of Deputy Commissioner, Tazu and final outcome is awaited.
- (f) *Chagalam*.—A criminal case against the storekeeper has been filed in the court. The verdict of the court is awaited.
- (g) *Balin*.—A civil suit has been filed in the court against the storekeeper. It is reported that the accused absconded long back.
- (h) *Seijusa*.—On enquiry it was found that no body was responsible for the loss and as such, the amount involved has been written off.
- (i) *Ziro*.—Order for recovery of Rs. 6518.15 p. has already been served on the defaulting officials by Deputy Commissioner, Ziro and the A.P. Administration has also instructed Deputy Commissioner, Ziro for taking departmental action against the above officials.
- (j) *Bameng*.—A Charge-sheet against the defaulting officials has been submitted by the S.P.E. to Additional Deputy Commissioner, Seppa. The case is pending in the court of law.

The Arunachal Pradesh Administration has also arranged the physical verification of CPO Centres by Supply Sub-Inspections headed by a Supply Inspector and they have been briefed/instructed how the inspection will be done. The Administration also issued instructions in 1971 to the Director of Supply and Transport, Arunachal Pradesh, the Deputy Commissioners/ Additional Deputy Commissioners to guard against the misappropriation of CMP money/stores.

1.11. Noticing a number of cases of misappropriation of Government money/sale proceeds of stores, the Committee had desired that apart from taking action against those found guilty, steps should be taken to investigate the procedural snags and slackness, if any, on the part of the supervisory staff concerned for appropriate remedial measures. Such an investigation does not appear to have been made and only a copy of instructions issued as early as in 1971 has been sent. The Committee would like to reiterate that an investigation as suggested by them should be undertaken finding out the modus operandi of the misappropriations so as to plug the loopholes and tighten up the position. The Committee also wish to stress that the departmental proceedings and the police investigation, which are in progress, should be completed expeditiously as much time has already been lost since the cases came to light in 1968-69 and 1969-70.

Losses incurred on the journals published by the Publications Division
Paragraph 2.9—S. No. 20

1.12. In paragraph 2.9, the Committee had observed as follows regarding the continuing losses incurred on the journals published by the Publications Divisions :

“The Committee are unhappy over the continuing losses being incurred on the journals published by the Publications Division. The total loss progressively increased from Rs. 3.90 lakhs in 1967-68 to Rs. 4.34 lakhs in 1968-69 and Rs. 5.85 lakhs in 1969-70. Excepting ‘Bhagirath—Quarterly’ which made a profit of Rs. 13,307 during 1969-70, all the other eleven journals were running at a loss. A comparison of the two statements showing cost of production and sale price of publications during 1962-63 and 1969-70 indicates that the financial results have not at all been encouraging. Instead of improving, the situation has in fact worsened.”

1.13. The Ministry of Information and Broadcasting in their reply dated 17th December, 1973, have stated as follows :

“The journals brought out by the Publications Division are motivational, their main purpose being to motivate the general public about development and social change. When these journals were conceived and started, the widest possible motivational distribution, rather than sale, was the objective, and with this end in view, the journals were deliberately priced far below the cost of production. Only in recent years have considerations of

sales promotion, reduction of the gap between the cost of production and the revenue earned, and pushing up the advertisement revenue been engaging the Government's attention. Not all the journals of the Publications Division are in the same financial situation. *Bhagirath* is economically viable. *Yojana* (English) earned a revenue of Rs. 1,21,625 in 1970-71, which is indicative of its potential viability. Journals like *Indian and Foreign Review* and *Kurukshetra* are brought out by the Publications Division for the Ministry of External Affairs and the Department of Community Development respectively. The Hindi and other Indian language editions of *Yojana* run at a considerable loss. The regional language editions are of recent origin and they will take time to be economically viable.

The Ministry of Information and Broadcasting has been looking into the reasons of the poor economy of the journals. Recently, at the request of the Ministry an expert team has undertaken an in-depth study of the Publications Division journals and has made recommendations on how they can be made commercially more viable by increasing their circulation and attracting more advertisements. The first of these recommendations is that the "Publications Division should be given sufficient authority to select a printer of their own choice and restrictions in respect of scheduled rates be done away with to bring it at par with Directorate of Advertising & Visual Publicity". The present restrictions under which the Publications Division has to operate oblige it to go in only for second rate printers for its journals; the result is delay in publication, indifferent printing and poor production. This leads to fall in circulation and loss of advertisement revenue. These problems are receiving the Ministry's urgent attention."

1.14. It has been stated that recently an expert team has undertaken an indepth study of the Publications Division Journals and made recommendations on how they can be made commercially viable by increasing their circulation and attracting more advertisements. The Committee desired that an early decision should be taken on this long overdue issue.

Problems relating to despatch, circulation and advertisement of the journals.
(Paragraph 2.16—S. No. 27)

1.15. In paragraph 2.16, the Committee had observed the following regarding the examination of the problems relating to despatch, circulation and advertisement of the journals by the Internal Works Study Unit:

“The Committee note that the Internal Works Study Unit of the Ministry is presently studying the problem relating to the despatch, circulation and advertisement of these journals with a view to making each journal or group of journals self-contained unit so as to secure concentrated attention and cut down losses to the barest minimum. The Committee trust that this will be done without increasing the overhead expenditure.”

1.16. The Ministry of Information and Broadcasting in the reply dated the 17th December, 1973, have stated the following :

“With a view to making each journal or group of journals a self contained unit and also for purposes of better management (and attention) and cutting down the losses to the barest minimum, the Internal Work Study Unit have recommended that the journals may be divided into 4 groups and each entrusted to Chief Editor/Editor/Deputy Director (II), who will be wholly responsible for the overall performance of the journal(s) falling within his jurisdiction. These recommendations of the I.W.S.U. are under consideration.”

1.17. The Committee note that the recommendations of the Internal Works Study Unit to make each journal or group of journals a self-contained unit and for cutting down the losses to the barest minimum are under consideration. The Committee hope that early decision would be taken on the recommendations of the I.W.S.U. and that there would be no increase in the overhead expenditure as a result of the reorganisation.

*Physical verification of stores—Paragraphs 2.19, 2.23 and 2.24
(S. Nos. 29, 31 and 32)*

1.18. In paragraphs 2.19, 2.23 and 2.24 the Committee had made the following observations regarding physical verification of publications :

2.19 “The Committee are surprised that the files containing the physical verification report relating to the years 1967 and 1969 which are stated to have been submitted to the Ministry of Information and Broadcasting in October, 1970 could not be traced thereafter and had to be reconstructed on the basis whatever records were available in duplicate. They consider the loss of these important files as a very serious matter as they appear to have a bearing on the shortages of ‘Picture Post Cards’ and copies of ‘Year Book of India’ revealed during the stock verification carried out in 1967 and desire that thorough

investigation be made into the loss of files with a view to fix responsibility.”

- 2.23 “The Committee are unhappy to note that certain publications of the Publications Division ‘Picture Post Cards’ and ‘Hand Book of India’ worth Rs. 80,581 were found short in the physical verification conducted in 1967. Copies of Picture Post Cards and certain other publications were later on found on sale with a private firm of Jaipur who were not the authorised agents. These copies are stated to have been unauthorisedly sold by two clerks of Publications Division in February, 1966.”
- 2.24 “The Committee are at a loss to understand as to why it took the Publications Division about 4 months in lodging the report with the Special Police Establishment in July, 1968 when both the Assistant Business Manager and the Business Manager had themselves verified the fact of unauthorised sale of the ‘Picture Post Cards’ by personal visits to Jaipur in March, 1968. The Committee are further concerned to note that even though the matter had been reported to the SPE on 17th July, 1968 the case was registered by them on 31st December, 1968, *i.e.* after a lapse of more than 5 months and the investigation report furnished to the Publications Division on 7th October, 1969 *i.e.* a year and three months after the report had been lodged with them. The Committee cannot but deprecate the delay in the reporting and the investigation of the case which to them appears avoidable. They wish the authorities concerned had a better appreciation of the urgency of the case and taken prompt action. Now that the report of the SPE is in the hands of the Government, the Committee desire that departmental action already initiated by the Publications Division should be processed without further delay and persons found guilty suitably punished.”
- 1.19. The Ministry of Information and Broadcasting in their reply dated the 17th December, 1973 have stated as follows :
- 2.19 “The files containing the physical verification reports for the years 1967 and 1969 were submitted to the Ministry of Information and Broadcasting. Despite best efforts, it has not been possible so far to locate the files. Efforts to locate the missing files are still continuing. The portion of file dealing with the shortage of Picture Post Cards and Hand Book of India was, however, detached and retained in the Publications Division for initiating action on these two items separately. This portion

of the file is available in the Division. On the basis of these records, departmental action has been taken against the officials concerned."

2.23 "C.B.I. enquiry has confirmed the sale of the said publications and picture post cards to unauthorised agents in Jaipur. As suggested by them, further investigation to fix responsibility for pilferage and clandestine sale of the publications etc. is being processed in consultation with the Central Vigilance Commission."

2.24 "The delay of 4 months on the part of the Publications Division in lodging the report with the Special Police Establishment has been explained to the Committee. The question of Departmental action against the official concerned is being processed in consultation with the Central Vigilance Commission. Every effort will be made to expedite the matter."

1.20 The Committee had taken a serious view of the loss of files containing the physical verification reports relating to the years 1967 and 1969 and desired that a thorough investigation be made with a view to fixing responsibility. The files are still stated to be not traceable. The Committee would, therefore, like to reiterate that responsibility should be fixed for the loss under intimation to them.

1.21 As regards the shortages of 'Picture Post Cards' and 'Hand Book of India' worth Rs. 80 581 and sales by a private firm who were not the authorised agents, the Committee had called for an expeditious completion of the departmental action. Although in reply to the Committee's observations in paragraph 2.19, the Ministry have stated that the departmental action has been taken against the officials concerned, it appears from their reply to paragraphs 2.23 and 2.24 that further investigation to fix responsibility for pilferage and clandestine sale of the publications is being processed in consultation with the Central Vigilance Commission. The Committee are unhappy over the delay of nearly 6 years in finalising the matter which appears to be the result of dilatory procedures. The Committee would like to have a detailed report regarding the persons involved, the necessity to consult the Central Vigilance Commission and the action taken. The Committee also stress the need to streamline the procedures in consultation with the Department of Personnel to effectively and expeditiously take departmental action in such apparently simple cases.

Contract for overhaul of Aircraft—Paragraphs 3.11 and 3.12 (S. No. 33 and 34).

1.22 Dealing with a contract with a firm for overhaul of aircraft entered into by the Directorate of Plant Protection, Quarantine and Storage, the Committee had observed the following in paragraphs 3.11 and 3.12 :

3.11 "The Committee note that the Indamer Company Private Limited have not accepted the interpretation of Clause 4 of the Agreement as given by the Audit and upheld by the Ministry of Law and have refuted the claim of the Directorate of Agricultural Aviation for refund of the excess payment made to them during December, 1967 to March, 1969. The Committee are informed that the Company has asked for arbitration for the settlement of the issue. The question of appointment of the arbitrator is said to be under consideration. As dispute arising out of the interpretation to Clause (4) of the Agreement is still to be adjudicated upon by the arbitrator/court of law, the Committee would not like to offer any comment on the agreement at this stage. They desire that the outcome of the arbitration should be reported to them."

3.12 "The Committee further observe that the question of assessment of extra payment made to the firm from April, 1965 to November, 1967 is yet to be decided. They desire that the case should be processed at an early date in consultation with Audit and the accounts with the Company finally settled. The Committee would like to be informed of the outcome in the matter."

1.23 The Ministry of Agriculture in their reply dated the 12th November, 1973 have stated as follows :

3.11 "The question of invoking Clause 12 relating to the settlement of dispute between the parties by arbitration provided in the Agreement entered into with the firm M/s. Indamer Company Private Limited was discussed with the Ministry of Law. That Ministry opined that it would be better to write to the firm again that the excess payment, made under Clause 4 of the said Agreement, will be adjusted against the payments already withheld. The Ministry of Agriculture has accordingly addressed the firm.

3.12 "On the basis of the notes sent by the Ministry of Agriculture under the Department's letter No. 10—13/72-PSS dated the 29th November, 1972 and the 12th December, 1972

the officers from the Accountant General, CW&M has visited the Directorate of Agriculture Aviation to pursue the records. They desired that the statements may be prepared and all the relevant files may be furnished to the Accountant General. These statements giving all the details of the cost of the spares, the cost of duty, freight etc. and the files obtained from the Directorate have been sent to the Audit."

1.24 The Committee note that action is being taken to adjust the extra payment made during December, 1967 to March, 1969 against the payments already withheld as advised by the Ministry of Law. However, the extra payment made to the firm from April, 1965 to November, 1967 has not yet been assessed. The Committee would like this to be done without further delay and action taken to recover or adjust the extra payment for this past period also.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendations

The Committee are not at all happy about the way the five building works were awarded by the Delhi Municipal Corporation (DMC) to the National Building Construction Corporation (NBCC) in June, 1965 without settling the terms and conditions of the contract and before executing a formal agreement. The terms negotiated with the N.B.C.C. did not provide for any penalty for delayed completion within 9 to 24 months. In fact the decision to entrust the construction work to the N.B.C.C. is stated to have been taken in the interest of "Speedy execution". These expectations were not fulfilled in as much as none of these buildings were completed within the time schedule. On the contrary even after a lapse of more than 7 years (December, 1972) a small portion of the work of compound wall of 'Lepers' house remained to be built.

[S. No. 1—Appendix V 'Para No. of Report 1.17 of P.A.C.'s 76th Report
5th Lok Sabha].

Action taken

The requirements have been noted by the Municipal Corporation of Delhi for strict compliance in future.

