

REFERENCE
(NOT FOR ISSUE)

PAC-91

**COMMITTEE ON PUBLIC ACCOUNTS
NINETY-FIRST REPORT
(ELEVENTH ASSEMBLY)
(2001-2003)**



**Report of the Committee on Public Accounts on
the Reports of the Comptroller and Auditor
General of India for the years 1996-97,
1997-98, 1999-2000 and 2000-2001 (Civil)
relating to the Transport and Public
Works (Building) Departments
Government of Assam.**

Presented to the House on
31 MAR 2003

Assam Legislative Assembly Secretariat,
Dispur, Guwahati-6.

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(i)

**COMPOSITION OF THE COMMITTEE
(2001-2003)**

Chairman :

1. Shri Premodhar Bora

Members :

2. Shri Dilip Kumar Saikia
3. Shri Ajit Singh
4. Shri Brindaban Goswami
5. Shri Mission Ranjan Das
6. Smti. Pramila Rani Brahma
7. Shri Gopinath Das
8. Shri Biswajit Daimary
9. Shri Bidyasing Engleng
10. Dr. Haren Das
11. Shri Dilder Rezza
12. Shri Paniram Rabha
13. Shri Gautam Bora

Secretariat :

1. Shri M. K. Sarma, Secretary
2. Dr. K. N. Baisya, Additional Secretary
3. Shri Subimal Kumar Das, Under Secretary
4. Shri B. Basumatari, Under Secretary
5. Shri K. Rahman, Committee Officer.

(ii)

PREFATORY REMARKS

1. Shri Premodhar Bora, Chairman, Committee on Public Accounts having been authorised to submit the Report on its behalf, present this Ninety-first Report of the Committee on Public Accounts on the Audit paras contained in the Reports of the Comptroller and Auditor General of India (Civil) for the years 1996-97, 1997-98, 1999-2000 and 2000-2001 pertaining to Transport and Public Works (Building) Departments, Government of Assam.

2. The Reports of the Comptroller and Auditor General of India (Civil) for the years 1996-97, 1997-98, 1999-2000 and 2000-2001 were presented to the House on 16th March, 1998, 22nd March, 1999, 30th May, 2001 and 14th March, 2002 respectively.

3. The Reports as mentioned above relating to the Transport and Public Works (Building) Departments were considered by the Committee in its sitting held on 30th October, 2002 & 30th December, 2002.

4. The Committee has considered the Draft Report and finalised the same in its sitting held on 20th February, 2003.

5. The Committee has appreciated the valuable assistance rendered by the Principal Accountant General (Audit), Assam and his junior officers and staff during the examination of the Reports in respect of the concerned departments.

6. The Committee expressed its thanks to the Departmental witnesses for their kind co-operation and also offered thanks to the officers and staff dealing with the Committee on Public Accounts, Assam Legislative Assembly Secretariat for their ungrudging and strenuous services rendered to the Committee.

7. The Committee earnestly hopes that the Government would implement the recommendations made in the report.

Dispur :
The 20th February, 2003.

PREMODHAR BORA,
Chairman,
Committee on Public Accounts

THE REPORT

CHAPTER - I

Transport Department

Non-realisation of Government dues

(Audit para 4.16/CAG/(Civil)/1996-97)

1.1 The audit has pointed out that a test check (September 1996), of the records of the Guwahati Inland Water Transport Division revealed that pay and allowances amounting to Rs. 2.40 lakh due to the floating staff for the period of lease (14th April 1995 to 31st March 1996) had not been deposited by the lessee even as of March 1997. Moreover, fine of Rs. 17.23 lakh due upto 31st March 1997 calculated at the rate of 1 per cent per day for 718 days on the default an amount of Rs. 2.40 lakh also remained to be collected from the lessee. The department had not initiated any action for realisation of Government dues. On the other hand, the said ferry for the lease year 1996-97 was also settled with the same defaulting lessee. The cash security of Rs. 0.24 lakh and vessel security of Rs. 0.06 lakh deposited by the lessee for the lease year 1995-96 had been carried forward to next year i.e. 1996-97 instead of forfeiting the same. In reply, the division stated (March 1997) that the ferry was settled with the lessee at bid value of Rs. 1.00 lakh only. Hence, the pay and allowances of floating staff (Rs. 2.40 lakh) was not realised from him. The reply is not tenable as the Government order and the lease deed had not provided any condition exempting the lessee from payment of pay and allowances of floating staff. Thus dues amounting to Rs. 19.63 lakh remained to be recovered.

1.2 The department in their written reply has stated that as per tender notice vide No.FC/I/95-96/34-160, dated 04.01.95, the Executive Engineer, I.W.T. Division, Guwahati had received one single tender against S/B/A ferry service for a period of 1995-96 where the tender money amounting to Rs. 90,101.00 offered was including staff salary. Accordingly the Executive Engineer, I.W.T. Division, Guwahati had prepared comparative statement where he quoted against item No. 3 that the

tenderer would not bear staff salary. On the basis of the Comparative Statement D.I.W.T. had informed the Government that the tender money offered by the single tenderer namely Md. Easin Khan was including staff salary, though as per Rule-25 the lessee should bear the staff salary to the department vide tender No.DWT-28/88/117, dated 29.03.95. Further, due to one single tender, and as the settlement was not made upto 3.4.95, a discussion was held in between D.I.W.T. and party where the tenderer had enhanced 10,000/- above the tenderer money and the said was Rs.1,00,101/- subject to condition that other points were stands by i.e.the said amount was including staff salary. Accordingly the petition was forwarded to the Government vide letter No.DWT-28/88/119, dated 04.04.95 and on that proposals the Government also settled the S/B/A ferry service vide No.TWT-5/95/20, dated 12.04.95 at Rs.1,00,101/- where the Government had not mentioned specifically whether staff salary would have to be realised or not. As per Government order, the Executive Engineer, I.W.T. Division, Guwahati had handed over the charge of S/B/A ferry service to the lessee without realising the staff salary, as if the Government had settled said ferry according to the proposal where bid money offered including staff salary. The lessee operated the said service by depositing all instalment of kist money as per rule. Further the said ferry was handed over to the same lessee for the year 1996-97 also. As the staff salary was not required, hence the quoted of penalty does not arise and he was not defaulted person.

OBSERVATIONS AND RECOMMENDATIONS

1.3. On scrutiny of the written reply of the Government, the Committee has sought clarifications on certain points from the official witnesses. As regards salary and allowances of the floating staff during the period in question, the official witness failed to adduce the exact information then and there to the Committee. On failure to furnish the information by the Government witnesses, the Committee was not happy. Whatsoever, the Committee allowed some time to furnish the information on the annual lease value, pay and allowances of the floating staff, receipt and expenditure on those ghats during the period from 1995-96 to 2000-2001. The Committee

has also expressed its anxiety as to why no responsibility had been fixed against those person (s) who had violated the rules for the time being in force. The Committee has also noticed that the State Government had not effectively pursued implementation of the Control and Management of Ferries (Amended) Rules, 1976 resulting to no reasonable economic improvement made in the Inland Water Transport of the State during past several years.

1.3.1 The Committee feels that the State Government should vigorously pursue the Central Government to finalise necessary schemes to be implemented under the provisions of the Control and Management of Ferries (amended as up-to-date) Rule, 1976 for facilitating economic improvement in respect of Inland Water Transport for the benefit of the poor masses of the State.

1.3.2 Further, the Committee recommends that action should be taken against the person(s) on whose fault the State had to incur loss to State Revenue on the basis of findings after necessary enquiry made by the State Government immediately and action taken by the Government thereon be intimated to the Committee within 90 days of this report presented to the House.

Loss due to uneconomical operation of Ferry Service**[Audit para 4.17/CAG/(Civil)/1996-97]**

1.4. The audit has pointed out that a test check (December 1996) of records of IWT Division disclosed that the division spent Rs.81.27 lakh towards maintenance of the ferry service during 1992-93 to 1995-96 against which Rs.7.71 lakh was earned as revenue during the same period which resulted in a loss of Rs.73.56 lakh. It was observed by Audit that against estimates of the Division the ferry was to carry 250 passengers, 40 quintals of goods, 20 bicycles and 5 motor cycles per day against which the actual was on an average of 55 passengers, 0.28 quintals of goods, 13 bicycles and one motor cycle per day being carried during 1992-93 to 1995-96. Expenditure incurred and revenue earned in a year on an average was Rs. 20.32 lakh and Rs. 1.92 lakh respectively. Thus expenditure was 6 times the original estimates while revenue recorded was less than one third of the original estimate. Re-survey conducted by the Division and intimated (August 1995) to Director IWT also revealed that the actual distance was 51 Km. and not 32 km. The loss was facilitated due to defective survey, incorrect fixation of toll rates, improper evaluation of the viability of the ferry service.

1.5. The department in their written reply has stated that S.J.K. Ferry Service (Sikari ghat Jamugurihat via Karatipara) ferry service was introduced as per demand of the public of that locality prior to opening of the ferry service, Techno-Economic Survey was conducted and accordingly it was presumed that the ferry service would be operated without any loss to the Department. At the time of operation of the ferry service some difficulties were experienced by the department and which resulted loss of huge amount. At first, the division had received loss amount of bid money at the time of settlement of the ferry service than our assessment of revenue to be collected. This was happened as no body came forward to submit their tender with a good amount of bid money owing to the bad conditions of P.W.D. Road leading to ferry ghat which was washed away in many

portion due to devastating flood. Secondly, it may be stated that due to change of course of river the ferry route distance has been increased from 32 km. to 51 km. Thirdly, due to increasing numbers of Muster Roll labour as well as their wages the expenditure become high.

OBSERVATIONS AND RECOMMENDATIONS

1.6. Having considered the written replies of the Government the Committee has heard the deposition made by the official witnesses on the audit paragraph. During the examination of the Department, the Government representatives submitted to the Committee that the National Water Ways (No. 2) Act, 1988 had been passed by the Central Government. Since the Act passed, the Government of India has not taken initiative to bring schemes to develop the Water Ways No. 2, particularly in the State of Assam. The Committee has also observed that the initiative taken by the State Government should be highlighted by the Audit too. Therefore, the Committee is of the view that all data on it should be furnished to audit authority for placing the same in the report of the CAG, India with a view to draw the attention of the Central Government. In considering the pros and cons on the matter, the Committee has resolved that the State Government should take up the matter with right earnest so that the Central Government would come forward with necessary schemes for development of Water Ways No. 2 by the Government of India wherein names of Dibrugarh, Nimatighat, Sonarighat and Char areas would be included.

Loss due operating of Ferry Service free of charge.
[Audit para 4.18/CAG/(Civil) 1996-97.]

1.7 The audit has pointed out that a test-check (December 1996) of records of Executive Engineer, IWT Division, Dibrugarh of records revealed that crossing of the 'Botiamari Channel' which fell in between the South and North Bank route of NK ferry service had simultaneously been operating departmentally from 1991-92 onwards without realisation of any toll from the passengers. The division spent Rs.25.32 lakh towards pay and allowances of floating staff and cost of fuel during 1991-92 to 1996-97. The division requested (November 1996) the Director, IWT, Assam to lease out the intermediary channel along with the ferry service the same was not done as of June, 1997. Thus Departmental servicing of the intermediary channel of a leased out ferry service for six years without realisation of toll resulted in a loss of Rs.25.32 lakh to the Government.

1.8 The Department in their written reply has stated that as per provision of the ferry rules the approaches bridges etc. are to be maintained by the department but not by lessees. On this principle the channel Boitamari which came in to existence between Neemati & Kamalabari, the department has to place Mariboat for transhipment for passengers, vehicles and goods in the route of Neemati-Kamalabari ferry service. Originally, this was a small channel and gradually it become larger in size and as a result the expenditure of P.O.L. has also been increased. However, in the year 1998 the River Course of Brahmaputra had been changed to a great extent and as a result Boitamari channel had been eliminated.

OBSERVATIONS AND RECOMMENDATIONS

1.9 Having perused the written replies, the Committee has examined the departmental witness on the audit objections. After careful consideration of the submission of the official witnesses, the Committee has noticed that the Department was to impose toll which had not been imposed upon the passengers resulting to incur loss of Government Revenue besides spending quite a significant sums in maintaining the ferry services. Whatsoever, the Committee has decided to drop the objection of the audit raised in the paragraph of the report of the CAG, India.

Non-levy of penalty and undue financial aid to ship building firms.

[Audit para 3.14/CAG(Civil)/1997-98]

1.10. The audit has pointed out that a test-check (January-February 1997) of the records of the Director, IWT revealed the following:

(a) Out of 97 vessels, only 20 vessels were delivered between November, 1995 and February 1998 after delay ranging from 2 to 4 years. The dates of delivery of the 57 vessels were not furnished by the department. The stipulated dates of delivery of these vessels were June 1992 to May 1995. Remaining 77 vessels were not delivered as of May 1998 even after lapse of 1 to 8 years. As per tender agreement a penalty of Rs.17.88 lakh at 10 per cent of tendered value was leviable on 6 firms for failing to deliver the vessels on stipulated dates but no such penalty was levied.

(b) Further, it was seen that Rs.3.67 crore had been paid upto April 1998 to 7 firms, though value of works executed by them in respect of 22 vessels was Rs.2.77 crore. This was tantamount to undue financial aid of Rs.90.15 lakh to the above firms.

1.11. The department in their written reply has submitted that from March 1987 to March 1995 all total 156 Nos. of different types of vessels had been ordered for to different Ship Builders for construction of vessels. Out of which 97 Nos. vessels were delivered to this department. Balances 59 Nos. vessels are to be delivered. In the meantime, the work order of 4 Nos. of vessels were cancelled. During March, 1996 all the un-disbursed amount drawn against vessel construction works had been deposited in Revenue Deposit. Only a petty amount had been released and paid to the Ship Builder after physical verification of the works by the Additional Chief Engineer, PWD, (Mech.) Shri G. C. Das as per Government order. Right from March '96 onward, the Government has not provided adequate fund

against the vessel construction works. Hence the progress of work authometrically hampered. Also necessary correspondences are going on with the Government and decided to cancel the work order of some of the vessels for not making progress of work and having no financial involment till today. Also due to valid ground such as Natural calamities like flood and non availability of materials used for vessel construction, time extension had been granted. So the penalty could not be imposed against the Ship Builders. Emphasis had been taken to normalise the advance payment by taking delivery and expediting the progress of works of the said vessels.

OBSERVATIONS AND RECOMMENDATIONS

1.12. Besides considering the written submission, the Committe has heard the evidence tendered by the Principal Secretary to the Government of Assam, Department of Transport. The official witness while adduce before the Committee, has revealed that certain anomalies had crept in executing the order placed for construction and delivery of the vessels. During deposition on the audit objection, the official witness admitted the unsound process of execution of the office order taking delivery of the vessels and over payment made therefor, what for the Government had already constituted an Enquiry Committee to report after examination of the entire dealing. Thereupon, the Committee has suggested that action taken by the Government on the findings of the enquiry be submitted to the Committee immediately but not after 30 days of this report presented to the House.

Locking up of funds on procurement of machinery in advance of requirement.