[Ministry of Homes Affairs O.M. No. U 15030/3/73—AC II, dt. 8-11-73]

Recommendations

The reasons advanced by the N.B.C.C. for the delay in the completion of works are not very convincing. The Committee are inclined to think that the root cause of the failure of N.B.C.C. to carry out the works according to the time schedule and for non-compliance with other requirements is the absence of a written agreement and penalty clause for delayed completion. Aware of this lacuna the N.B.C.C. seem to have taken it easy and proceeded with the work rather leisurely. For want of written agreement the D.M.C. felt helpless as is evident from their statement that "delay in the execution of works and their final completion is abnormal feature of works" and that "the execution agency being a Government of

India Undertaking there is not much for the Corporation to explain". The Committee deprecate this attitude on the part of the D.M.C. They are convinced that such a situation would not have arisen had the D.M.C. taken care to settle the terms and conditions with the contractors in advance and reduced them in black and white before entrusting the work to them. The Committee are glad to be informed that learning a lesson from this experience the D.M.C. has decided "not to allot any work to the N.B.C.C. in future without finalising the agreement". The Committee would like to stress that such an agreement should invariably provide for a penalty clause for delayed execution of works.

[S. No. 3—Appendix V Para No. of Report 1.19 of P.A.C's 76th Report
5th Lok Sabha]

Action taken

The recommendations of the Committee have been noted by the Corporation for future compliance.

[M/Home Affairs O.M. No. U 15030/3/73-AC II, dt. 8-11-73]

Recommendations

The Committee are informed that various steps are taken by the Delhi Administration to ensure that grants paid to the D.M.C. are spent economically and within a reasonable time on the objects for which those are paid. The present case, however, reveals that the various measures said to have been taken are not being strictly enforced. They trust that the Delhi Admn. will in future keep a strict watch over the progress of utilisation of the grants-in-aid and loan assistance by the D.M.C. and release the amounts on a phased basis after satisfying themselves about the need for further instalments.

[S. No. 4—Appendix V Para No. of Report 1.20 of P.A.C's 76th Report
5th Lok Sabha]

Action taken

All proposals for release of Grant-in-aid and a Loan to the Municipal Corporation are initially scrutinised in detail by the Deptt. of Local Self Government of Delhi Administration. All such grants are released with the concurrence of the Finance Deptt. of Delhi Administration in cases where the pattern of Assistance has been approved by the Government of India while in other cases the sanction of the Ministry concerned is obtained for the release of the grant. The grant is released in a phased programme generally in 4 quarterly instalments. The utilization certificate in respect

of grant-in-aid released to the Corporation is obtained and sent to the Audit Office.

[M./Home Affairs O.M. No. U-15030/3/73—AC II dt. 8-1-73]

Recommendations

According to the Audit Paragraph while sanctioning the improvement and expansion of Delhi Fire Service in March, 1959 Government has suggested that 'in order to complete the construction work in the shortest possible time, a Special Public Works Division may be set up, if necessary and work should be executed in an emergency basis in compliance with codal formalities'. The position after a lapse of over 13 years is that only two Fire Stations have been completed and two are expected to be completed during 1972 and construction of the remaining three has yet to be taken up as permanent sites for them have not been made available. Quite evidently the progress in the implementation of the Scheme has been very tardy and disappointing. The Committee are of the view that the delay that has occurred at the various stages in establishing the Fire Stations was mainly due to absence of planning and forethought on the part of the D.M.C. and lack of coordination between the Corporation and D.D.A. in the matter of selection of permanent sites for the Fire Stations.

[S. No. 6—Appendix V "Para No. of Report 1.27 of P.A.C.'s. 76th Report 5th Lok Sabha]

Action taken

The observations of the Committee have been brought to the notice of the Municipal Corporation of Delhi for future guidance.

[M./Home Affairs O.M. No. U 15030/3/73-AC II, dt. 8-11-73]

Recommendations

The Committee are surprised and concerned at the statement made by Government in justification of the delay that "no time limit was fixed by the Government for completion of the scheme". They desire that vigorous and concerned efforts should be made by the Delhi Administration and D.D.A. to secure suitable and permanent sites for the remaining three fire stations at Mathura Road, Jama Masjid Area and Pusa Road so that the construction work is taken up without further delay. The committee would like to watch the progress in this regard through future Audit Reports.

[S. No. 7—Appendix V. Para No. of Report 1.28 of P.A.C.'s 76th Report 5th Lok Sabha]

Action taken

The present position of the works is as follows :—

- (i) The construction work of Mathura Road fire Station which was taken in hand about 5-6 months bank has made considerable progress.
- (ii) As regards Jama Masjid Fire Station efforts are being made for the allotment of a piece of land in the vicinity of Pardah Bagh on Link Road for the construction of a permanent fire station as the present site could not be utilised on account of difficulty in providing alternative accommodation to the Refugees settled there.
- (iii) As regards Shankar Road Fire station (Pusa Complex), the matter was taken up with the D.D.A. and a plot has been selected for this purpose.

[M/Home Affairs No. O.M. No. U 15030/3/73-AC II, dt. 8-11-73]

Recommendations

The scheme for state trading in foodgrains and other essential commodities in NEFA (now Arunachal Pradesh) was sanctioned by Government in August, 1955 and started from December, 1955. When the scheme was sanctioned Government had laid down the conditions that the working of the scheme should be reviewed eleven months after its introduction. The Committee are surprised that the review which was due in November, 1956 was not conducted till 1967. While admitting omission to conduct the review Government have tried to explain that the delay in the review was linked up with the availability of proforma accounts. It has been pleaded that being new the NEFA Administration did not have any expert of maintenance of accounts of this nature and took them several years in setting with A. G. Assam and NEFA the procedure and various forms to be maintained which were ultimately finalised in December, 1965.

[S. No. 8 Appendix V 'Para No. of Report 1.45 of P.A.C.'s 76th Report
5th Lok Sabha]

Action taken

The observation of the Committee has been brought to the notice of Arunachal Pradesh Administration vide letter No. U. 15030/2/73-AC II dated 16-4-73.

[M/Home Affairs O.M. No. U 15030/2/73-AC II, dt. 4-1-74]

Recommendations

The explanation furnished is not at all satisfactory. From the evidence made available it is evident that at no stage the NEFA Administration

brought to the notice of the Ministry the difficulties they are facing in submitting the review in the absence of proforma accounts. Nor is there anything on record to show that Administrative Ministry (Ministry of External Affairs) called for the review at the end of 11 months of the introduction of the scheme or at any time later. The omission was discovered only in September, 1965 when the work relating to NEFA was transferred from the Ministry of External Affairs to the Ministry of Home Affairs. Surely NEFA Administration could have reviewed the operation of the scheme in general terms and highlighted their difficulties in conducting a financial review because of the accounts not being maintained in proper forms or for the reason that it was premature to do so as the scheme had been in operation for 11 months only.

[S. No. 9—Appendix V Para No. of Report 1.46 of P.A.C.'s 76th Report
5th Lok Sabha]

Action taken

The above conclusions of the Committee have been brought to the notice of the Arunachal Pradesh Administration vide letter No. U 15030/2/73-AC. II, dated 16-4-1973.

[M/Home Affairs O.M. No. U. 15030/2/73—AC II, dt. 4-1-74]

Recommendations

From the facts brought out during evidence, the Committee cannot resist the impression that the scheme was launched without any previous planning. It appears that no thought had been given to the procedure regarding maintenance of accounts and the various forms to be used in that connection before the scheme was introduced. It is regrettable that it took a decade for the NEFA Administration to sort out the points of difference relating to the maintenance of accounts and settling the various issues connected with the preparation of proforma accounts. The A.G. Assam being at Shillong, all this long drawn correspondence and red tape would have been avoided if the Administration would have discussed the matter at a meeting earlier and not waited till 24th December, 1965.

[S. No. 10—Appendix V Para No. of Report 1.47 of P.A.C.'s 76th Report
5th Lok Sabha]

Action taken

The observations of the Committee have been brought to the notice of the Arunachal Pradesh Administration vide letter No. U. 15030/2/73-AC. II, dated 16/4/73.

[M/Home Affairs O.M. No. U. 15030/2/73-AC. II, dated 4-1-1974]

Recommendations

"1.49. The Committee are concerned that the scheme which showed accumulated profit upto 1966-67 to the tune of Rs. 23.39 lakhs suffered a loss of Rs. 59.39 lakhs during the year 1967-68 to 1969-70, resulting in a net loss of Rs. 36 lakhs as on 31-3-1970. The scheme is suffering from losses inspite of the fact that the overhead surcharge in fixing the sale price of commodities has been raised from 15 per cent to 25 per cent with effect from 1st February, 1969. The Committee feel that with the gain in experience in the running of the scheme the overhead expenses should progressively come down and Government should ensure necessary economies in the operation and take vigorous efforts to limit and control the overhead expenses. The Committee desire that reasons for losses should be carefully examined and necessary remedial measures taken to avoid them".

[S. No. 12—Appendix Para No. of the Report 1.49 of P.A.C.'s 76th Report 5th Lok Sabha]

Action taken

On an average the CPO Scheme in Arunachal Pradesh was practically running at no-profit no-loss basis during the period from 1955-56 to 1965-66. During the year 1966-67, there was a profit of Rs. 23.32 lakhs whereas in 1967-68, 1968-69 and 1969-70, the Scheme incurred a loss of Rs. 59.38 lakhs. This resulted in a net loss of Rs. 36.06 lakhs. The details of the profit and loss of the Scheme for the year 1955-56 to 1969-70 are given in Annexure (I). Reasons for profit during the year 1966-67 was due to resultant increase in sales in respect of Assam Rifles and Police Battalions, whose sales accounts were pending during the previous years for non-acceptance of debits by them. Reasons for losses during 1967-68 to 1969-70 were :

1. Heavy godown losses in the outpost due to fire accidents and deterioration of stores to the tune of Rs. 4.68 lakhs.
2. Increase in cost of packing materials by Rs. 25.29 lakhs due to rise in rates of Jerricans and Gunny bags. A statement showing the difference in the rates of packing materials for the period from 1964-65 to 1969-70 is at Annexure (II). Practically there was no return in the way of sale proceeds of packing materials.
3. Increase in audit charges by Rs. 0.15 lakhs.
4. Increase in interest on Capital by Rs. 12.81 lakhs.
5. Increase in Estt. Charges in Director of Supply and Transport Organisation by Rs. 37.43 lakhs due to entertainment of Additional officers and staff to work out various details in connection with claims of Kalingas and by opening one additional

base depot at Lilabari during August, 1967. Details of overhead charges during the year 1964-65 to 1969-70 are given at Annexure (III). Details of additional staff entertained from 1967-68 is shown at Annexure IV.

6. Previously debits of Estt. and contingent charges were given to CPO scheme at 35 per cent of total charges but from 1965-66 such expenditures are charges on 100 per cent of actual CPO Tonnage handled.

In addition to the above reasons for losses, there is also unavoidable losses on account of air dropping. At present maximum number of CPO Centres are fed by air dropping. The loss on account of air dropping comes to 3 to 6 per cent depending on the location, altitude of the place, experience of the pilots etc. This loss is unavoidable.

To reduce the expenditure of overhead charges the Arunachal Pradesh Administration has already taken action to reduce the number of posts in Director of Supply and Transport Organisations as well as in CPO Centres. 16 posts consisting of one class II (Accounts Officer), seven class II and 8 class IV have already been abolished resulting in a total saving of Rs. 50,000/- approximately per year. Action is also a foot to cut down some more posts in other places gradually which may include 27 Class III non-gazetted posts and 9 class IV posts. When all the posts refer to above are abolished, there would be a total saving of one lakh annually. In addition to this 30 land-fed CPO Centres have already been replaced by fair price shops and cooperative Societies. The Arunachal Pradesh have also under consideration the following proposals to reduce the overhead charges substantially so as to reduce the losses incurred by CPO Schemes.

1. The supply to the Assam Rifles, which is at present entrusted to Arunachal Pradesh Administration could be undertaken by the IGAR and the same should not be mixed with CPO accounts of the Director, Supply and Transport, Arunachal Pradesh. This would bring a good deal of all around economy on the CPO Scheme.

2. The CRP Battalions and SSB Personnel posted in AP could draw the ration commodities from the CPO Centres on cash payment or from the open market. The civilians of this Administration and the SIB personnel posted in Arunachal Pradesh are already following this procedure. This should straightway cut down much volume of work connected with the supply and accounting of rations to CRP and there by bring further economy on overhead charges.

3. Cost of packing materials should be subsidised by the Government as in the case of SDEs.

It is felt that with the taking of the steps mentioned above the loss on account of CPO Scheme in Arunachal Pradesh will be reduced to a considerable extent.

[M/Home Affairs O.M. No. 15030/2/73. AP dated 29-11-1973].