[Audit para 3.15/CAG(Civil)/1997-98]

1.13. The audit has pointed out that a test-check (January-February 1997) of the records of the Director, Inland Water Transport (IWT), Assam revealed that the Director purchased machinery (gear boxes, diesel engines and pumping machines) worth Rs.48.52 lakh between April 1992 and July 1996 for fitting in the vessels (97) under construction. The stipulated dates of delivery of the vessels were between June 1990 and June 1997. In addition machinery (drilling, shaping, milling machines and accessories) worth Rs. 32.23 lakh were also purchased during 1991-92 and 1992-93 for implementation of the project "Slipway" at Pandu. The work of Slipway construction, installation and commissioning of haulage system was awarded (March 1992) to a local firm of Guwahati at tendered cost of Rs.2.79 crore with the stipulation to complete the work by March 1997. An amount of Rs.2.71 crore (97 per cent) was paid to the firm as of January 1997 against 60 per cent physical progress. The machinery purchased above would be required only after completion of construction of Vessels and Slipway which were still incomplete as of May 1998 and there were no definite plan of action in the Directorate to complete the works in the near future. Thus, injudicious procurement of machinery in advance had resulted in locking up of Government funds to the extent of Rs.80.75 lakh for a period of 2 to 6 years. The Director, IWT stated (September 1998) that the machinery purchased against the Slipway project were kept at workshop building but due to non-engagement of staff as well as completion of project work, repairing of vessels and boats etc. could not be started and the machinery remained unutilised.

1.14. The department in their written reply has stated that out of the Machinery worth Rs.80.75 lakhs, the expenditure have been incurred as follows.

- | | |
|------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| (a) For purchasing Machineries 2 (two) Nos.
Engine with Gear Boxes against newly
constructed 750 self carrier vessels. | Rs. 38.87 lakhs |
| (b) For purchasing Machineries 2 (two) Nos.
Engines against repairing of old existing
vessels M.T. Bhagadutta. | Rs. 9.65 lakhs |
| (c) For purchasing Machineries against Slipway,
work-shop (Drill Machine, Shapin Machine
etc.) | Rs. 32.23 lakhs |
| | -----
Rs. 80.75 lakhs |

1.14. The Department has already issued 2 Nos. engines with Gear Boxes worth of Rs. 38.87 lakhs for installation on board 750 M.T. self carrier vessel. By this time some extra works required to be undertaken against this 750 M. T. self carrier vessel for which the works for installation of Machinery delayed. Now the ship builder is instructed to handover the vessel to this department by completing all necessary work within a short time. The machinery worth Rs. 9.65 lakhs, procured for repowering of the old existing vessel M.T. Bhagadutta, could not be installed due to non allotment of adequate plan fund under 14-Minor plan works. As an when plan fund will be received the installation work of Engine could be possible. In case of Machinery worth Rs. 32.23 lakhs, had been purchased against Slipway workshop and the same were installed at Slipway workshop building. Now this Department has decided to setup a repairing unit at the Slipway site, so that the machinery could be utilized for undertaking repairing works of vessel, Barge etc. Now at khari No. 2 of Slipway site, numbers of old repairable vessel/barges are being drydocking for repairing of hull/deck etc. There is a facility for storing materials and having 7 KW. poor connection and large open space. On the other hand the existing floating workshop at Sulkeswar ghat is not adequate to carry out repairing works of all repairable vessel/barges. Hence repairing of some vessels at Slipway premises are being possess by this department. Also due to non allotment of adequate plan fund since March, 1996 and due to deposition of amount of Rs. 56.65 lakhs (Excluding tax) in Revenue Deposit during

March, 1996, the progress of Main Slipway could not be achieved as per target. Also the revised estimate due to adoption of well foundation instead of pile foundation amounting to Rs. 644.25 lakhs had been submitted to the Government. But sanction is yet to be accorded by the Government. Further, M/S. Vanguard (India) Pvt. Ltd. the contractor of the Main Project of Slipway has filled a case to the Honourable High Court, Guwahati against the Government for realisation of payment against the works. Now, to complete the remaining works of Slipway the Department is going to submit proposal under C.S.S. Scheme.

OBSERVATIONS AND RECOMMENDATIONS

1.15. The written reply of the Government could not satisfy the Committee wherefor Government representative were called for to explain the exact position as up-to-date on the matter under examination of the Committee. From official witnesses while tendered evidence before the Committee, an unsound position appeared to the Committee on the matter whereinto Mr. Nandeswar Barthakur, the then Director, Inland Water Transport, Assam had happened to be instrumental who had been retired and expired also. The retired Director made the payment to the contractor without keeping actual record of the completed works of the order which resulted to make overpayment on the making and delivery of the vessels ordered for. In the state and circumstances, the Department had reported to have filed criminal causes of action against the contractor concerned to hold good for.

1.15.1. Considering the submission of the official witnesses, the Committee felt that had there been placed a right person in the post of Director, Inland Water Transport, Assam during the said period such unsound affairs would not incur. Whatsoever, the Committee holds that the Government should be very serious to place the right person in right place for the greater public interest with a view to avoid recurrence such unwanted example in future placing person possessed with high integrity and administrative efficiency in Placing to such post like Director of the Government Department. The Committee considering all aspects of the matter and recommends that the criminal cause of action since started on the matter should urgently be pursued and action be taken by the Government thereon and intimated to the Committee about the out come on it accordingly.

Loss due to sinking of boats under construction
[Audit para 3.16/CAG(Civil)/1997-98]

1.16. The audit has pointed out that a test-check (January-February 1997) of the records of the Director, Inland Water Transport (IWT) Assam revealed that the Director awarded (March 1989) the work "Construction and Supply of 2 (two) 17 metre long 8 ton capacity steel hulled with wooden superstructure single boat on the river Barak" to a local firm at a tendered cost of Rs. 7.95 lakh each with stipulation to deliver the boats by September 1989. Subsequently the Executive Engineer, (IWT) Silchar Division informed (June 1996) the Director that on 13 May 1996, at 0430 hours both the boats sank in the river due to strong wind and heavy rain and that they could not be removed as the hulls were covered with silt. As on that date only 60 per cent of the work was completed. Inspection report (October 1997) of the Director, Financial Inspection, Finance Department, reported that the velocity of the surface wind as reported by the Meteorology Department, Government of India for 18 May 1996 was not so forceful to sink the boats. So, the report of the Director, IWT justifying the sinkage of the boats was not tenable. The Department had paid Rs. 12.72 lakh to the firm for the boats (80 per cent of the tendered value) against 60 per cent physical progress of the construction. Since the insurance policies of the boats expired on 30 September 1992 and no action was taken to renew them, no amount could be claimed. The bank guarantees also expired on 12 March 1991. In spite of assurance given (August 1996) by the Managing Director of the firm to Government to rebuild the boats, works of reconstruction of boats had not started (April 1998). Due to negligence of the department to get the insurance policies and bank guarantees renewed in time and reluctance on the part of the firm to rebuild the boats the department had sustained a loss of Rs. 12.72 lakh.

1.17. The department in their written reply has stated that in case of 2 (two) Nos. sunken vessel an amount of Rs. 12.72 lakhs had been paid to the Ship Builder on the progress of works. As per Tender Agreement and

term of contract, the Ship Builders have to bear full responsibility for safety of the boat, until the Ship Builder delivered the vessel to the Department. Also the responsibilities rest upon him, if any damages, loss occurred in the vessel under construction. In respect to the sinking of boats. F.I.R. had been lodged to the Tarapur Police Outpost, Silchar by the Executive Engineer, IWT Division, Silchar. But the O.C. Sadar P.S., Silchar informed that they have forwarded the case to Paltan Bazar Police Station, Guwahati to enquire the case. Also initially the Ship Builder had submitted written assurance to re-build the said two lost single boats from his end. But the Ship Builder had neither taken proper steps to rescue the boats nor made any attempts for re-construction till the date. Further as per Government letter No. IWT-70/99/61, dated 12th October, 1999, the Department requested the Government pleader Sri A. C. Sarma for filling of civil suit against M/S Structural and Concrete PVT Ltd. i.e. the Ship Builder of Sunken boats vide this office letter No.DWT(T)26/88/Pt.-I/68, dated Guwahati the 21st December, 1999, for realisation of the amount already paid to the Ship Builder.