ANNEXURE I

Statement showing the Gross Profit, Net Loss that exhibited in the Proforma Accounts of State Trading Scheme Nefa for the Years from 1955-56 to 1969-70

Sl. No.	Year	Gross Profit	Gross loss	Net Profit	Net loss	Re- marks
1	2	3	4	5	6	7
		Rs.		Rs.	Rs.	
1.	1955-56	55,478.06	—	—	92,785.74	
2.	1956-57	4,54,848.02	—	—	3,07,601.09	
3.	1957-58	4,02,438.24	—	—	2,34,548.80	
4.	1958-59	9,88,293.64	—	3,20,268.74	—	
5.	1959-60	15,60,536.82	—	—	18,128.57	
6.	1960-61	14,49,180.01	—	—	3,28,276.73	
7.	1961-62	11,82,208.90	—	19,011.10	—	
8.	1962-63	18,50,419.38	—	—	1,64,007.01	
9.	1963-64	12,03,054.75	—	—	2,82,388.35	
10.	1964-65	21,80,169.95	—	2,39,997.70	—	
11.	1965-66	26,94,522.60	—	8,43,812.77	—	
		<u>1,40,21,150.37</u>		<u>14,23,090.31</u>	<u>14,27,736.29</u>	
12.	1966-67	52,29,095.55	—	23,32,358.20	—	
13.	1967-68	26,20,226.45	—	—	17,59,314.01	
14.	1968-69	22,25,219.64	—	—	29,81,632.27	
15.	1969-70	35,80,653.98	—	—	11,97,721.01	
				Rs. 23,32,358.20	Rs. 59,38.667.29	

ANNEXURE II

Statement Showing the Difference in rate of packing materials (Gunny Bags & Jerricans) for the period from 1964-65 to 1969-70

Year	Item	Rate	
		Rs.	per 100 Nos.
1964-65	Gunny Bags.	127.00	
1965-66	Do.	179.00	"
1966-67	Do.	191.50	"
1967-68	Do.	193.78	"
1968-69	Do.	214.00	"
1969-70	Do.	331.00	"
		Rs.	Per each
1964-65	Jerricans	@16.27	
1965-66	Do.	@16.65	"
1966-67	Do.	@17.93	"
1967-68	Do.	@18.42	"
1968-69	Do.	@18.42	"
1969-70	Do.	@24.77	"

ANNEXURE III

Statement showing the Sub-head charges as against sales for the years from 1966-67 to 1969-70

Year	Total Sales	Air dropping		Godown loss		Cost of pack- ing materials		Cost of Estt. Charges		Audit Charges		Interest on Capital		Total
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1964-65	1,69,55,042.79	1,40,313.35	49,361.65	4,84,399.00	5,65,498.21	3,023.00	4,03,858.00	16,46,453.21						
1965-66	1,88,54,562.23	2,16,240.05	96,570.47	4,90,995.00	7,60,859.00	3,022.31	2,83,023.00	18,50,709.83						
1966-67	2,13,83,776.40	2,53,120.54	1,11,769.50	10,92,424.00	10,09,768.00	4,322.31	4,25,333.00	28,96,737.35						
		*6,09,673.94	2,51,701.62	20,67,818.00	23,36,125.21	10,367.62	11,12,214.00	63,93,900.39						
1967-78	1,74,68,456.	2,14,462.27	1,40,358.59	15,77,585	16,97,465.00	7,562.00	7,42,107.50	43,79,540.36						
1968-69	1,80,06,005.95	1,98,649.48	2,62,156.43	15,22,065	23,61,041.00	9,374.00	8,53,566.00	52,06,881.91						
1969-70	1,40,30,594.30	1,36,348.12	3,17,757.11	14,97,661.00	20,20,616.25	8,327.51	7,97,665.00	47,78,374.99						
		*5,49,459.87	7,20,272.13	45,97,311.00	60,79,122.25	25,263.51	23,93,338.50	1,43,64,797.26						

*These figures are for CPO tonnage only excluding Assam Rifles and Police Battalions etc. Overall dropping losses during 1967-68 to 1969-70 exceeds overall losses during 1964-65 to 1966-67.

ANNEXURE IV

Statement showing the additional staff entertained from 1967-68

Sl. No.	Categories of post	No. of posts	Created under Administration order No. & date
1.	Accounts Officer	1	Sup-4/97/62 of 23-8-66.
2.	Supdt. of Accounts.	2	Do.
3.	Upper Division Assistant	10	Do.
4.	Extra Asstt. Commissioner	2	GA/APPTT/5/67/Part. dt. 7-2-67
5.	Circle Officer	2	Do.
6.	Inspector of Supply	4	SUP-1/289/66 dt. 14-3-67.
7.	Sub-Inspector of Supply	5	Do.
8.	Superintendent (NG)	6	Do.
9.	Upper Division Assistant	29	Do.
10.	Lower Division Assistant	12	Do.
11.	Store-Keeper	4	Do.
12.	Typist	8	Do.
13.	Labour Supervisor	1	Do.
14.	Gate-Keeper	4	Do.
15.	Store-hand	4	Do.
16.	Packer	1	Do.
17.	Acctt-cum-Store Keeper	2	Do.
18.	Accounts Officer	1	FIN. 81/66/19 dt. 17-2-68.
19.	Sub-Inspector of Supply	1	SUP-1/8/64(A) Vol. II dt. 2-7-70.
20.	Inspector of Supply	1	SUP (B)-38/69 dt. 10-9-69.
21.	Supdt. of Accounts	1	Do.
22.	Driver	2	TPT-54/68 dt. 19-10-69.

Recommendations

TEXT

“1.55. Admittedly the 4 contractors failed to deliver goods worth Rs. 2.36 lakhs because the correct procedure laid down in this regard had not been followed in that further consignments were given to the contractors without first ensuring that the previous consignment had been duly delivered. They note that civil suit for recovery of value of stores have been filed against delinquent officials. The committee would like to be informed of the outcome of the civil suits instituted against the contractors and the disciplinary action taken against the staff.”

[S. No. 13, Para No. 1.55 of 76th Report of the P.A.C.]

Action taken

Civil suits were filed against three contractors. Out of these ex-parte decree with cost against two contractors has been passed by competent court. Further action as necessary under the law is being taken by Arunachal Pradesh Administration. As regards the third case, date of hearing was fixed on 17th August, 1973. Further developments are awaited. Government pleader has advised that no suit need be filed against the 4th Contractor as he is to get substantial amount from the Administration after recovery of cost of stores undelivered by him.

In regard to action against the delinquent officials, the connected documents which were earlier seized by S.P.E. have now been released and departmental action against the officials has already been initiated.

[M/Home Affairs O.M. No. U. 15030/4/73—AP. dated 27-9-73]

Recommendations

“1.59. The Committee note that during the years 1967-68 to 1969-70 the godown losses at various depots amounted to Rs. 6.76 lakhs which worked out to 1 per cent. According to the Ministry the godown losses of 1 per cent per annum have been authorised by the Food Corporation of India and also recommended by the team of Administrative Reforms Commission. The Committee, however, understand from Audit that in some cases the losses of stores ranged upto cent per cent. The Committee, therefore, desire that necessary remedial measures should be taken to minimise godown losses. It should be ensured that storage facilities are satisfactory that the stores are properly kept in the godowns and that there is no scope for pilferage or stores like salt and sugar getting bad during storage due to dampness. Precautions against any hazards due to fire should also be taken. Periodical checks of the godown and surprise checks of stores kept in the godowns should be conducted by supervisory officers and inspecting staff from time to time to keep the staff on their toes.”

[S. No. 14—Appendix V Para No. of the Report 1.59 of P.A.C.'s 76th Report]

Action taken

Godown losses occur mainly due to packing, re-packing, dryage, shrinkage, issuing, insect infestation, dampness etc. and in the case of Sugar and Salt due to melting. There are also instances of losses in the godowns due to accidental fire, thefts and mis-appropriations. Details of godown losses as reported by the Director of Supply and Transport, Arunachal Pradesh may be seen at Annexure 'I'. These details will show the general trend of improvement and that in majority of cases the percentage of losses is much less than 1 per cent which is the permissible limit. Losses in the godowns are bound to happen when hundreds of tonnes of perishable stores are handled, especially in the case of fresh items like Onion and Potato. Under normal circumstances, 100 per cent loss does not take place, but such losses can occur due to theft or mis-appropriation or accidental fire or mis-dropping in inaccessible places. Precautionary measures have been taken to avoid such losses. In regard to sugar and salt, the CPO Centre in Arunachal Pradesh Administration has to keep a fairly large stock of these commodities, which are prone to melting in the humid climate of Arunachal Pradesh. Stocks have to be maintained to meet the 4 months requirements during the monsoon period. In the three Supply Depots at Rowariah, Mohanbari and Lilabari, heavy stocks of salt and Sugar are stacked 7 to 10 ft. high, for long periods. Loss due to melting cannot be completely prevented therefore. However an attempt is being made to reduce melting by insisting on proper stacking in such a way that whatever consignment comes first can be issued first. Instructions have also been issued to the CPO centres to take action for quick disposal of the melting sugar or salt whenever such melting takes place.

2. Instructions have also been issued by the Administration to the Director of Supply and Transport and Deputy Commissioners to report details of godown losses. In order to reduce godown losses to the minimum possible, the following steps have so far been taken :—

- (a) Physical verification team composed of Inspectors and Sub-Inspectors of Supply has been constituted to conduct surprise checks and to advise store keepers. A copy of charter of duties of the physical verification team along with copies of questionnaires meant for the district officers are enclosed at Annexures as 'II', 'III' and 'IV'.
- (b) Steps have been taken to improve storage in the godown particularly in the three Supply Depots at Rowariah, Mohanbari and Lilabari, where large quantities of CPO stores are maintained, by introducing wooden dunnages on which stores can be properly stacked and thus prevent dampness, insect infestation etc.

- (c) Inspecting staff at all the CPO centres have been given standing instructions to carry out regular inspection of stores and to turn them over according to the theory of 'First in First Out'. Periodical verification of stores by officers are also being insisted upon to keep the CPO staff on their toes.

A copy of the instructions issued in this regard is Annexure V.

[M/Home Affairs O.M. No. 15030/4/73—AP dated 10-12-1973]

ANNEXURE I

Statement showing the details of godown losses of CPO stores with handled quantity of each item for each quarter beginning from 1-4-71 to 31-3-72

Date of verification	Commodity	Quantity of loss	Quantity handled	Percentage of loss	Remarks
<i>Mohanbari Depot</i>					
30-6-71	Rice	0-40-900	9760-04-600	0.004%	
	Sugar	1-78-000	1372-06-300	0.12%	
	Arhardal	0-37-000	390-25-000	0.09%	
	Ms. Dal	0-43-000	202-12-000	0.02%	
	Wheat	1-57-000	3894-90-500	0.04%	
	M. Oil	171-100. Ml	76706-820 ml	0.02%	
	V. Ghee	0-01-000	553-42-000	nil	
30-9-71	Sugar	0-33-000	818-86-000	8-02%	
	Arhardal	0-23-000	404-20-000	0.05%	
	Wheat	0-49.000	4983-34-000	0.01%	
	M. oil	0.20 Litre	72357.900 litre	0.02%	
31-12-71	Rice	0-49-100	10052-22-400	0.04%	
	C/Salt	0.07-000	298-42-000	—	
	Ms. Dal	0-35-000	307-04-000	0.01%	
	Wheat	8-14-800	6242-69-000	0.01%	
	M. oil	0.30 litre	62066-800 ml	0.05%	
31-3-72	Rice	2-37-000	7884-26-100	0.03%	
	Wheat	7-88-000	5382-70-00	0.14%	
	Atta	0-44-000	276-78-500	0.17%	
	Sugar	1-22-000	1320-19-000	0-08%	
	Arhardal	0-40-000	100-77-000	0.04%	
	C/Salt	1-08-000	503-07-000	0.02%	
	Ms. Dal	0-84-000	703-36-000	0-11%	
	Mug Dal	0-48-000	259-91-000	0.18%	
	Gram Dal	0-35-000	300-00-000	0.11%	
	K. Oil	80 ltrs.	53320 ml.	0.15%	
	M. Oil	120-400 ml.	80-634-400 ml.	0.14%	

Statement showing the items where there is no loss and the total quantity handled from 1-4-71 to 31-3-72

Date of Verification	Commodity	Quantity handled	Remarks
1	2	3	4
<i>Mohanbari Depot</i>			
30-6-71	Atta	177-36-000	
	I/Salt	1056-76-000	
	F/Potato	280-98-000	
	F/Onion	181-09-000	
	K. oil	61140 ml.	
	Red Petrol	35820 ml.	
	H.S.D. oil	13800 ml.	
	Grease	116 Kg.	
	Gear oil	100 litre.	
	Brake oil	75 "	
	Tea	85-86-000	
30-9-71	Atta	993-02-725	
	I/Salt	420-11-500	
	Ms. Dal	60-07-000	
	Mug Dal	42-06-500	
	Onion	59-18-000	
	Rice	8948-41-600	
	Veg. Ghee	131-67-000	
	Tea	29-70-000	
	Brake Oil	130 litre.	
	Gear oil	440 "	
	Grease	132 "	
	H.S.D. oil	20,000 "	
	Red Petrol	41,420"	
	K. Oil	41,220"	
31-12-71	Atta	507-99-000	
	Sugar	1351-47-000	
	I/Salt	366-17-000	
	Ar. Dal	149-55-000	
	Mug Dal	Nil	
	K. Oil	53,560 ltr.	
	Red petrol	42,620 "	
	H.S.D. oil	26,000"	
	Gear Oil	460 "	
	Brake Oil	350 "	
	Tea	105-90-000	
	Veg Ghee	364-98-000	

1	2	3	4
31-3-72	Red petrol	25,540 lts.	
	H.S.D. oil	10,200 "	
	Gear Oil	200 "	
	Break oil	20 "	
	Tea	162-68-000	
	V. Ghee	325-71-000	

*Details of godown losses beginning from 1-4-71 to 31-3-72
North Lakhimpur Depot*

Date of verification	Commodity	Quantity of loss	Quantity handled	Percentage of loss
30-6-71	Rice	35-97-000	6357-82-500	0.5%
	Red Wheat	39-69-100	129-26-300	30.08%
	F/Onion	1-06-000	20-86-000	5.08
	F/Potato	2-20-500	36-31-000	6.05%
30-9-71	Rice	6-14-970	8511-97-300	0.07%
	I/Salt	5-93-500	657-14-500	0.9%
	F/Onion	0-45-000	19-36-000	2.3%
	F/Potato	2-04-000	50-06-000	4%
31-12-71	Rice	5-01-950	8304-02-830	0.06%
	Atta	0-26-800	418-15-346	0.02%
	Sugar	0-06-000	308-20-000	0.02%
	Red Wheat	24-40-100	1353-01-000	1.8%
	F/Onion	0-30-500	25-29-500	1.1%
	F/Potato	5-33-000	104-38-000	5.1%
31-3-72	Rice	5-36-800	4287-29-300	0.12%
	Sugar	0-06-000	680-99-000	0.09%
	Red Wheat	12-76-900	1440-58-700	0.8%
	F/Potato	5-33-000	137-87-000	3.8%
	F/Onion	0-30-500	94-02-000	0.03%
	M. Oil	9 litres	25640 litres.	0.03%

Details of items where there is no loss for the quarter ending 1-4-71 to 31-3-72.

Date of Verification	Commodity	Quantity handled	Remarks
30-6-71	Atta	438-31-887	
	Sugar	369-89-000	
	I/Salt	10-14-000	
	Ms. Dal	149-85-000	
	A.O. Wheat	756-36-500	

<i>Date of verification</i>	<i>Commodity</i>	<i>Quantity handled</i>	<i>Remarks</i>
30-6-71-contd.	Wheat . . .	1000-00-000	
	M. Oil . . .	25051 ltrs.	
	Veg. Ghee . . .	716-65-000	
	Tea . . .	39-80-000	
	K. oil . . .	21156 ltrs	
	Red petrol . . .	7160 ltrs.	
	D. Oil . . .	1240 ltrs.	
30-9-71	Atta . . .	1282-58-573	
	Sugar . . .	288-90-000	
	M. Oil . . .	8211 ltrs.	
	V. Ghee . . .	578-04-000	
	K. Oil . . .	13920 ltrs.	
	Red petrol . . .	13660 ltrs.	
	D. Oil . . .	7180 ltrs.	
31-12-71	I/Salt . . .	44-79-500	
	Arhar Dal . . .	398-10-000	
	Common Salt . . .	99-75-000	
	M. Oil . . .	23009 ltrs.	
	Veg. Ghee . . .	405-33-500	
	Tea . . .	70-90-000	
	K. Oil . . .	33680 ltrs.	
	Red petrol . . .	16680 ltrs.	
	D. Oil . . .	12500 ltrs.	
31-3-72	Atta . . .	2,008-11-365	
	I/Salt . . .	426-69-000	
	Mug Dal . . .	277-35-500	
	A.O. Wheat . . .	1,681-00-000	
	Veg. Ghee . . .	284-39-000	
	Tea . . .	52-20-000	
	K. Oil . . .	53,720 ltrs.	
	Red petrol . . .	22,700 ltrs.	
	D. Oil . . .	4,500 ltrs.	

Rowriah Depot

Date of verification	Commodity	Quantity of loss	Quantity handled	Percentage	Remarks
1-1-71	Sugar	0-73-000	871-49-000	0.08%	
1-10-71	Rice	4-99-000	203-06-000	2.4%	
	Sugar	2-13-000	754-90-000	0.28%	
	I/Salt	0-20-000	15-35-000	1.3%	
31-12-71	Rice	0-90-000	180-06-000	0.5%	
	Sugar	0-94-000	1256-17-000	0.07%	

Statement showing the items where there is no loss and the total quantity handled from 1-4-71 to 31-3-72.

Rowriah Depot

1-4-71	Rice	397-06-800		
	I/Salt	16-50-000		This has been compiled
	Ms. Dal	34-10-000		from the loss statements
1-10-71	Ms. Dal	30-60-000		as the corresponding
1-4-72	Rice	0-75-000		files has been seized by
1-4-72	Sugar	307-05-000		the Special Police.

ANNEXURE II

CHAPTER OF DUTIES OF PHYSICAL VERIFICATION TEAM— A GUIDELINE THEREOF

GENERAL

1. The Physical verification Team, immediately on arrival at the CPO centre should contact the officer-in-charge of the Administrative centre as well as Officer-in-charge of the CPO so that the Physical verification work starts the following day.

2. At the outset the stock of each item held on the ground ledger should be physically verified with reference to the stock Register maintained by the centre. There should be cent per cent physical verification. The shortfall or excess, as the case may be, should be noted against each item in presence of the officer-in-charge of the CPO duly signed by the officer concerned as taken of acceptance. The findings should also be recorded into account.

ADMINISTRATIVE CHECK

3. The Physical Verification Team should examine the condition of the building in which the CPO is housed. The following facts should be taken into account.

- (a) Whether the Floor is cemented or Katcha. If Katcha whether necessary bamboo "Changs" are made ?
- (b) Whether the doors and windows are properly secured ?
- (c) Whether there is any leakage of roof ?
- (d) Whether overall security arrangement is satisfactory ?
- (e) Whether any systematic procedure is followed to issue/sale of the commodities in a chronological order *i.e.* the articles received first are sold first to avoid any deterioration etc.

STORAGE ARRANGEMENT

4. The Physical Verification Team should personally see the storage arrangement of all items of stores as specified in the Hand Book of Supply Matters. The following facts should be taken into account.

- (i) Whether Dunnage are being used in storing the items ?
- (ii) Whether commodities which are susceptible to melting and shrinkage *e.g.* sugar, salt are segregated properly ?

- (iii) Whether trays are being used in storing Mustard Oil, Kerosene Oil and whether proper arrangement for decantation of these items exists ?
- (iv) Whether empty gunny bags/jerricans are kept along with the stores separately in a systematic order/stacking ?
- (v) Whether CPO is inspected by the Inspector of Supply/Sub-Inspector of Supply at regular interval. If so, mention results of last 3 inspections and follow-up action ?
- (iv) Whether CPO is inspected by the Officer-in-charge at regular interval. If so mention results of last 3 inspections and follow up action taken thereof ?
- (vii) Mention date(s) of visits/tours of senior officers viz. Deputy Commissioner, Addl. Deputy Commissioner and Extra Asstt. Commissioner during last *one year*. Whether these senior officers ever inspected the CPO store and its accounts/cash ? If so, mention to what extent.
- (viii) Whether protective steps are there to check rate menace etc.
- (ix) Fire fighting equipment/arrangements.

THE PROCEDURE OF SALE

5. The Physical Verification Team should see :—

- (i) whether the CPO is having proper weights & Measures implements ? If not, what is the arrangement for weighing ?
- (ii) Whether items are sold to the authorised persons according to the scale of rations entitled ?
- (iii) Whether cash memos are issued to each individual ? If not, why ?
- (iv) Whether daily sales are reflected at the sale Register daily ? Pending cases should be mentioned.
- (v) Whether at the end of the day the sale Register and the stock Register are properly checked by the Officer-in-Charge of the CPO ?
- (vi) The arrangement/system for keeping the sale proceeds at the end of each day.
- (vii) The period of time taken by the Officer-in-charge of CPO in sending the CPO returns/sale proceeds to the Headquarter for depositing the same to the Treasury. Have you noticed any

pressure/reminder being exercised/sent by Deputy Commissioner/Addl. Deputy Commissioner regularly for remittance of CPO sale proceeds and monthly returns ?

- (viii) Whether there is any credit sale and if so, under whose authority this is being done.
- (ix) What is the procedure adopted for determining the extent of loss during air-dropping ? Whether cent per cent weighment is made for this ?
- (x) Have you noticed any delay in acknowledging the sorties/consignment ? If so, mention the exact reason(s).

ANNEXURE III

QUESTIONNAIRE 'B'

(To be answered by E.A.C. in-charge of Sub-Divn./Addl. D.Cs/D.Cs)

1. When did you join in your present assignment ?
 2. How many CPO centres are there under your jurisdiction ? Please give the place-names of the CPO centres.
 3. Mention the date(s) on which you visited the places where your CPO centres are located.
 4. If you have not visited any particular place where CPO centre is located during your present tenure, please mention the reasons thereof.
 5. During your visit (as per question No. 3) did you ever inspect any CPO Stores ? If so, please furnish the date(s) of Inspection(s) of each CPO centre.
- | | |
|-----|-----------------------------|
| | Place name of C.P.O. Store. |
| (a) | Date of Inspection. |
| (b) | |
| (c) | |
| (d) | |

6. During your inspection of C.P.O. centres did you check the following :—
 - (i) Whether stores are kept according to the correct stocking method ?
 - (ii) Did you conduct physical verification of C.P.O. Sale proceeds ?
 - (iii) Whether any unnecessary accumulation of C.P.O. sale proceeds noticed at the time of your Inspection ? If so, reasons thereof.
 - (iv) Did you check that the officer-in-charge of the CPO centre kept the acknowledgement properly for the remittances of sale proceeds to the District Hqrs. from time to time ? Is there any copies of the challan

kept systematically in support of crediting the sale proceeds into the Treasury and to make the monthly CPO Returns/Statements ?

- (v) Did you check that the remittance of sale proceeds was made through proper pay escort ?
7. Have you ever conducted any test physical verification of CPO centres at any place? If so, a copy of the such verification report may be enclosed.
8. (a) Did you analyse the percentage of godown loss, airdropping loss and the transit losses ? Had you ever given any instruction to the officer-in-charge of CPO centres to take remedial steps to minimise such losses ? If so, please give a copy of such instructions.
- (b) Have you ever compared the quantum of dropping losses due to (i) brusting/leakage of loads and (ii) non-recovery of loads due to dropping outside the DZ/inaccessible area ? Have you made any report on your findings ? If so, please give a copy.
- (c) Did you notice during your inspection whether there was huge accumulation of SDEs ? Whether valuable SDEs like parachutes are being retrieved/sent as per standing instruction of the Admn.
9. Did you ever try to find out whether CPO centres were submitting the monthly returns timely ? Did you issue any instructions to the Officers-in-charge of CPO centres for irregular submission of such returns ? If so, enclose a copy thereof.
10. (a) Have you noticed any credit sale in a particular CPO centre ? If so, under whose orders these credit sale were made ?
- (b) Have you issued any orders to the officers-in-charge of CPO centres not to permit credit sale ? If so, enclose a copy of such instructions.
11. Did you notice any major irregularity in a CPO centre at the time of your inspection ? Was there any case

which was required to be followed up with Deptt. proceeding consequent on your inspection ?

12. Please furnish in brief a list of major irregularities of cases of CPO stores still pending in your jurisdiction.
13. Have you got any constructive Suggestion for improvement/efficient functioning of the CPO stores in the interior? If so, details may be furnished in a separate Annexure.

Signature :

Name :

Designation :

Date :

ANNEXURE IV

QUESTIONNAIRE 'A'

(To be answered by Officer-in-charge of the CPO Centre)

1. Name of the CPO Centre
2. Name of the Officer-in-charge of the CPO Centre and designation.
3. When did you join the present assignment ?
4. Date of opening of the CPO Centre.
5. What is the sanctioned strength of the staff for this CPO centre. Indicate categorywise.
6. How many Staff are actually in position ?
7. What is the area & Population covered by the CPO Centre ?
8. Does the CPO Centre cater the need of the public also and if so, to what extent ? State whether orders from the Admn. for such public sale exist ?
9. Did you do cent per cent physical verification of CPO stores at the time of your taking over charge of this post ? If so, with what result.
10. Have you read the 'Hand Book of Supply Accounts'? If not, have you read all the instructions/procedure governing the management of CPO stores ?
11. (a) What steps do you take to ensure that godown is kept neat & clean and the stores are kept according to the correct stocking method.
- (b) On receipt of stores, do you sign the Weighment Book in presence of Storekeeper ?
- (c) Do you insist on cent per cent weighment at the time of receipt of stores through airdrop/by land route ?
- (d) What steps are being taken by you for retrieval/disposal of SDEs? Do you regularly retrieve/send valuable SDEs like parachutes as per standing instructions of the Admn. ?

12. (a) Do you check Daily Sales Register (STF-22), Cash Memos (STF-24), Book Debit Vouchers (STF-25), Stock Ledger (STF-11), cash Book (TR-4) at the end of each day's transaction ? Have you checked your Weights & Measures including the balances being maintained in CPO ?
- (b) Have you noticed any irregularity during the last 3 months ? If so, give details. Also indicate what remedial measures have been taken by you to stop recurrence of such irregularity.
13. (i) Where do you keep the Daily Sale Proceeds ?
- (ii) Does the Storekeeper deposit the daily sale proceeds to your Cashier which should be kept under double lock and key ?
- (iii) Does the Cashier of your Office issue a receipt to Storekeeper in ack. of cash received from Storekeeper ?
14. (a) Do you ensure remittance of sale proceeds to the District/Sub-Divisional Hqs. without undue delay ? Indicate the date(s) on which sale proceeds of last 6 months were sent to the District/Sub-Divisional Hqrs. for depositing the same to the Treasury. When did you get the acknowledgement of such remittances ?
- (b) What is the method/procedure you have adopted for remittance of sale proceeds for depositing into the Treasury ?
- (c) Do you insist that a copy of challan should be sent to you for proper maintenance of your records ?
- (d) Have you ever remitted the sale proceeds to your District/Sub-Divisional Hqrs. through courier officer persons for which regular escort was not provided ?
15. Do you carry out the quarterly physical Verification of CPO stores in accordance with the provisions laid down in this respect ?
16. Mention the date(s) on which your C.P.O. Stores/Accounts were inspected by :—
- (a) Inspector of Supply,

- (b) Internal Audit Party of the Administration.
 - (c) Extra Asstt. Commissioner in charge of your Sub-Division, and
 - (d) Deputy Commissioner/Addl. Deputy Commissioner.
17. Was there any major irregularity/misappropriation of your C.P.O. Centre ?
If so, furnish brief details of the case with financial implication ?
18. Mention any additional information not covered by above questions and furnish your suggestions for improvement, if any.

Signature :
Name :
Designation :
Place :
Date:

ANNEXURE V

Copy of letter No. SUP-6/123/72 dated the 2nd June, 1973 from the Government Arunachal Pradesh Administration (Department of Supply and Transport) Shillong addressed to the Director of Supply and Transport, Arunachal Pradesh, Jorhat-5. The Additional Director of Supply and Transport, All Deputy Commissioners/Additional Deputy Commissioner, Arunachal Pradesh and the Assistant Director of Supply and Transport, Arunachal Pradesh, North Lakhimpur.

SUBJECT : Observation/Recommendations made by the Public Accounts Committee in respect of para 1.59 regarding losses of stores in godown.

In forwarding an extract of Para 1.59 of the 76th Report of Public Accounts Committee 1972-73 regarding losses of stores in godowns, I am directed to state that as desired by the Committee necessary remedial measures should be taken to minimise godown losses. Periodical checks of the godowns and surprise checks of stores kept in the godowns should be conducted by the supervisory officers and inspecting staff from time to time as provided in Paras 116 to 119 of Chapter 8 of the GFR, 1963. It is also requested that these instructions should be brought to the personal notice of the officers and staff directly dealing with the C.P.O. stores and to that effect these officers and staff should sign a statement of having read the orders and instructions and understood by them. Whenever there are changes in the incumbents, these instructions should be brought to personal notice of the successors as explained above.