OVSERVATIONS AND RECOMMENDATIONS

1.18. In pursuing the action taken by the Government against the Contractor/Ship Bulder, the Committee felt that the Government had not vigorously urged upon the guilty person/firm to repay the mis-appropriated Government money involved in the instant case. The Committee felt that the Home Department also should co-operate in realising the said fraudulent amount by taking drastic action against them as reported by the Government in the Transport Department. The Committee in considering the gravity of the case and recommends that cause of criminal action against those contractors/ship builders should be tighten and the outstanding amount due to the Government be realised without any further delay and deposited accordingly to the state exchequer.

Non-realisation of Government dues

[**Audit para 4.237-4.240//CAG(Civil)/2000-2001]**

1.19 The audit has pointed out that a test-check (March 2001) of records of the Executive Engineer, Inland Water Transport (IWT) Division, Dibrugarh revealed that Dibrugarh-Sonari-Burisuti ferry Service was leased out (March 1998) and handed over (April 1998) to a lessee in disregard of the Government order and the above terms and conditions at a bid value of Rs. 31.11 lakh (excluding pay and allowances of floating staff) for the year 1998-99. After paying the first and second kist money of Rs. 15.56 lakh and first installment of staff salary of Rs. 0.75 lakh, the lessee sought (December 1998) exemption from making further payment of kist money third and fourth installment and staff salary (2nd, 3rd and 4th installments) as he could not run the ferry from May 1998 to October 1998 due to unprecedented floods in the river Brahmaputra. Subsequently, the lessee filed (December 1998) a petition in the Guwahati High Court, as his prayer was not considered by the department. The Hon'ble Court in their verdict (December 1998) directed the department to dispose of the application of the petitioner for remission of kist money in accordance with law. The department rejected (September 1999) the prayer of the lessee under Section 34 of the Control and Management of Ferry Rules 1968 as amended and asked (November 1999) the lessee to deposit the outstanding dues of Rs. 15.56 lakh being the third and fourth kist money and Rs. 2.25 lakh being the second, third and fourth installment of staff salary. But the lessee did not deposit the outstanding dues (March 2001). Meanwhile, the Director, IWT had directed (October 1999) the division to file a Bakijai case against the lessee for realising the outstanding dues. However, the same could not be filed by the division till March 2001 on account of non-availability of related documents in the division. Moreover, a fine of Rs. 160.66 lakh due up to March 2001 calculated at the rate of 1 per cent per day on the default in amounts also remained to be realised from the lessee. Thus, due to failure on the part of the department to recover the entire amount of pay and allowances before handing over the ferry services and initiate timely action against the lessee by filing a Bakijai case, Rs. 178.47 lakh (Rs. 15.56 lakh+ Rs.2.25 lakh + Rs. 160.66 lakh) remained unrecovered.

1.20 The department in their written reply has stated that as per Government order vide No. TWT-72/98/35, dated 24.09.99 regarding remission of kist money it was requested to take necessary steps to realise the outstanding Government dues amounting to Rs. 17,80,555/- from the lessee. Dibru-Sonari Burisuti ferry service for the year 1998-99 in accordance with law. Accordingly the Directorate, Inland Water Transport had requested the Executive Engineer, Inland Water Transport Division, Dibrugarh to take necessary action as ordered by the Government vide letter mentioned above. If necessary Bakijai case may be filled against the lessee, vide letter No. DWT-2/96/287, dated 11.11.2002. In response, the Executive Engineer, IWT Division informed that, to file Bakijai case original document of tender should be necessary which were forwarded alongwith comparative statement from their end vide letter No. ESDSB-15/98-99/784, dated 21.06.2000 and requested to send back the same. Accordingly the DIWT, has requested the Government to send back the original documents submitted alongwith the comparative statement of D/S/B ferry service for settlement vide letter No. DWT-2/96/291, dated 21.7.2000 and subsequent remainders vide No. DWT-2/96/295, dated 28-9-2000, DWT-2/96/195, dated 15.12.2000 and DWT.-2/96/300, dated 26.11.2001 were issued.

OVSERVATIONS AND RECOMMENDATIONS

1.21 Pursuing the written replies and the evidence adduced as well as by the official witnesses on the audit paragraph, the Committee felt that the pursuance made by the Government did not appear sufficient and effective to serve the purpose so involved in the fraudulence. Thereupon the Committee directs the Government in the Transport Department to pursue vigorously for immediate realisation of the outstanding dues to the Government from the defaulter. Besides, the Committee urges upon the Government to furnish a detailed report on the revenue receipt and outstanding amounts on 74 ghats of the State since 1995-96 till date for consideration and with a view to formulate observations thereon in the greater public interest.

CHAPTER-II**Public works (Building) Department****Steel materials carried by a Contractor yet to be accounted for****[Audit para 4.6/CAG(Civil)/1996-97]**

2.1. The audit has pointed out that the Executive Engineer, Haflong Buildings Division, engaged (February, 1989) a contractor for carriage of 170 tonnes of steel materials and 75 tonnes of GCI sheets by road between the stock yard of M/S Tata Iron and Steel Company Limited, Guwahati and Division's store at Haflong. Accordingly, a deed of agreement was executed (February 1989). However, no time schedule for completion of works nor any penalty clause in the event of contractors' failure to effect delivery of materials was included in the agreement reportedly through oversight. Between December 1991 and July 1992 the Executive Engineer intimated the Chief Engineer PWD (R&B) Hills, Diphu that the carriage contractor had not handed over any materials to the division although the materials were lifted by him between March 1989 and May 1989 (53.995 tonnes of GCI sheets and 55.729 tonnes of steel materials) from M/S Tata Iron and Steel Company Limited, Guwahati and unloaded in the stock yard of the division. The value of materials lifted by the contractor was Rs. 10.55 lakh. In reply to Audit the division stated (February 1997) that the materials were not measured and accounted for as these were not handed over to the division by the contractors. The Chief Engineer has not initiated any action to investigate the matter (February 1997). Thus, due to effective negligence and inaction of the department, materials valued at Rs.10.55 lakh stated to be delivered by the carriage contractor remained to be accounted for more than seven and half years as on February 1997.

1.2. The department by their written reply has stated that Mr. R.P. Singh, contractor has simply unloaded the materials in the storeyard without proper handing over the materials to the S.O. concerned. There is no record

of carriage bill alongwith proper challan in the Sub-division. So we could not taken the materials in to the accounts. M/S TISCO also confirmed us that R.P. Singh lifted all the materials from the company. R.P. Singh, carriage contractor also asked to meet the Asstt. Executive Engineer, P.W.D. Haflong Building Sub-division for justification but till today R.P. Singh have not turnedup. Subsequently the materials were counted in presence of the magistrate. The following materials were physically found and taken into accounts.

Description of materials as per order	Listed from TISCO yard	Delivery Qty. as per physically counted in presence of magistrate	Shortage	Amount of shortage
10 mm T/S	8.119 M.T.	2.884 M.T.	5.235 M.T.	
12 mm T/S	20.180 M.T.	5.249 M.T.	14.879 M.T.	
16 mm T/S	19.419 M.T.	13.286 M.T.	6.129 M.T.	Rs.3,69,945.00
20 mm T/S	8.015 M.T.	4.471 M.T.	3.544 M.T.	
G.C.I.Sheets	53.995 M.T.	40.994 M.T.	13.001 M.T.	

2.2.1. Several correspondences were made but R.P. Singh had failed to deliver the materials in our storeyard. Further, R.P. Singh was also again requested either deliver the balance materials or cost of the same immediately.

Remarks from additional P.W.D. (R&B), N.C. Hills, Haflong.

2.2.2. Due to prematured death of the then S.O. (store) Sri P.R. Bhattacharjee on the same year the store materials in question which was delivered were not accounted for. So after long 8 years i.e. on July 1997 the materials physically verified by the EAC and the same was accounted for as per verification report. The further verification is required before finalisation of the case. The carriage contractor may perhaps be asked to submit the original challan for verifying the actual quantity of materials delivered.