The above instructions are applicable for both Base Depots as well as C.P.O. centres located in the districts of the Arunachal Pradesh.

Kindly acknowledge receipt of this communication.

Recommendation

The Committee note that the percentage losses suffered in air-dropping of stores by Air Force in Arunachal Pradesh is higher as compared to the stores dropped for the Army in the Eastern Sector. The main reason for

the higher percentage of losses is stated to be the location of the dropping zones in NEFA at higher altitude on rocks which result in the bursting of bags. In order to reduce the losses 5 bags are now being used in packing of stores instead of 3 or 4 bags. From the figures given to the Committee, it is found that the airdropping losses in Air Force operation have progressively come down from 5.76 per cent in 1967-68 to 2.89 per cent in 1971-72. *The Committee are glad to note the downward trend in losses in Air Force operation and hope that the efforts will be continued to be made to reduce the percentage of losses.*

[S. No. 16—Appendix V Para No. of Report 1.77 of P.A.C.'s 76th Report
5th Lok Sabha]

Action Taken

The above observations of the Committee have been noted. Efforts are being made by the Administration to further reduce the air-dropping losses.

[M/Home Affairs O.M. No. U. 15030/2/73-AC 11 dt. 4-1-74]

Recommendation

The Committee are unhappy over the delay in the disposal of 56, 183 unserviceable parachutes. The Administration had reported in September, 1965 that large dropping of supply equipment had accumulated at various outposts. But the Government sanctioned the disposal of unserviceable parachutes in July, 1968. A further period of 2 years was taken by DGS&D for disposal of parachutes through auction/tender. The Committee have been informed that a procedure is now followed to dispose of unserviceable parachutes regularly. The Committee trust the accumulation of unserviceable parachutes will be avoided in future.

[S. No. 17—Appendix V Para No. of Report 1.86 of P.A.C.'s 76th Report
5th Lok Sabha]

Action Taken

The above conclusion of the Committee have been noted. The Administration have issued instructions to all the CPO centres to avoid accumulation of unserviceable parachutes and the Director of Supply and Transport has already been instructed to arrange for speedy disposal of the unserviceable parachutes.

[M/Home Affairs O.M. No. 15030/2/73-AC 11 dt. 4-1-74]

Recommendation

1.92. that as many as ten cases of misappropriation of Government money/sale proceeds of stores came to be noticed in the operation of the scheme during two years (1968-69 and 1969-70) shows that either there is lacunae in the system which enabled dishonest persons to circumvent the rules or else the checks and counter checks prescribed for detecting the frauds are inadequate and in-effective. The Committee therefore desire that apart from handing over the cases to the CBI the Administration should take steps to investigate the procedural snags and slackness, if any, on the part of the supervisory staff concerned for appropriate remedial measures. They would urge that detailed instructions should be issued to guard against the possibility of such frauds in future and for the guidance of the staff concerned. The committee trust that suitable action would be taken against persons found guilty so that it acts as a deterrent against any such laxity in future.

[S. No. 19—Appendix V Para No. 1.92 of Report]

Action Taken

The position in regard to the 10 cases of misappropriation of Government money/sale proceeds of stores in the operation of the schemes during two years (1968-69 and 1969-1970) is given below:—

- (a) *Waii*.—A case has been filed in the court of special judge, A. P. against a (A), L.D.C. who was found guilty in the alleged misappropriation case. The result is still awaited.
- (b) *Seppa*.—The case has been taken up by the S.P.C., Shillong, the report of which is still to be received.
- (c) *Tato*.—A criminal case has been registered in the court of law against the official involved in the case. Verdict of the court is awaited.
- (d) *Boleng*.—The storekeeper (B) who was involved in the misappropriation is absconding and his whereabouts are still not known. The loss sustained has been duly examined and found to have occurred under normal circumstances. Therefore, the loss has been written off, as nobody was found responsible for it.
- (e) *Namsai*.—The departmental action against the storekeeper involved in the misappropriation case is in progress in the office of Deputy Commissioner, Tazu and final outcome is awaited.

- (f) *Chagalam*.—A criminal case against the storekeeper has been filed in the court. The verdict of the court is awaited.
- (g) *Balin*.—A civil suit has been filed in the court against the storekeeper. It is reported that the accused absconded long back.
- (h) *Seijusa*.—On enquiry it was found that nobody was responsible for the loss and as such, the amount involved has been written off.
- (i) *Ziro*.—Order for recovery of Rs. 6518.15 p. has already been served on the defaulting officials by Deputy Commissioner, Ziro and the AP Administration has also instructed Deputy Commissioner, Ziro for taking departmental action against the above officials.
- (j) *Bameng*.—A charge sheet against the defaulting officials has been submitted by the S.P.E. to Additional Deputy Commissioner, Seppa. The case is pending in the court of law.

The Arunachal Pradesh Administration has also arranged the physical verification of CPO Centres by Supply Sub-Inspections headed by a Supply Inspector and they have been briefed/instructed how the inspection will be done. The Administration also issued instructions in 1971 to the Director of Supply and Transport, Arunachal Pradesh, the Deputy Commissioners/Additional Deputy Commissioners to guard against the misappropriation of CMP money/ stores. A copy of their circular No. SUP. 4/110/71, dated 11th May, 1971 is enclosed.

[Ministry of Home Affairs O.M. No. 15030/4/73-AP. dt. 10-12-73]

(COPY)

GOVERNMENT OF INDIA

NORTH EAST FRONTIER AGENCY ADMINISTRATION

No. SUP-4/110/71

Dated Shillong, the 11th May, 1971.

To

All Deputy Commissioners/
Addl. Deputy Commissioners, NEFA.,
The Director of Supply and Transport,
NEFA, Jorhat.-5.

Sub :—Criminal Misappropriation of COP Money/Stores.

Sir,

I am concerned at the number of cases wherein Government staff dealing with CPO have failed to account for Government cash and/or stores. Generally speaking a large majority of these cases can be categorised as criminal misappropriation of Government cash/stores. Obviously some vigorous steps have to be taken to guard against such losses to the Government which result in serious audit objections and in any case are most undesirable from the moral as well as the administrative points of view. The prevention and taking follow-up action in cases of defalcation or misappropriation of Government stores is the direct responsibility of the Deputy Commissioners, Addl. Deputy Commissioners and the Magistrate exercising jurisdiction. A few guide-lines are being suggested below for strict compliance :—

- (i) Periodic inspection of the CPO stores, cash and accounts should be done with religious regularity inspected 100% at least once in every three months. In addition, surprise inspections should be carried out at least once, between two regular inspections. If due to distances and foot marches involved the Deputy Commissioners/Addl. Deputy Commissioners feel that their supervisory CPO staff is inadequate, they may please send up a proposal for creation of fresh posts to the minimum extent required, along with full justification.
- (ii) Whenever the officer incharge of the CPO stores is transferred or goes on leave for a period exceeding a fortnight, and whenever storekeeper is transferred or goes on leave for any duration, 100% physical verification should be carried out by a Board consisting of three officers preferably from different Departments. However, absence or non-availability of officers at that time should not form a cause for not carrying out 100% weightment for physical verification. In such cases, which should normally be rare, a Board with two or even one Officer should be enough.
- (iii) All cases where shortage of Government cash or money is detected and there is reasonable ground to suspect that the offence of misappropriation or the like has been committed should be registered forthwith and an investigation should be ordered immediately so as to be completed within a maximum period of a week and thereafter the law should take its own

course. Deterrent punishment against a few guilty personnel will go a long way in minimising cases of misappropriation or defalcation of Government cash and stores.

2. Failure to take prompt action both in getting the investigation conducted and in drawing up criminal proceedings in Courts of Law against defaulting officials will be taken serious note of. This should be reflected in the ARCs of the officers concerned.

3. This communication should be acknowledged and also brought to the notice of all officers and Branches dealing with CPO. Sufficient spare copies are being enclosed herewith.

Yours faithfully,

Sd/- K.A.A. Raja,

Adviser to the Govt. of Assam,
Shillong.

Recommendation

"The Committee are unhappy over the continuing losses being incurred on the journals published by the Publications Division. The total loss progressively increased from Rs. 3.90 lakhs in 1967-68 to Rs. 4.34 lakhs in 1968-69 and Rs. 5.85 lakhs in 1969-70. Excepting 'Bhagirath-Quarterly' which made a profit of Rs. 13,307 during 1969-70, all the other other eleven journals were running at a loss. A comparison of the two statements showing cost of production and sale price of publications during 1962-63 and 1969-70 indicates that the financial results have not at all been encouraging. Instead of improving, the situation has in fact worsened".

[S. No. 20 of Appendix V (Para 2.9) of 76 Report (5th Lok Sabha)]

Action Taken

The journals brought out by the Publications Division are motivational, their main purpose being to motivate the general public about development and social change. When these journals were conceived and started, the widest possible motivational distribution, rather than sale, was the objective, and with this end in view, the journals were deliberately priced far below the cost of production. Only in recent years have considerations of sales promotion, reduction of the gap between the cost of production and the revenue earned, and pushing up the advertisement revenue been engaging the Government's attention. Not all the journals of the Publications Division are in the same financial situation. Bhagirath is economically

viable. *Yojana* (English) earned a revenue of Rs. 1,21,625 in 1970-71, which is indicative of its potential viability. Journals like *Indian and Foreign Review* and *Kurukshetra* are brought out by the Publications Division for the Ministry of External Affairs and the Department of Community Development respectively. The Hindi and other Indian language editions of *Yojana* run at a considerable loss. The regional language editions are of recent origin and they will take time to be economically viable.

The Ministry of Information and Broadcasting has been looking into the reasons of the poor economy of the journals. Recently, at the request of the Ministry an expert team has undertaken an in-depth study of the Publications Division journals and has made recommendations on how they can be made commercially more viable by increasing their circulation and attracting more advertisements. The first of these recommendations is that the "Publications Division should be given sufficient authority to select a printer of their own choice and restrictions in respect of scheduled rates be done away with to bring it at par with Directorate of Advertising and Visual Publicity". The present restrictions under which the Publications Division has to operate oblige it to go in only for second rate printers for its journals; the result is delay in publication, indifferent printing and poor production. This leads to fall in circulation and loss of advertisement revenue. These problems are receiving the Ministry's urgent attention.

[Ministry of Information and Broadcasting O.M. No. G.25012/72/Bgt/
DPD dated 17th December, 1973.]

Recommendation

"The Committee note that the sale prices of 'Yojana (English)' and 'Indian and Foreign Review' were increased from 25 paise to 40 paise and from 50 paise to 75 paise respectively with effect from 1st April, 1970 and that of 'Bal Bharati' from 35 paise to 45 paise during the year 1971-72. They, however, find that the sale prices of journals like 'Ajkal (Hindi and Urdu)' 'Yojana (Hindi)' 'Panchayati Raj (English)', 'Kurukshetra (Hindi)' have remained unchanged since 1962-63 although the cost of production has noticeably increased over the years. The Committee feel that the selling prices of these journals call for an upward revision".

[S. No. 21 of Appendix V (Para 2.10) of 76th Report (5th Lok Sabha)]

Action Taken

"YOJANA" and "KURUKSHETRA" are purely motivational journals, publicising the policies and programmes of the Government. This is the reason why their prices have been deliberately kept very low. Nevertheless,

the prices of these journals as well as others are being increased with effect from 1-1-74 as indicated below:

Name of the Journal	Present price per copy	Revised price per copy
1	2	3
	Rs.	Rs.
1. Indian & Foreign Review	0.75	1.00
2. Yojana (English)	0.40	0.60
3. Yojana (Hindi)	0.25	0.40
4. Kurukshetra (English)	0.25	0.40
5. Kurukshetra (Hindi)	0.30	0.50
6. Ajkal (Hindi)	0.60	0.75
7. Ajkal (Urdu)	0.60	1.00
8. Bal Bharati (Hindi)	0.45	0.60
9. Yojana (Bengali, Assamese, Tamil, Telugu, Malayalam).	0.25	0.30

[Ministry of Information & Broadcasting O.M. No. G. 25012/72/Bgt./DPD dated 17th December 1973].

Recommendation

“The Committee also note that the rates of advertisement in respect of four journals, viz., ‘Bhagirath’, ‘Bal Bharati’, ‘Kurukshetra’ (English and Hindi), have been raised from January, 1968. The Committee suggest that rates of advertisement in respect of the other eight journals may be reviewed with a view to revising them”.

[S. No. 22 of Appendix V (Para 2.11) of 76th Report (5th Lok Sabha)]

Action Taken

The existing rates of advertisement of different journals and the REFERENCE ANNUALS are being revised with effect from 1-1-74 as indicated in Annexure ‘A’.

[Ministry of Information & Broadcasting O.M. No. G. 25012/72/Bgt/DPD dated 17th December, 1973]

ANNEXURE 'A'

Advertisement rates for journals and India : A reference Annual (English & Hindi)

S. No.	Name of the Journal with periodicity	Existing tariff						Proposed tariff						Colour Sur-charge	Remarks	
		Full Page	Half Page	Quarter Page	Back Cover	Second cover	Third cover	Colour Sur-charge	Full Page	Half Page	Back cover	Second cover	Third cover			Colour Sur-charge
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
		Rs.	Rs.	Rs.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	
1.	Yojana (English) Casual Fortnightly Contract	400	225	125	600.00	500.00	500.00	25% extra for each colour	600	350	900	750	700	700	33½% extra for each colour	
		325	175	100	487.50	406.25	406.25		550	300	800	700	650			
2.	Yojana (Hindi) Casual Fortnightly Contract	270	150	85	405.00	337.50	337.50	-do-	400	225	600	500	500			Special rebate as exists now will be allowed on Combined book-ings in more than one edition of Yojana
		225	125	70	337.50	281.25	281.25		350	175	550	450	425			
3.	Dhandhanya Casual Yojana (Bengali) Contract	270	150	85	405.00	337.50	337.50	-do-	300	175	450	400	375			
		225	125	70	337.50	281.25	281.25		250	150	400	350	325			
4.	Thittam (Tamil) Casual Fort- nightly Contract	270	150	85	405.00	337.50	337.50	-do-	300	175	450	400	375			
		225	125	70	337.50	281.25	281.25		250	150	400	350	325			
5.	Payobhara (Assam- mese) Fortnight- ly Casual Con- tract	270	150	85	405.00	337.50	337.50	-do-	300	175	450	400	375			
		225	125	70	337.50	281.25	281.25		250	150	400	350	325			

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
6. Yojana (Marathi) Casual Contract	270	150	225	125	85	405.00	337.50	337.50	25%	300	175	450	400	375	33½% extra for each colour	-do-
7. Yojana (Malayalam) Fortnightly Casual Contract	225	125	225	150	85	337.50	337.50	337.50	25% extra for each colour	250	150	400	350	325	33½% extra for each colour	-do-
8. Kurukshetra (English) Fort-nightly Casual Contract	350	225	300	180	100	525.00	437.50	437.50	-do-	450	250	675	465	465	-do-	-do-
9. Indian & Foreign Review, Casual Fortnightly Contract	400	225	325	175	100	—	—	—	—	600	350	900	750	750	—	—
10. Bal Bharati (Hindi) Monthly Casual Contract	350	180	300	160	100	525	437.50	437.50	25% extra for each colour	500	275	750	650	600	33½% extra for each colour	650
11. Kurukshetra (Hindi) Monthly Casual Contract	180	100	150	85	60	270	225.00	225.00	-do-	300	175	450	400	375	-do-	325
12. Ajjal (Hindi) Casual Monthly Contract	175	90	150	80	50	262.50	218.50	218.50	-do-	300	175	450	400	375	-do-	325
13. Ajjal (Urdu) Casual Monthly Contract	125	65	100	55	35	187.50	156.25	156.25	-do-	300	175	450	400	375	-do-	325
14. Bhagirath (English) Quarterly Casual Contract	300	165	250	135	100	450	375	375	-do-	500	300	750	650	600	-do-	650
	250	135	250	135	80	375	312.50	312.50	-do-	450	250	700	600	600	-do-	650
																Front Cover Rs. 1000/- + 33½% for each Colour

	Full page the end of the Book)		Book-Mark (Inserting charges)		Double Spread (At the end of the Book)		Book-Mark (Inserting Charges)	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
15. India : A reference Annual (English)	500	1200	400	700	1,500	500	10% rebate will be allowed if advertisements for identical positions are booked simultaneously in INDIA AND BHARAT	
16. Bharat : A reference Annual (Hindi)	100	300	100	300	700	500		

Recommendation

“The purpose of publishing the journals by the Publications Division is to give publicity to the planning programme and performance. The aim is to evoke public involvement in the task of national reconstruction by providing to the reading public wholesome motivational literature at modest price. It is, however, observed that more number of copies of journals like ‘Ajkal (Hindi)’ ‘Panchayati Raj (English)’, ‘Kurukshetra (English and Hindi)’ and ‘Yojana (Hindi)’ were printed and sold in 1962-63 than in 1969-70. This goes to show that there have, in fact, been a drop in the circulation of these publicity journals. In the case of other journals there has been only a marginal increase during this period. Further on the basis of revenue realised from sale prices of the journals as given in the statement showing the financial results for the year 1969-70, the average sale circulation per issue for some of the Journals works out as under:—

Ajkal (H)—Monthly	3077 or 3100
Ajkal (E)—Monthly	1400 or 1500
Kurukshetra (H)—Monthly	789 or 800
Yojana (E)—Fortnightly	8000
Yojana (H)—Fortnightly	2400 or 2500

Having regard to the vastness of the country and its huge population their circulation is very low”.

“The Committee therefore desire that energetic and intensive promotional measures should be taken to push up the sale of these journals and to popularise the journals by bringing them to the notice of a wider reading public”.

[S. Nos. 23 & 24 of Appendix V (Paras 2.12 & 2.13) of 76th Report (5th Lok Sabha]

Action Taken

Ajkal (Hindi and Urdu) has to compete with similar literary journals in the private sector. During the last ten years, the private sector journals have improved vastly in the quality of printing and production; they are also the beneficiary of the nationwide sales outlets of the major newspaper houses. The financial restrictions within which the Publications Division

has to operate do not permit it to improve the printing and production of *Ajkal* (Hindi and Urdu); in fact, the printing and production qualities of these two journals have been progressively deteriorating because the Publications Division is bound by rates related to scheduled rates fixed by the Chief Controller of Printing & Stationery some year's ago. The paid circulation of *Yojana* (English) does not compare unfavourably with the circulation of the leading economic journals in the private sector. The circulation of *Yojana* (Hindi) and *Kurukshetra* (Hindi) is admittedly low, but not lower than that of private sector Hindi journals of development and social change.

The Ministry, however, is trying its best to increase the circulation of these journals. Recently, *Yojana* (English) has been given a new, and better, printing press; with the expected improvement in production and printing, the circulation is also expected to go up. The Publications Division will have its own sales emporia during the Fifth Plan period at Delhi, Bombay, Calcutta and several other cities; these will be a major outlet for the sale of the journals. Efforts are being made to increase the number of sales agents; during the last six months, more than 200 new subscriptions have been secured for *Ajkal* (Urdu) in the state of Jammu and Kashmir, and the Urdu Academy in Uttar Pradesh has been approached to push up the sale of this journal in that State. The Division is also miling promotional letters to educational institutions and libraries.

[Ministry of Information & Broadcasting O. M. No. G. 25012/72/Bgt/
DPD, dated 17th December 1973]

Recommendation

“One of the factors contributing to the losses in the running of these journals is a large quantum of free supply of copies thereof. As against the sale of Rs. 3.85 lakhs in 1969-70, free supply copies were of the value of Rs. 2 lakhs. In the case of 8 out of 10 journals the percentage of the value of free supply to the number of copies printed was considerably high being 52 per cent in the case of *Ajkal*, 81 per cent in for *Panchayati Raj*, 84 per cent for *Kurukshetra*, 74 per cent for *Kurukshetra* (Hindi), 32 per cent for *Yojana* (English), 62 per cent for *Yojana* (Hindi), 67 per cent for *Yojana* (Tamil), 73 per cent for *Yojana* (Bengali). In para 24 of their 38th Report 1964-65 (3rd Lok Sabha) the Public Accounts Committee had desired that Government ensure that free issue of publications is reduced to minimum. The Committee had suggested a system should be evolved whereby magazines should be sent free only to those persons who are really interested in them and make request for continuing their supply instead of mailing them mechanically according to the list as besides an economy in their numbers it would also make saving on account of postage etc. While

reiterating their earlier suggestion, the committee would like that the free mailing list of the journals should be periodically reviewed by the Publications Divisions in consultation with the Ministries concerned with a view to keeping them to the minimum."

[S. No. 25 of Appendix V (Para 2.14) of 76th Report (5th Lok Sabha)]

Action taken

Free distribution of the Journals of the Ministry of Information and Broadcasting, Bal Bharati, Ajjkal (Hindi), Ajjkal (Urdu) is already restricted to the barest minimum. So far as the free distribution of journals produced on behalf of the Planning Commission and the Ministry of Agriculture (Department of Community Development) is concerned, copies are distributed free in the interest of dissemination of knowledge in the field of operation of the Ministry concerned and the targets covered are determined by the respective Ministries. The entire free distribution made to various targets approved by these Ministries is in the interest of Government publicity. Nevertheless, the concerned Ministries have been requested to review the free mailing lists periodically. The free distribution of Yojana has already been cut.

[Ministry of Information and Broadcasting O. M. No. G. 25012/72/
Bgt/DPD, dated 17th December 1973.]

Recommendation

"The Committee find that all the 12 journals are being sold for below the cost price. While appreciating that these form part of the publicity efforts of Government aiming at dissemination of information to the public and should not be measured merely in terms of profit and loss, the Committee feel that their commercial viability cannot be ignored. In the Committee's view the following steps amongst others, may help in making the journals self-supporting :—

- (1) Reduction in the cost of production by carefully fixing the print order in the light of experience regarding sale/issue of journals.
- (2) Periodical review of sale price of journals and advertisement rates with a view to meet the increasing cost.
- (3) Taking systematic and intensive sale promotional measures e.g. "city agency" scheme already put into operation for increasing the circulation of these journals etc.
- (4) Attracting advertisements by improving the contents of the journals, quality of printing and increasing priced circulation."

[S. No. 26 of Appendix V (Para 2.15 of 76th Report
5th Lok Sabha)]

Action taken

(1) Keeping in view the recommendations contained in para 24 of the 38th Report of the Public Accounts Committee 1964-65 (3rd Lok Sabha) regarding reducing free supply and its own anxiety to eliminate losses through the copies remaining unsold, the Ministry is printing only that number of copies as are essential to meet orders from trade, institutions and individuals and to cover most essential publicity targets. Appropriate measures have been taken to ensure the timely publication of the journals.

(2) Despite the fact that these are motivational journals and have to be sold at subsidised rates the Ministry has already undertaken an exercise in this direction in order to cover the increasing cost of paper and production. Both the sale price as well as the advertising rates of the journals are being increased with effect from 1-1-1974. In this connection, the information supplied under paras 2.10 and 2.11 may kindly be referred to. It will be observed that the increase in advertising rates ranges between 30 per cent to 300 per cent over the existing rates.

(3) Steps to promote the sale of these journals already taken or being taken by the Ministry have already been enumerated under para 2.13. In fact, the steps already taken have resulted in appreciable increase in the number of copies sold in respect of the following journals as compared to 1969-70 :—

	1969-70	1972-73
Indian & Foreign Review	343872	391377
Yojana (H)	54003	56573
Ajkal (U)	16020	29460
Kurukshetra (E)	22944	47186
Bal Bharati	230279	256144

(4) The production and editorial branches are taking measures to improve the get-up and contents of the journals so that these may compete with the journals brought out by private publishers.

[Ministry of Information and Broadcasting O.M. No. G. 25012/72/Bgt/DPD, dated 17th December, 1973]

Recommendation

"The earlier Audit Report of 1964 on the Publications Division (para 47) also had pointed out shortages and excesses in the stocks accounts. In their 38th Report (Third Lok Sabha) the Public Accounts Committee had expressed their surprises over the fact that no physical verification of the priced publications had been conducted for seven years during the period 1954-1961 and recommended that physical verification of publications must be done annually as verification done at longer intervals could not be effective in detecting irregularities and taking timely action. The Committee regret that notwithstanding this clear recommendation, the stock verification was conducted in alternate years instead of annually."

[So. No. 28 of Appendix V (Para 2.18) of 76th Report (5th Lok Sabha)]

Action taken

The physical verification of the stock of publications is being conducted annually now and this has resulted in considerable improvement in the matter of discrepancies as would be seen from the figures being mentioned hereunder :—

A. Current Stores :

Year	Excesses	Shortages	Net Shortage
			(minus) Net Excesses (plus)
	Rs.	Rs.	Rs.
1967	70,290.35	1,30,583.00	(—)60,292.65
1971	7,292.05	5,808.97	(+)1,483.08
1972	2,421.57	2,623.42	(—)201.85
1973	2,435.00	2,360.00	(+)75.00*

*The results are still under reconciliation.

B. Feeder Stores :

	Rs.	Rs.	Rs.
1967	120,140.58	135,041.20	(+)14,900.62
1970	13,821.59	11,302.92	(+)2,518.67
1971-72	7,940.40	8,354.40	(—)414.00
1972-73	18,751.14	18,986.00	(—)234.86

It may be mentioned here that while the Current Stores of the Division handles and accounts for publications worth rupees twelve to fifteen lakhs

in a year, the Feeder Stores handles and accounts for stocks worth rupees fifty to fifty five lakhs.

[Ministry of Information and Broadcasting O.M. No. G. 25012/72/Bgt/DPD, dated 17th December, 1973].

Recommendation

“The Committee are surprised that the files containing the physical verification report relating to the years 1967 and 1969 which are stated to have been submitted to the Ministry of Information and Broadcasting in October, 1970 could not be traced thereafter and had to be reconstructed on the basis whatever records were available in duplicate. They consider the loss of these important files as a very serious matter as they appear to have a bearing on the shortages of ‘Picture Post Cards’ and copies of ‘Year Book of India’ revealed during the stock verification carried out in 1967 and desire that thorough investigation be made into the loss of files with a view to fix responsibility.”

[S. No. 29 of Appendix V (Para 2.19) of 76th Report (5th Lok Sabha)]

Action Taken

The files containing the physical verification reports for the years 1967 and 1969 were submitted to the Ministry of Information and Broadcasting. Despite best efforts, it has not been possible so far to locate the files. Efforts to locate the missing files are still continuing. The portion of file dealing with the shortage of picture post cards and Hand Book of India was, however, detached and retained in the Publications Divisions for initiating action on these two items separately. This portion of the file is available in the Division. On the basis of these records, departmental action has been taken against the officials concerned.

[Ministry of Information and Broadcasting O.M. No. G. 25012/72/Bgt/DPD, dated 17th December, 1973].

Recommendation

“The Committee are unhappy that action on the discrepancies revealed as a result of verification conducted during 1967 and 1969 has not been finalised so far. They desire that the irregularities should be fully investigated and action taken against parties at fault. The Committee have no doubt that Government will take remedial measures to ensure that such lapses do not recur.”

[S. No. 30 of Appendix V (Para 2.20) of 76th Report (5th Lok Sabha)]

Action Taken

Necessary action to finalise the disciplinary proceedings is being taken expeditiously against the persons involved in the two cases mentioned above. Remedial measures have been taken to reduce shortages/excesses and these have produced satisfactory results as would be seen from the information provided under para 2.18. Action to issue write off sanction and for taking excesses on stock is being taken.

[Ministry of Information and Broadcasting O.M. No. G. 25012/72/Bgt/DPD, dated 17th December, 1973]

Recommendation

"The Committee are unhappy to note that certain publications of the Publications Division 'Picture Post Cards' and 'Hand Book of India' worth Rs. 80,581 were found short in the physical verification conducted in 1967. Copies of Picture Post Cards and certain other publications were later on found on sale with a private firm of Jaipur who were not the authorised agents. These copies are stated to have been unauthorisedly sold by two clerks of Publications Division in February, 1966."