OVSERVATIONS AND RECOMMENDATIONS

2.3. On perusal to the written reply the Committee has examined the official witnesses. While tendered evidence by the official witnesses have inter alia admitted that the agreement made between the Government and the carriage contractor appeared to be wrong resulted thereby fell short of materials worth of Rs. 10.55 lakh. The officials concerned who made the defective agreement with the carriage contractor were found by the Committee responsible for causing short supply of materials. The Committee also noticed that no verification of those materials supplied by the delinquent contractor made and the officials concerned remained ineffective for years together since 1989 to 1997 not measuring and accounting the materials.

2.3.1. Thereupon the Committee felt that the dishonest contractor had to be black listed. Besides, the delinquent officials connected therewith the wrong deal would have been made responsible in the meantime, if the Government had been up and doing.

2.3.2. So the Committee recommends that appropriate action should be taken to bring the fraudulent officials to book and the amounts of short supplied materials be realised from them, if the same cannot be recovered from the delinquent carriage contractor after taking all necessary actions including criminal ones as per law for the time being in force action taken to which by the Government be intimated to the Committee within 90 days of this report presented to the House.

**Un-Productive expenditure and non-recovery of dues
from the contractor.**

[Audit Para 4.7/CAG(Civil)/1996-97]

2.4. The audit has pointed out that a test check (July 1996) of records of the Medical College Construction Division at Guwahati and further information furnished by the Division in May 1997 revealed that the work "Construction of Mortuary and Sex-Crime Examination Block" of Guwahati Medical College was awarded to a contractor in June 1988 with the stipulation to complete the work by July 1989. The tender value of the work was Rs. 15.80 lakh which was raised to Rs. 21.95 lakh due to inclusion of 8 additional items of work since May 1989. The contractor, however, executed 78 per cent of the work in both scheduled and supplementary items after availing of five spells of extension upto 31 March 1991. The contractor stopped further work (April 1992) without assigning any reason or applying for further extension of time. The value of work done by the contractor amounted to Rs. 19.98 lakh, of which Rs. 19.64 lakh was paid to him upto May 1992 against running account bills. The work was rescinded (May 1993) by the Department at the risk and cost of the contractor. The cost of the balance 22 per cent work of the building was departmentally assessed at Rs. 9.44 lakh and accordingly a revised estimate was submitted (November 1996) to the Government for sanction. The revised estimate had not been sanctioned by the Government so far and the work had not been re-allotted to any agency as of May 1997. Thus delay in taking further action after the work was withdrawn from the contractor and increase in price during the intervening period resulted in (a) investment of Rs. 19.64 lakh on the work remaining idle and unproductive for over 5 years as of May 1997 and (b) an estimated cost over run of Rs. 7.47 lakh upto November 1996. Besides, the contractor was given undue financial benefit of Rs. 1.40 lakh being the value of material supplied to the contractor that remained to be recovered and the objective of setting up a Mortuary and Sex Crime Examination Block remained unfulfilled.

2.5. The department in their written reply has stated that the work "Construction of Mortuary and Sex Crime Examination Block at G.M.C." was allotted to contractor to Shri Z.A. Khan. Accordingly the Executive Engineer, the contractor executed the 78% of the work and paid Rs. 19.64 lakh to him as against tender value Rs. 15.80 lakh. The work was abandoned in 22 % and the balance is in incomplete stage. An amount of Rs. 2.52 lakh for non-return of store materials issued to the work from the Department is yet to be recovered from the contractor. The division has requested to the D.C. Kamrup, Bakijai Branch, Guwahati vide his letter No. INS/17/92/4331 dated 2.9.2000 to file a Bakijai Case against Sri Z.A. Khan, contractor for realisation of the excess amount Rs. 2.52 lakh, but the D.C.s action on the matter is not known inspite of reminders issued time to time.

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2.6. Having considered the written replies as well as the evidence tendered before the Committee by the official representatives, the Committee directed them to complete the enquiry within two weeks into the matter in consultation with the Deputy Commissioner concerned and submit the findings thereon to the Committee accordingly. But the Government in the PWD has failed to come up with the findings thereon as per direction of the Committee till presentation of this report to the House.

2.6.1. Thereupon the Committee has expressed its utter displeasure. Therefore the Committee recommends that the matter should be enquired by the Department thoroughly within 60 days of this report presented to the House and action taken by the Government on the basis of the findings of the enquiry be submitted to the Committee instantaneously.

Inordinate delay in adjustment of advances
[Audit Para 4.8/CAG(Civil)/1996-97]

2.7 The audit has pointed out that a test check (August 1996) of records of the Barpeta Building Division revealed that the work of "Construction of 200 bedded Civil Hospital at Barpeta 64 bedded right hand side Block" was awarded in March 1989 at a tendered value of Rs. 22.70 lakh for completion by March 1990. The contractor commenced the work in November 1989 but it remained incomplete as of September 1997. An amount of Rs. 14.01 lakh had been paid to the contractor upto the 7th running account bill as under.

	(Rupees in lakh)
(i) Work measures and paid upto 4th Running Bill (March 1991).	8.99
(ii) Payment released in advance pending measurement of the work executed.	
Upto 5th Running Bill (March 1992).	2.77
Upto 6th Running Bill (February 1993)	0.53
Upto 7th Running Bill (July 1996)	0.60
(iii) Secured advance paid in 6th Running Bill	1.12
	Total 14.01

From the above details it would be seen that the Division had been making payments to the contractor without recording, the measurement of the work executed, if any after March 1991 but no action had been taken to adjust the advance payment by taking measurement of the actual work as of September 1997. Besides, departmental materials i.e., GCI Sheets (91.52 quintals) and wood primer (40 litres) worth Rs.0.25 lakh issued to the contractor (between November 1989 and June 1993) also remained to be recovered. Thus divisional failure to adjust the advance payment from 6th running bill after recording measurement for work done and failure to

recover cost of material resulted in undue financial benefit of Rs. 5.27 lakh to the contractor. The department had not investigated the reason for the advance remaining unadjusted.

2.8 The department in their written reply has stated that an amount of Rs. 14.01 lakh was paid to the contractor upto 7th R/A bill as advance payment for the works 'Construction of 200 bedded Civil Hospital at Barpeta 64 bedded right side Block' without recording measurement upto 9/97 and without adjustment of any advances. A running accounts bill No. VIII has been prepared on the measured works with deducting advance Rs. 14.01 lakhs as against total bill value Rs. 18.53 lakhs, but this could not be paid due to non-receipt of fund. The Chief Engineer, PWD (Bldg.) has also called for the names of E.E.S.A.E.E.S. and A.O.S. served during whose tenure the amount of advances were made and not adjusted in subsequent bills to fixed responsibility vide their office letter No.CE/BLD/ADT/105/2001/7, dated 11.10.01. However, a revised estimate for the project for Rs. 13.12 crore comprising this work has been submitted to the Secretary, Health Services by this Department vide No.DB (B)/42/56, dated 19.4.01. So, the advance paid earlier will be adjusted by the Division from R/A bill No. VIII.

OBSERVATIONS AND RECOMMENDATIONS

2.9 Besides the written replies, the Committee has considered the oral submission of the officials of the P.W.D. in connection with the non-adjustment of the amount of the running amount of bill pertaining to completion of 200 bedded hospital building extension to Barpeta Civil Hospital. The lapse on the part of the officials concerned has come to the sharp notice of the Committee during the course of examination of the department. Thereupon, the Committee felt that the officials concerned in executing the said time bound work had to be made responsible for their failure on complying with the departmental guidelines and non-completion of the work on time resulting to curtailment of facilities to the public at large.