[S. No. 31 of Appendix V (Para 2.23) of 76th Report (5th Lok Sabha)]

Action Taken

C. B. I. enquiry has confirmed the sale of the said publications and picture post cards to unauthorised agents in Jaipur. As suggested by them, further investigation to fix responsibility for pilferge and clandestine sale of the publications etc. is being processed in consultation with the Central Vigilance Commission.

[Ministry of Information and Broadcasting O.M. No. G. 25012/72/Bgt/DPD, dated 17th December, 1973]

Recommendation

"The Committee are at a loss to understand as to why it took the Publications Division about 4 months in lodging the report with the Special Police Establishment in July, 1968 when both the Assistant Business Manager and the Business Manager had themselves verified the fact of unauthorised sale of the 'Picture Post Cards' by personal visits to Jaipur in March, 1968. The Committee are further concerned to note that even though the matter had been reported to the SPF on 17th July, 1968 the case was registered by them on 31st December, 1968, *i.e.*, after a lapse of more than 5 months and the investigations report furnished to the Publications Division on 7th October, 1969 *i.e.* a year and three months after the report had been lodged with them. The Committee cannot but deprecate the delay in the reporting

and the investigation of the case which to them appears avoidable. They wish the authorities concerned had a better appreciation of the urgency of the case and taken prompt action. Now that the report of the SPE is in the hands of the Government, the Committee desire that departmental action already initiated by the Publications Division should be processed without further delay and persons found guilty suitably punished."

[S. No. 32 of Appendix V (Para 2.24) of 7th Report (5th Lok Sabha)]

Action Taken

The delay of 4 months on the part of the Publications Division in lodging the report with the Special Police Establishment has been explained to the Committee. The question of Departmental action against the official concerned is being processed in consultation with the Central Vigilance Commission. Every effort will be made to expedite the matter.

[Ministry of Information and Broadcasting O. M. No. G. 25012/72/Bgt/DPD, dated 17th December, 1973]

Recommendation

The Committee note that the Madras Port Trust could not utilise any funds out of the money provided during 1970-71 for the scheme of landing and berthing facilities for fishing crafts. The harbour had been sanctioned in 1968, but the Ministry of Transport and Shipping took up the question of conducting fresh model tests for the harbour in 1969 in view of the fact that the model studies for the main outer harbour had indicated the possibility of deposition of bad material. The tests could not be completed during 1970-71 and hence the Madras Port Trust considered it inadvisable to commence construction. The Ministry of Agriculture, had, therefore, no option but to surrender the amount of Rs. 96.10 lakhs. The Committee feel with closer liaison and coordination between the Ministry of Agriculture and the Ministry of Shipping and Transport and the Madras Port Trust, such a large provision of funds for this scheme for the year 1970-71 could have been avoided. The Committee hope that there would be better coordination and planning in future among the various agencies so that budget provision is made for such projects only as are likely to be taken up during the year and scarce resources are not unnecessarily locked up.

[S. No. 35 (Appendix V) Para No. of Report 3.15]

Action Taken

The provision of Rs. 125 lakhs in the budget for 1970-71 for the scheme of landing and berthing facilities for fishing crafts at Major Ports was in-

tended mainly to cover the requirements of fishing harbour at Madras and Bombay sanctioned for Rs. 388 lakhs and Rs. 474 lakhs in 1968 and 1969 respectively. The Port Trust, Madras initiated the work by carrying out the preliminaries such as preparation of tender documents, acquisition proceedings of land, etc. They had estimated an expenditure of Rs. 100 lakhs for preliminaries and works during the year 1969-70. In regard to Bombay Harbour, the phasing of expenditure was Rs. 75 lakhs in the first year and Rs. 125 lakhs in the subsequent two years. In view of the anticipated progress at these two harbours, the necessary budget provision to meet at least half the required funds was made in 1969-70. Engineering plans in respect of Madras fishing harbour had to be revised in the context of difficulties which cropped up in the construction of an oil duck having similar designs. Complete revision of plan involving additional model tests became necessary. As the model tests were in progress, the situation was under regular review by a Committee. The first expectation was that the model tests and revised designs would be finalised by the end of 1969. Accordingly, the Madras Port Trust had a programme to incur an expenditure of Rs. 100 lakhs during 1970-71. In regard to Bombay harbour, there was no difficulty in the design, etc., and therefore, the Port Trust had proposed a sum of Rs. 66 lakhs during 1970-71. Provision had also to be made for the construction of major harbours at Cochin, Roychowk, Visakhapatnam and Paradeep. Plans and estimates in respect of the harbours at Cochin, Roychowk and Visakhapatnam were under finalisation. On a review of the expected funds required for all the harbours it was observed that a sum of more than Rs. 200 lakhs was needed for the year 1970-71. However, in view of the past experience of non-utilisation of funds on Madras harbour, a sum of Rs. 125 lakhs was finally provided. As already indicated, the work relating to model tests and designs could not be finalised in respect of Madras fishing harbour and the entire amount remained unspent. The fishing harbour at Roychowk and Cochin which were under active consideration, were cleared by the Expenditure Finance Committee in January and June, 1971 respectively. Hence preliminary works could not be undertaken at these harbours. A sum of Rs. 70,000 and Rs. 50,000 was paid to Visakhapatnam and Paradeep Port Trusts respectively for the preparation of project reports at these harbours. The Bombay Port Trust was able to incur an expenditure of Rs. 25 lakhs during 1970-71 as against the earlier estimate of Rs. 66 lakhs. A sum of Rs. 2,70,900 was added as recoupment of an advance taken from the Contingency Fund of India during 1969-70. The total expenditure during 1970-71 was Rs. 28,90,900 which resulted in the surrender of Rs. 96.10 lakhs out of Rs. 125 lakhs. The entire allocation made for Madras harbour had to be surrendered since the model tests and the consequent revision of designs had to be extended for a further period of time in view of the necessity to examine all aspects before arriving at a final solution to the problem.

The Madras harbour was sanctioned for Rs.386.50 lakhs in November, 1968. The actual expenditure in the first three years was Rs. 2.41 lakhs. The reason for non-utilisation of funds as programmed by the Madras Port Trust was that the work on oil-docks had come to a stand-still on account of technical difficulties. As the fishing harbour had also been similarly designed, the Port Trust decided to defer construction upto revised designs had been drawn up. The revision of design involved detailed investigations and model tests. The final model test report was initially expected by the end of 1969. According to second indication given by the Madras Port Trust the request was expected in Oct. 1971. Based on this, the Madras Port Trust gave year-wise requirement of funds as follows.

1971-72	Rs. 50 lakhs
1972-73	Rs. 150 „
1973-74	Rs. 180 „

A drastic cut was made, as indicated below, while preparing the year-wise budget, taking into consideration the experience of previous years and also the difficulties met with by the other major Port Trust in the task of executing the work as per programme:—

1971-72	Rs. 4 lakhs for investigations.
1972-73	Rs. 10 lakhs.

The measures taken to coordinate action between the Ministry of shipping and Transport and the Port Trusts for the purpose of correlating budget provision to the extent feasible with work likely to be carried out and to accelerate the pace of construction, are outlined below:—

The Ministry of Shipping and Transport was informed in October, 1971 that the Port Trust authorities, who were in charge of execution of programmes had been furnishing unrealistic estimates of expenditure, and requested that suitable instructions should be issued to the Port Trust authorities to review the working procedure for fisheries harbours and to gear up the capacity for undertaking construction works expeditiously.

In response to this, the Ministry of Shipping and Transport wrote to all the Chairman, Major Port Trusts, in their letter dated 6th November 1971 to review the working procedure for fisheries harbours and to gear up the capacity for undertaking construction expeditiously. In January 1971 a meeting was held by Secretary (Agri) with the Chairman, Major Port Trusts and representatives of the Ministry of Shipping and Transport. The problem of Madras Port Trust, was discussed in detail. At this meeting, to the Chairman, Madras Port Trust, explained that the delay in commencing the work of construction was due to the need which had arisen for conducting re-

vised model tests and to prepare completely revised designs. He stated that the results of the model tests were ready and the detailed designs were being expeditiously finalised. A revised assessment of funds was furnished by the Madras Port Trust as indicated below:—

1972-73	Rs. 70 lakhs
1973-74	Rs. 250 „
1974-75	Rs. 290 „

The work could not, however, be taken up in 1972-73, as the revised project report had to be finalised, and the question of taking up the project at the higher cost approved by the competent authorities. A revised project report amounting to Rs. 650 lakhs was finalised by the Madras Port Trust in May, 1972, which was technically cleared by the Ministry of Shipping and Transport in their letter dated the 30th January 1973. The Project has now been referred to the Ministry of Finance for obtaining sanction for the revised cost estimates of Rs. 650 lakhs. It is now estimated that the entire work would take 3 to 4 years. The Madras Port Trust have taken advance action to invite quotations for construction of a breakwater, wharf and a few other items. The Port Trust authorities expect that the difficulties experienced by some other ports in obtaining suitable quotations will not be experienced by Madras Port, in view of the fact that several constructors had undertaken the work of the oil-docks at Madras Port are in position and mobilisation of equipment will not pose a problem at this Port.

A budget provision of Rs. 70 lakhs has been approved for the Scheme of landing and berthing facilities for fishing crafts at Major Ports during 1973-74, out of which Rs. 20 lakhs will be required for Madras harbour, if the revised cost estimates are sanctioned immediately.

[M/Agriculture (Deptt. of Agriculture) O.M. No. 1—3/73-Budget dated 27-9-73].

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE MAY NOT DESIRE TO PURSUE IN THE LIGHT OF THE REPLIES OF THE GOVERNMENT

Recommendations

"1.87. The Committee were given to understand that in the present case there was poor response in the auctions held to dispose of parachutes and the last lot of 26,183 parachutes was disposed of through tenders. The Committee suggest that in view of the difficulty in auctioning such stores in Arunachal Pradesh the feasibility of transporting them to another station for the purpose of auctioning may be examined for future."

[S. No. 18 Appendix V (Para No. of Report 1.87)].

Action Taken

According to the existing procedure in Arunachal Pradesh the retrieved supply dropping equipment (including parachutes) and packing material from the far-flung air-maintained posts are collected at the base depots at Mohanbari (Dibrugarh) and Rowriah (Jorhat). The stores are classified by a Board of Officers in which an expert from IAF is associated. The stores are classified by this Board into three categories namely, serviceable, repairable and unserviceable. The unserviceable stores are brought to the Central Base Depot at Rowriah (Jorhat). The presumption of the Public Accounts Committee that the auctioning of parachutes is done in Arunachal Pradesh, because of which there is a poor response, does not seem to be correct. The practice followed is that auctioning of parachutes is done by the DGS&D, Calcutta at Rowriah (Jorhat), which is in Assam, after giving wide publicity. In the last auction held in February, 1973, the highest bidder was a man from Calcutta. The position of auction of condemned parachutes by the DGS & D, Calcutta is given at Annexure I. It will be uneconomical to transport large quantity of condemned parachutes outside Assam for the purpose of auctioning. The DGS & D at no stage has expressed any difficulty in arranging auction. Transporting bulk of stores at

a place outside Assam will also involve considerable expenditure on transportation and hiring of godowns etc. to keep the stores till they are auctioned. The DGS&D have also indicated their inability to take responsibility of transporting the unserviceable store to another station and storing them pending disposal.

In view of the position explained above it is felt that the existing procedure of auction of condemned parachutes in Assam by the DGS&D may not be changed.

[M/Home Affairs O.M. No. 15030/4/73-AP dated 10-12-73].

ANNEXURE I

*Position of condemned parachutes sanctioned by Govt. of India and auctioned through
D.G.S.&D. upto date*

Date of sanction of Govt. of India for disposal U/S. Parachutes and Admin. No.	Date and Number of SD Es Auction by D.G.S. & D.
1. G/I No. 873/4/65 NI dated 20-7-68 communicated vide Admin. No. SUP-6/16/67 dated 10-8-68 for 56, 183 Nos. Parachutes.	15000 Nos. in April 1969 15000 Nos. in May 1969. 26183 Nos. in May 1970.
2. G/I No. 18/57/71-NEFA dated 16-7-71 communicated vide Admin. No. SUP-6/16/67/362 dated 20-9-71 for 2620 Nos. Parachutes.	241 Nos. on 5th June 1972. 2379 Nos. on 5th Feb., 1973.
3. G/I No. 18/89/71-NEFA dated 23-10-71 communicated vide Admin. No. SUP-6/185/71/7 dated 5-11-71 for 2121 Nos. Parachutes.	2121 Nos. on 5th Feb, 1973.
4. G/I No. 18/17/72-A.P. dated. 19-4-72 communicated vide Admin. No. SUP-6/16/67/413 dated 8-5-72 for 2522 Nos. Parachutes.	2522 Nos. on 5th Feb, 1973.
5. G/I No. 18/18/72-AP. dated 30-5-72 communicated vide Admin. No. SUP-6/16/67/427 dated 16-6-72 for 3275 Nos. Parachutes.	3275 Nos. on 5th Feb, 1973.
6. G/I No. 18/80/72-A.P. dated 24-1-73 communicated vide Admin. No. SUP-6/16/67/538 dated 6-2-73 for 2727 Nos. Parachutes.	2727 Nos. on 24th May, 1973.

Pending Auction by D.G.S. & D.

1. G/I No. 18/86/72-A.P. dated 13-6-73 communicated vide Admin. No. SUP-6/186/71/42 dated 20-6-73.	3161 Nos. of parachutes, auction is to be arranged by DGS&D, Calcutta.
2. G/I No. 18/63/72-AP. dated 12-6-73 communicated vide Admin. letter No. SUP-6/16/67/Vol. III/633 dated 21-6-73.	4072 Nos. of parachutes, auction is to be arranged by the DGS&D, Calcutta.

NOTE.—

Total sanctioned by G/I	76,688 Nos.
Total auctioned by DGS&D	69,448 Nos.
Total waiting auction by DGS&D	7,240 Nos.