2.9.1. Hearing the submission of the Commissioner and Secretary to the Government of Assam, PWD, the Committee directed him to make a fact finding enquiry with view to fix responsibility on guilty officials within two weeks from the date of holdings discussion in its meeting held on October 30, 2002. But the Committee has surprised to note that nothing has been intimated to the Committee on time pertaining to the direction given by the Committee.

2.9.2. So the Committee recommends that those officials who were entrusted with the work but violated the departmental guidelines in carrying out the extension work of the said Hospital Building, should be brought to book and responsibility be fixed on them as per rule and the action taken thereon by the Government be intimated to the Committee within 60 days of this report presented to the House.

Undue financial benefit to a construction company.**[Audit Para 4.9/CAG(Civil)/1996-97]**

2.10 The audit has pointed out that a test check (July 1996) of records of the Medical College Construction (MCC) Division, Guwahati disclosed that an advance payment of Rs. 10.00 lakh was made (March 1986) to the Corporation. In addition, departmental materials worth Rs. 4.53 lakh were issued (between March 1987 and July 1989) to the Corporation which were fully utilised in the work. Against the work, the division had paid Rs. 6.50 lakh (November 1988 to the Corporation through running account bills. Out of the utilised materials, Rs. 2.76 lakh only had been recovered from the running account bills of the Corporation leaving a balance of Rs. 1.77 lakh. (Rs. 4.53 lakh Rs. 2.76 lakh) . Advance of Rs. 10.00 lakh was yet to be recovered. According to final bill of the corporation pending with the Department a net amount of Rs. 9.34 lakh was available. Even after adjustment of Rs. 9.34 lakh an amount of Rs. 2.43 lakh was due for recovery from the corporation. The Department, however, requested the Corporation for refund of Rs. 2.43 lakh only in June 1997. The Corporation had not responded to the request till July 1997. Thus payment of running account-bill of Rs. 6.50 lakh without adjusting the cost of materials in full and advance to the extent possible, resulted in undue financial benefit to the extent of Rs. 2.43 lakh to the corporation.

2.11. The Department in their written reply has stated that the work 'Construction of Boy's Hostel (60 students) at Guwahati Ayurvedic College at Jalukbari under M.C.C. Division was entrusted to M/S A.G.C.C. Ltd. a construction corporation in August/86 at tender value of Rs. 19.11 lakhs and was completed in July 1989 at the cost of Rs. 15.84 Lakhs. An amount of Rs. 2.43 lakhs is to be recovered from the working agency M/S A.G.C.C. Ltd. as excess payment. The excess payment amounting to Rs. 2.43 lakhs will be adjusted from the other works executed by M/S A.G.C.C. Ltd.

OBSERVATIONS AND RECOMMENDATIONS

2.12 The Committee has considered the written replies as well as the verbal deposition of the official witnesses on the non-adjustment of over payment made to M/S A.G.C.C. Ltd. paid between March 1987 and July 1989. Having heard the submission of the departmental witness, the Committee has been pleased to decide that the objection in the audit paragraph of the CAG, India be dropped subject to adjustment of the amount to the extent of Rs. 2.43 lakh by M/S A.G.C.C. Ltd. with the Government with an immediate effect.

Avoidable expenditure on surcharge of bill for electrical energy.

[Audit Para 4.7/CAG/(Civil)/1997-98]

2.13 The audit has pointed out that in course of test-check of records (April 1998) of the Estate Officer, Dispur it was seen that ASEB preferred bills for Rs. 7.00 crore against the Department for the period from 31st December 1997 to 22nd January 1998 including arrear of Rs. 6.46 crore (period of arrear not specified) and surcharge of Rs. 36.68 lakh. The claim for Rs. 7.00 crore was paid to ASEB in February 1998. Audit observed that the payment of Rs. 36.68 lakh was avoidable had the earlier bills been paid by the due dates.

2.14. The Department in their written reply has stated that as per schedule of Staff of Assam State Electricity Board, if bills for consumption of Electrical Energy is not paid in full within due date by the consumers, 2% surcharge is to be levied for each 30 days successive period of default of part thereof. Estate Officer paid the bills submitted by A.S.E.B. for consumption of electrical energy at Capital Complex, Dispur on receipt or fund from Govt. But the State Govt. is facing continual financial crisis since 1992 and adequate funds was not provided to the Department according to the requirement. Hence, the electrical energy bills submitted by A.S.E.B. could not be paid within due date and as a result A.S.E.B. levied 2% surcharge on the bills and therefore, this department had no alternative but to pay the bills of 700 crore including 2% surcharge amounting to Rs. 36.68 lakhs as per rules of A.S.E.B. Therefore, the expenditure of Rs. 36.68 lakhs paid to ASEB as surcharges, may not be termed as avoidable expenditure in view of circumstances explained above.

OBSERVATIONS AND RECOMMENDATIONS

2.15. On parusal, the written reply of the PWD could not satisfy the Committee on the objection raised by the audit. The oral deposition of the departmental witnesses on the points raised failed also to convince the Committee in its meeting held on 30th October 2002 on the reason that the energy consumption being charged in some of the Government Department/offices not on the basis of actual calculation recorded through specific meter therefor. In fact, the Committee directed the representatives of the concerned departments Viz. GAD, PWD, Power, SAD, ASEB and Finance to come prepared and explain the position on the objections raised to the satisfaction of the Committee in its next meeting fixed on 27 November 2002 with a view to resolving out certain sound solution once for all.

2.15.1. During course of subsequent examination of the matter, the Commissioner and Secretary to the Government of Assam, Power deposed inter alia that if the bill for energy consumption is not paid in due date necessary surcharge thereon will be charged as per provisions of the existing procedure. Accordingly, in earlier occasions also, such surcharge on bills delayed payment has been collected.

2.15.2 In reply to a specific query, the Principal Secretary to the Government, G.A.D. has adduced before the Committee that a monthly flate rate of electric consumption from the incumbents of Government quarters for type I, II & III @ Rs. 350.00, 325.00 respectively and for Grade IV @Rs. 50.00 has been collecting. Timely payment of electricity charge could not on some occusions be made owing to inadequate allocation of fund in the state annual budget for the Government offices. His submission has revealed to the Committee that the payment of surcharge on

the circumstances led therewith would not be regarded wrong for payment of surcharge on delayed payment. But the existing procedure of payment at a flate rate against every quarter could not satisfy the Committee in the greater interest of the public as well as for collection of actual consumption of energy to augment the state coffer.

2.15.3. So the Committee holds that a sound procedure be evolved out in joint consultation with the representatives of the concerned Government Department (s) and Power (ASEB) to bid fare-well the existing flate rate procedure against each and every quarter irrespective of Government or Public undertaking of Assam with a view to collect the actual consumption charge of electricity from the occupants of the departmental accommodation and action taken thereon by the Government be intimated to the Committee within 90 days of this report presented to the House.

2.15.4. Further, the Committee recommends that necessary budget provisions in the State annual budget should be made to make on time payment of energy consumption charge of the Government accommodation (s) with a view to avoid surcharge for delayed payment of electricity consumption bills from now onwards.

**Loss due to payment of electricity charges by the department
[Audit Para 4.8/CAG/(Civil)/1997-98]**

2.16. The audit has pointed out that a test-check (April 1998) of records and information collected subsequently from the Estate Officer, Dispur revealed that the Division paid (between February and June 1998) Rs.29.09 lakh to the Assam State Electricity Board being charges (including surcharge on arrears) for electricity consumed by the occupants of 64 quarters (Rukmininagar, Dispur Capital Complex) for the period from September 1995 to May 1998 and realised Rs.3.09 lakh from the pay of the occupants for the aforesaid period. However, it was seen from the records that electricity meters were fitted in these quarters between May 1979 and March 1992 which separate consumer number against each occupants. As such, payment of electricity consumption bills by the division on behalf of the consumers having meters was in contravention to the order ibid which resulted in a loss of Rs. 26.00 lakh (Rs. 29.09 lakh - Rs. 3.09 lakh) to the state exchequer. The Estate Officer stated (July 1998) that electricity consumption bills were paid by the office against which charges were realised at flate rate, according to the type of quarter, as fixed by the Government from the monthly pay bills of the occupants.