CHAPTER IV

**RECOMMENDATIONS/OBSERVATIONS REPLIES TO WHICH HAVE
NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH RE-
QUIRE REITERATION**

— NIL —

CHAPTER V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH GOVERNMENT HAVE FURNISHED INTERIM REPLIES

Recommendations

The Committee are concerned to note that although almost all the five buildings have been completed, the N. B. C. C. have not so far furnished revised estimates in respect of three works and the audited statements of expenditure and the final bills in respect of some of the works in spite of several reminders and personal efforts from the D. M. C. Because of several years delay in the completion of the works, the cost of the buildings originally estimated at 15.59 lakhs has jumped to 22.86 lakhs. The cost is likely to go up further when final bills are presented by N. B. C. C.

[S. No. 2—Appendix V, Para No. of Report 1.18 of P. A. C.'s 76th
Report 5th Lok Sabha]

Action Taken

It has been intimated by the Municipal Corporation that the final bills have not yet been presented to the Corporation by the National Building Construction Corporation despite repeated reminders from the Corporation. The matter is still being pursued by the Corporation with the N. B. C. C.

Recommendations

The Committee would also like to observe that N. B. C. C. should not stand on technicalities but should do all it can to help a sister organisation. They trust that all issues between the two Corporations will be settled amicably and the accounts finalized without further loss of time.

[S. No. 5—Appendix V, Para No. of Report 1.21 of P. A. C.'s 76th
Report 5th Lok Sabha]

Action Taken

The matter has again been taken up by the Municipal Corporation with the N. B. C. C. and it may take some time before the same is finalised.

[M/Home Affairs O.M. No. U 15030/3/73-AC II, dated 8-11-73]

Recommendations

Further, not only was no review conducted for such a long time but as admitted by the official representative "the queerest thing is that the budget provision continued to be made year after year" without obtaining sanction for the scheme till 1968-69. It is intriguing how budget provision could be made for a scheme of this nature without proper sanction and without the Administrative Ministry, Ministry of Finance and the Associate Finance being able to detect the irregularity. It is regrettable that files relating to Budget Estimates of the CPO scheme in NEFA from 1956 to 1968-69 are said to have been destroyed as old records. Thus no clue can be found as to how such a state of affairs came to exist. The Committee desire that the present system of making budget provision for such schemes should be examined with a view to find out the lacuna which enabled them to continue without sanction of the Government as happened in the present case. The Committee would like to know the remedial measures taken to avoid recurrence of such irregularities.

[S. No. 11—Appendix V, Para No. of Report 1.48 of P.A.C.'s 76th Report
5th Lok Sabha]

Action Taken

In pursuance of the Public Accounts Committee's recommendations above the Arunachal Pradesh Administration has been asked by this Ministry *vide* letter No. U. 15030/2/73-AC. II, dated 2nd November, 1973 (copy enclosed) to follow the following instructions to avoid recurrence of irregularities in respect of making budget provision for CPO type scheme which enabled them to continue without proper sanction;

"Where the estimating officers ask for budget provision for any scheme, they should state whether the scheme has been approved by the Competent authority and if so when or whether the scheme is yet to be approved. In the case of continuing schemes, in addition to reference to the sanctions for the schemes, information about the progress, both financial and physical should also be indicated."

They have also been asked to examine the existing budget system with a view to find out the lacuna that enabled them to continue the scheme without sanctions of the Government.

[M/H. A. O.M. No. U 15030/2/73-AC II, dated 4-1-74]

COPY

IMMEDIATE

P. K. Sarkar
Director (F).

[D. O. letter No. U 15030/2/73-AC. II Govt. of India/Ministry of Home Affairs.]
New Delhi 110001, the 2nd November, 1973

Dear Shri Kampani,

Please refer to Shri Raja's d. o. No. SUP-4/236/72-Vol. II, dated the 16th October, 1973 regarding 76th Report of the PAC on the report of the C&AG (Civil) for the year 1970-71.

2. I find that reply furnished by the Adm. in respect of para 1.48 of the Report in question, is very satisfactory. In pursuance of PAC recommendation at para 1.48, you are requested to issue the following instructions to all concerned officials of the Administration to avoid recurrence of irregularities in respect of making budget provision for CPO type schemes which enabled them to continue without proper sanction;

“Where the estimating officers ask for budget provision for any scheme, they should state whether the scheme has been approved by the Competent authority and if so when, or whether the scheme is yet to be approved, in case of continuing schemes, in addition to reference to the sanctions for the schemes, information about the progress, both financial and physical should also be indicated.”

3. A copy of instructions when issued, may please be sent to this Ministry.

4. It will be observed from the observations made by the Committee in the aforesaid paragraph of their Report, that they desire that the present system of making budget provision for C. P. O. Scheme should be examined with a view to find out the lacuna which enabled the administration to continue the scheme without sanctions of the Govt. Raja's d.o. letter dated 16-10-73 gives no information on this point. We shall be grateful, if you could kindly get the existing budgetary system examined quickly in the light of the observations made by the PAC and send us a report without further delay.

Yours sincerely,
Sd/- P. K. Sarkar

Shri M. L. Kampani,
Chief Secretary,
Arunachal Pradesh,
Shillong.

Recommendation

“1.65. The Committee note that loss in this case occurred due to over stocking of rice and mustard oil at Along CPO. The Committee would like to know the action taken against the officers found responsible as a result of the enquiry made into the matter.”

[S. No. 15, Appendix V, Para No. of Report. 1.65]

Action Taken

“The Arunachal Pradesh Administration had appointed an officer in September, 1972 to carry out investigation of over-stocking of rice, acceptance of inferior quality of mustard oil in Along CPO and fix responsibility. The Officer submitted his Report on 27th November, 1972. Since a gazetted officer was involved regarding over-stocking of rice, the Administration has referred this case for investigation by the Central Vigilance Commission in June, 1973 and the case is now pending with the C.V.C.”

Regarding Mustard oil, it was not a case of over-stocking but of inferior quality supplied by the contractor. Out of a total quantity of 770 kg., 394.500 kg. was sold out at the rate of Rs. 505 per kg. and the balance of 375.500 kg. of bad quality was sold at a reduced rate of Rs. 1.50 kg. The total loss due to sale at the reduce rate was Rs. 1333.05. The supply was made in 1966. There is now no record to show whether the samples of this consignment were sent for Chemical Analysis or not. It is possible that the samples were not analysed due to the fact that in 1966, Inspection branch of the D. S. T.'s office was not in existence. The stores positioned by the contractors used to be inspected visually in the past and it would not have been possible for the Inspection Board to see the quality of mustard oil. It is not possible, therefore, to opposition any blame on any official regarding acceptance of this consignment of mustard oil supplied in 1966. Under these circumstances, the Administration has written off the loss to the tune of Rs. 1333.05. The Administration are now following the practice of having the stores positioned by contractors, inspected by a standing Inspection Board visually and by sending samples to public analyst, Shillong or to Regional Research Laboratory, Jhorat, before finally accepting the stores from the contractors.

[M/H. A. O.M. No. 15030/4/73-AP. dated 10-12-73].

Recommendation

“The Committee note that the Internal Works Study Unit of the Ministry is presently studying the problem relating to the despatch, circulation and advertisement of these journals with a view to making each journal or group

of journals a self-contained unit so as to secure concentrated attention and cut down losses to the barest minimum. The Committee trust that this will be done without increasing the overhead expenditure."

[S. No. 27 of Appendix V (Para 2.16) of 76th Report (5th Lok Sabha)]

Action Taken

With a view to making each journal or group of journals a self contained unit and also for purposes of better management (and attention) and cutting down the losses to the barest minimum, the Internal Work Study Unit have recommended that the journals may be divided into 4 groups and each entrusted to Chief Editor/Editor/Deputy Director (H), who will be wholly responsible for the overall performance of the journal(s) falling within his jurisdiction. These recommendations of the I. W. S.U. are under consideration.

[Ministry of Information and Broadcasting O. M. No. G. 25012/72/
Bgt/DPD, dated 17th December 1973]

Recommendations

The Committee note that the Indamer Company Private Limited have not accepted the interpretation of Clause 4 of the Agreement as given by the Audit and upheld by the Ministry of Law and have refuted the claim of the Directorate of Agricultural Aviation for refund of the excess payment made to them during December, 1967 to March, 1969. The Committee are informed that the Company has asked for arbitration for the settlement of the issue. The question of appointment of the arbitrator is said to be under consideration. As dispute arising out of the interpretation to Class (4) of the Agreement is still to be adjudicated upon by the arbitrator/court of law, the Committee would not like to offer any comment on the agreement at this stage. They desire that the outcome of the arbitration should be reported to them.

[S. No. 33 (Para 3.11) Appendix V to 76th Report of the P. A. C.
(Fifth Lok Sabha)]

Action Taken

The question of invoking Clause 12 relating to the settlement of dispute between the parties by arbitration provided in the Agreement entered into with the firm M/s. Indamer Company Private Limited was discussed with the Ministry of Law. That Ministry opined that it would be better to write to the firm again that the excess payment, made under Clause 4 of the said Agreement, will be adjusted against the payments already withheld. The Ministry of Agriculture has accordingly addressed the firm.

[M/Agriculture O.M. No. 10-13/72-PPS dated 15-11-73]

Recommendation

The Committee further observe that the question of assessment of extra payment made to the firm from April, 1965 to November, 1967 is yet to be decided. They desire that the case should be processed at an early date in consultation with Audit and the accounts with the Company finally settled. The Committee would like to be informed of the outcome in the matter.

[S. No. 34 (Para 3.12) Appendix V to 76th Report of the P. A. C.
(Fifth Lok Sabha)]

Action Taken

On the basis of the notes sent by the Ministry of Agriculture under the Department's letter No. 10-13/72-PPS dated the 29th November, 1972 and the 12th December, 1972 the officers from the Accountant General, CW&M has visited the Directorate of Agriculture Aviation to peruse the records. They desired that the statements may be prepared and all the relevant files may be furnished to the Accountant General. These statements giving all the details of the cost of the spares, the cost of duty, freight etc. and the files obtained from the Directorate have been sent to the Audit.

[M/Agriculture O.M. No. 10-13/72-PPS dated 15-11-73]

JOYTIRMOY BOSU

Chairman,

Public Accounts Committee

New Delhi ;

March 26th, 1974

Chaitra 3rd, 1896(S).

APPENDIX
Summary of Main Conclusions/Recommendations

Recommendation/Conclusions

S. No. Para No. Ministry/Deptt. concerned

1 2 3

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1 1.4 Home Affairs, Information & Broadcasting and Agriculture
The Committee hope that final replies in regard to the recommendations to which only interim replies have been furnished, will be submitted to them expeditiously after getting them vetted by audit.

2 1.8 Home Affairs
Dealing with the delay in construction of building through the National Building Construction Corporation and in getting from them revised estimates, audited statements of expenditure and final bills in respect of some of the works, the Committee had observed that the NBCC should not stand on technicalities but should do all it could to help a sister organisation (Delhi Municipal Corporation). They had also desired that all issues between the two Corporations should be settled amicably and the accounts finalised without further loss of time. It is seen from the reply that the final bills have not yet been presented by the NBCC despite repeated reminders from the DMC.

* The Committee would await a report in this regard from the Ministry of Works and Housing.

3 1.11 Home Affairs
Noticing a number of cases misappropriation of Government money/sale proceeds of stores, the Committee had desired that apart from taking action

that NBCC have submitted final bills in respect of all the five works to DMC.

against those found guilty, steps should be taken to investigate the procedural snags and slackness, if any, on the part of the supervisory staff concerned for appropriate remedial measures. Such an investigation does not appear to have been made and only a copy of instructions issued as early as in 1971 has been sent. The Committee would like to reiterate that an investigation as suggested by them should be undertaken on the basis of *modus operandi* of the misappropriations so as to plug the loopholes and tighten up the position. The Committee also wish to stress that the departmental proceedings and the police investigation, which are in progress, should be completed expeditiously as much time has already been lost since the cases came to light in 1968-69 and 1969-70.

4 1.14

I & B

It has been stated that recently an expert team has undertaken an indepth study of the publications Division Journals and made recommendations on how they can be made commercially more viable by increasing their circulation and attracting more advertisements. The Committee desire that an early decision should be taken on this long over due issue.

5 1.17

-do-

The Committee note that the recommendations of the Internal Works Study Unit to make each journal or group of journals a self-contained unit and for cutting down the losses to the barest minimum are under consideration. The Committee hope that early decision would be taken on the recommendations of the I.W.S.U. and that there would be no increase in the overhead expenditure as a result of the reorganisation.

6 1.20 I & B The Committee had taken a serious view of the loss of files containing the physical verification reports relating to the years 1967 and 1969 and desired that a thorough investigation be made with a view to fixing responsibility. The files are still stated to be not traceable. The Committee would, therefore, like to reiterate that responsibility should be fixed for the loss under intimidation to them.

7 1.21 —do— As regards the shortages of 'Picture Post Cards' and 'Hand Book of India' worth Rs. 80,581 and sales by a private firm who were not the authorised agents, the Committee had called for an expeditious completion of the departmental action. Although in reply to the Committee's observations in paragraph 2.19, the Ministry have stated that the departmental action has been taken against the officials concerned, it appears from their reply to paragraphs 2.23 and 2.24 that further investigations is being processed in for pilferage and clandestine sale of the publications is being processed in consultation with the Central Vigilance Commission. The Committee are unhappy over the delay of nearly 6 years in finalising the matter which appears to be the result of dilatory procedures. The Committee would like to have a detailed report regarding the persons involved, the necessity to consult the Central Vigilance Commission and the action taken. The Committee also stress the need to streamline the procedures in consultation with the Department of Personnel to effectively and expeditiously take departmental action in such apparently simple cases.

8 1.24 Agriculture The Committee note that action is being taken to adjust the extra payment made during December, 1967 to March, 1969 against the payments already withheld as advised by the Ministry of Law. However, the extra payment made to the firm from April, 1965 to November, 1967 has not yet been

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Agriculture assessed. The Committee would like this to be done without further delay and action taken to recover or adjust the extra payment for this past period also.