2.17. The Deptt. by their written reply has stated that the electricity charges were released at flate rate @10.00 per month and Rs. 35.00 per month from every occupant for the two types of quarter in accordance with the instruction laid down in Government letter No.CAG.217/76/pt.-I/74, dated 08.09.1980. This rate was revised vide No.CAG(A)12/93/26, dated 04.09.1980, but realisation at revised rate was stopped as per instruction of Govt. vide GAD's letter No. GAG(A) 12/93/31, dated 18.09.1993. Lastly, flate rate of recovery has been revised vide No.GAG(B)257/93/32, dated 19.02.1994. As the Govt. has fixed flate rate of recovery of electricity charges for the staff quarter of the Hudco Complex since 1980 with revision of rate from time to time, the Estate Officer has realised the revenue for electric charges as per Government instruction from the occupant of

Government Quarter the payment to the A.S.E.B. was made as per the bills. From the above, it is evident that the Estate Officer acted as per Government instruction.

OBSERVATIONS AND RECOMMENDATIONS

2.18. While the written reply of the Govt. considered by the Committee in its meeting held on 30th October 2002 the discussion on it has remained inconclusive for absence of certain clarification to be obtained from some more concerned departments of the Government.

2.18.1. Subsequently, the Committee has discussed the matter on 27th November 2002 with representatives of some of the Government Departments. From the deposition of the official witnesses has revealed that electricity meters were fitted in those quarters with separate consumer numbers against each occupant. But the Committee has noticed that payment of electricity consumption bills made by the Government on behalf of the consumers/occupants having meters were in contravention to the orders under reference which resulted to a considerable loss to the state exchequer during the said period on account of electricity charges realised at flat rate instead of realising charges for actual units consumed by individual occupants. The existing practice relating to payment of energy bills went against the good economic health of the state since understood by the Committee and appeared to it to be discriminatory amongst the occupants of quarter of the Government and Public undertaking of the capital city of State and outsiders thereof.

2.18.2. Thereupon the Committee therefore, resolves that the Government should evolve out forth-with a sound procedure for realising amounts of bills for actual electricity consumed by every occupant for occupying Government/Public undertaking accommodation as well as to minimise/avoid misuse of energy thereby abandoning the unsound flat rate system and action taken by the Government thereon be intimated instantaneously to the Committee.

**Unauthorised diversion of funds received under
Deposit contribution work**

[Audit Para 4.9/CAG(Civil)/1997-98]

2.19. The audit has pointed out that during test-check (April 1998) of records of the Executive Engineer, Magazine Division (executing the work), Guwahati it was seen that the division diverted Rs. 14.98 lakh for procurement of building materials for other works pertaining to Medical, PWD etc. which had not been recouped as yet (April 1998). In reply, the division stated that due to non-availability of funds in other head of accounts the amount was diverted under intimation to the Chief Engineer. The reply is not tenable as funds were not utilised for the purpose for which it was deposited and was unauthorise. Besides, the estimate of the work had to be revised due to escalation in cost on account of diversion.

2.20. The department in their written reply has stated that the total fund received by the Executive Engineer, P.W.D., Magazine Division for the work SCERT Building under the Head of Accounts 4202-Co on Plan was Rs. 39.00 lakhs. Out of the total F.O.C. received Rs. 39.00 lakhs the Rs.38.98 lakhs for the said works. As the rate of recovery of stock materials was not mentioned in the supplementary tender agreement the division has paid Rs. 2.26 lakhs as cost on price escalation rate approved by Additional Chief Engineer, due to delay in completion of works for 1 year 2 months' and also price escalation was allowed as per additional tender clause. As the Government could not provide fund for the various on going works of the division, the Executive Engineer, diverted the unutilised stock materials purchased for the SCERT Building to various on-going works so

as not to stop the progress of works in the interest of public service and in anticipation of adjustment in different head of accounts. The detail enquiry report relating to division for purchase of stock materials and utilisation of fund had already been obtained for necessary action. However, the names of Executive Engineer, A.S.E.B. and A.O. responsible for this irregularities has also been collected. The Building has already been completed and handed over to the SCERT authority on 22.10.1998.

OBSERVATIONS AND RECOMMENDATIONS

2.21. Having considered the written replies and oral evidence tendered by the Government representatives, the Committee has been pleased to drop the audit objection as raised in this paragraph in the report of the CAG, India.

Unauthorised payment for works of Hand Receipts
[Audit Para 4.10/CAG(civil)/1997-98]

2.22. The audit has pointed out that a test-check in audit revealed that between July 1996 and August 1997, 13 Public Works Division paid an amount of Rs.2.07 crore on hand receipts resulting in unauthorised & irregular payment, these payments were made without receiving/references of passed and paid bills, measurement books previous payments. As a result the correctness of these payments could not be verified in audit.

2.23 The department in their written reply has stated that the Ministry of Surface Transport, Office of the Regional Pay & Accounts Officer (NH) Guwahati-3 has reimbursed an amount of Rs. 6,00,42,833/- (Rupees six crore forty two thousand eight hundred and thirty three) only in settlement of outstanding withheld amount in respect of payment made through hand receipts vide their letter No.P.A.O. (NH)/ GHT/Reimb/NH/96-97/471, dated 8.8.96, payments through hand receipt is to be made on the basis of FOC/Ceiling received. But the Divisions generally received fund proportionally much less than the Committee liabilities. As the proportionate payment practically does not cover the bill value of a particular contractor the system of hand receipt is to be adopted on the basis of progress and in the interest of works. The payment through hand receipt is paid against the passed bills which are subsequently adjusted. Moreover, release of payment on running accounts bill instead of hand receipt is not practicable. Part payment through hand receipt have to be made for want of inadequate fund against running final bills already lying in the Divisions. However, proper records for such payments through hand receipt are maintained by the Divisions in a registers superscribing on the body of the bills to avoid any excess of double payments. The actual dues of contractors are calculated through proper scrutinise before making any part payment. In case of N.H. Way; no hand receipt payment is made at present.

OBSERVATIONS AND RECOMMENDATIONS

2.24. The written reply furnished and oral evidence tendered by the official witness could not satisfy the Committee because of variation of stock-materials before auditing and thereafter the stock in the store in question. The suggestion made by the Department to the audit again to make a special audit to the store materials was reported to have been refused by the latter.

2.24.1 So the Committee recommends that responsibility be fixed on the guilty officials for whose fault such shortage of materials in the stock took place and action taken by the Government thereon be intimated to the Committee within 30 days of this report presented to the House.

**Locking up of funds due to non-utilisation of store
materials lying at site**

[Audit Para 5.1/CAG(Civil)/1997-98]

2.25. The audit has pointed out that a test-check (July 1997) of records of Guwahati Buildings Division disclosed that materials (Cement, Tor Steel, Mild Steel and G.I. Sheets) valued at Rs. 29.52 lakh issued from the store against 17 (Seventeen) work between March 1988 and March 1992 were lying unutilised in site upto March 1998. It was observed that of the 17 works, 13 works have been completed, one work was in progress, 2 works were stopped after execution of a portion of work and one work had not been taken up. The materials were lying idle for 6 to 10 years under the custody of concerned Sectional Officer, physical verification of the materials was not conducted as on May 1998. The Divisional Officer stated in July 1998, that the materials booked against the works were not fully required for the works. Thus, the procurement of materials in excess of requirement and retaining these at site accounts without any timely physical verification not only resulted in looking up of funds to the extent of Rs. 29.52 lakh but also resulted in deterioration of their quality on account of prologed storage.

2.26. The department in their written reply has stated that considering the huge nos. of work in hand, the stock materials valued at Rs. 29.52 lakhs had to be procured and could not be booked against 17 nos. of works to be constructed under Guwahati Building Division. But due to various reasons the construction of said works were delayed. Now, out of the 17 nos. of works 14 nos. of works have been completed within stipulated times. The works construction of R.C.C. building for Director of Social Welfare and Probation at Guwahati has not come into existence uptil now. The work development of site of Jatri Nivas, earth filling, clearing of site etc. at Guwahati has been stopped on public complaint by District Authority and further construction is very remote. The Construction of W/C & 2 Nos. of urinal block at Rajbhawan has to be stopped as per instruction of the authority concerned. The stock materials issued to above three abandoned works were kept in the custody of Sectional Officer, Store, Rehabari Store

Yard, Guwahati. The excess materials booked for the above works are kept in good condition and remained unusable condition and the department is planning to use other works shortly. Due to some unavoidable circumstances physical verification of Rehabari Store materials could not be done in time. However, the physical verification has been completed recently in presence of an Executive Magistrate and huge quantity of stock materials are found short. The arrangement for special audit for shortage has been made. Hence, the presence of actual quantities of excess stock materials issued to said works could not confirmed at this stage.

OBSERVATIONS AND RECOMMENDATIONS

2.27. Written replies on the point submitted to the Committee and oral evidence adduced thereon could not satisfy the Committee. The Committee therefore holds that non-verification of store materials on time and not maintaining actual record of the material stock, if issued materials therefrom in violating the prescribed norm, from time to time are vicarious responsibility of the officials concerned of the store lapse of which cannot be avoided at all by the officials concerned.

2.27.1. The Committee has further noticed that those officials incharged of the departmental store had intensionally avoided the prescribed/boundant duties, if not intensionally misused the store materials which had been resulted to huge shortage therefrom as pointed out by the audit in its report under consideration of the Committee. Thus the facts revealed have amply proved that officials in-charge thereof are bound to recupe the materials fallen short of materials of the stock therefrom.

2.27.2. In such circumstances, the Committee recommends that officials found quality should be brought to book as per rule for the time being in force by the Government and responsibility be fixed upon them from whom the amount accrued thereon be realised forth-with and deposited into the state exchequer accordingly and action taken thereon by the Government be intimated to the Committee within 90 days of this report presented to the House.

**Shortage of store materials in the Sub-Division
of Guwahati Building Division
[Audit Para 5.1/CAG(Civil)/1999-2000]**

2.28. The audit has pointed out that a test-check of records (October 1999) of the Guwahati Buildings Division revealed that hundred per cent physical verification of stores under the Division was not conducted during the last thirty years. When in December 1997 the Junior Engineer-in-Charge of Store at Rehabari Sub-Division was transferred to another Division, he proceeded on leave without handing over charge of the store to his successor or Divisional Officer. This prompted the Chief Engineer, PWD (Buildings) to order verification of stores in presence of an Executive Magistrate. The verification conducted by the Assistant Executive Engineer, Store and Transport Sub-Division between June 1999 and August 1999, revealed shortage of store material worth Rs. 78.55 lakh. The Divisional Officer reported (January 2000) the matter to Government. Action against the delinquent officers was yet to be taken (June 2000). The Executive Engineer, Guwahati Buildings Division stated in June 2000 that actual period from which the shortage had occurred could not be ascertained, as there was no record of physical verification by any of the previous Divisional Officers. Thus, omission to carry out physical verification regularly by the Divisional Officers led to the loss of Rs. 78.55 lakh to the public exchequer.

2.29. The department in their written reply has stated that the Government of Assam has allowed P.W.D., Guwahati (Building) Division to store building materials like cement, steel, G.C.I. Sheets, G.I. Pipes etc. for the use of departmental works from many years earlier. The Sectional Officers (S.O.) are engaging for maintenance of store by the Division. As per financial Rule as well as P.W.D. code ; physical verification of store at least once in a year should be done by E.E./A.E.E. of the Division and Sub-Division. But as per records of Division, the E.Es and A.E.Es of earlier periods have not performed physical verification of store materials of the divisional store till 1998. In 1999, the A.E.E. of S. & T. Sub-Division of the Division has verified specially the central store at Rehabari in presence of Magistrate under compelling circumstances. Consequently, a huge discrepancy appeared to have been occurred due to shortage of store

materials valued at Rs. 78.55 lakhs which comes to light during taking over and handing over charges between different Sectional Officers i./c. of that store. As no responsibility was fixed against any persons at fault by the competent authority, the Division could not be able to take any action against any one of them to recover the amount of shortage. The present position of this para is that the C.E.(B) and S.E., P.W.D. Building Circle-II, Guwahati have come into a decision to contact a special audit by A.G., Assam on the shortage of store materials at Rehabari store yard amounting to Rs. 78.55 lakhs fixing responsibility of officers as many officers entrusted there have already been retired and transferred from that store atleast from 20 years earlier. The Chief Engineer has moved to Government and accordingly the Government has initiated to A.G., Assam with a request to conduct special audit vide No.ADT.24/2000/4, dated 21.1.2000. The C.E. has also directed the E.E. to keep ready all documents/papers/register of said store if necessary to produce to Audit. In this connection A.G's letter No.WA.1/2-5/Spl. Audit /99-2000/Pt.-II/138, dated 1.8.2000 to Secretary, P.W.D., Assam may be referred to and the action in this direction is on process.

OBSERVATIONS AND RECOMMENDATIONS

2.30 During the course of examination of the points involved as per revelation of facts by the audit, the Committee holds that the existing materials of stored in the stock-yard should be assessed and recorded them in the stock-register in presence of competent Officer authorised by the Government but before issuing to use them in public construction works.

2.30.1. Further, the Committee recommends that the delinquent officers concerned involved with the loss of store materials from the store yard during the period should be ascertained and the value thereof be deposited into the state exchequer realising from them after identified them to the quantum of involvement and action taken thereon by the Government be intimated to the Committee accordingly within 90 days of this report presented to the House.

**Non-return of Galvanized corrugated Iron sheets and
Galvanized Iron Pipes on loan to Private
individuals/bodies/Government employees**

[Audit Para 5.2/CAG (Civil)/1999-2000]

2.31. The audit has pointed out that a test-check (October 1999) of records of Guwahati Buildings Division, Guwahati revealed that between April 1990 and April 1998 the division issued Galvanized Corrugated Iron Sheets and Galvanized Iron Pipe on loan to private individuals, Government employees and Institution etc. Apart of the materials was neither received back nor was the cost thereof was recovered from the loanee. The details of materials issued, received back and balance lying with the loanee. Thus, materials worth Rs. 21.12 lakh remained un-recovered as of June 2000. The Division stated (February 2000) that there is possibility of getting back the materials but failed to recover these material even after 10 years in case of GCI sheets.

2.31. The department in their written reply has stated that as per instruction of C.E. (B), the E.E. has received some G.C.I. sheets and G.I. pipes valued at Rs. 50,000.00 as return materials from some employees. As per E.E.'s assessment after audit, the total value of non return materials should be Rs. 16.22 lakhs and not Rs. 21.12 lakhs as stated by audit. As per instruction of C.E.(B) the E.E. has directed to his A.E.E., S.T. Sub-Division to take appropriate action to recover the amount of balance of non return materials from the loanees which is under process.

OBSERVATIONS AND RECOMMENDATIONS

1.33 Having considered the submission both in written and oral of the official representatives, on the points the Committee, felt that the departmental officials concerned issuing materials on loan were not strict in

adhering the principle prescribed therefor. Had they been punctual adhering to the department principles prescribed there would not be reported non-return of loan materials from the loanees.

2.33.1. Thereupon the Committee holds that drastrict action including criminal ones be taken against those delinquent officials concerned to recover the loaned materials failing to which responsibility be fixed on those delinquent officials immediately by the Government and action taken thereon by the Government be intimated to the Committee within 90 days of this report presented to the House accordingly.