

COMMITTEE ON PUBLIC ACCOUNTS
(2001 - 2003)

REFER TO PAC-93
(NOT FOR ISSUE)
ASSAM LEGISLATIVE ASSEMBLY

NINETY-THIRD REPORT
(ELEVENTH ASSEMBLY)



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, 1998-99, 1999-2000
and 2000-2001 (Civil) relating to the Panchayat &
Rural Development Department,
Government of Assam.

Presented to the House on **2 APR 2003**

Assam Legislative Assembly Secretariat,
Dispur, Guwahati-6.

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COMPOSITION OF THE COMMITTEE
(2001 - 2003)

CHAIRMAN :

1. Shri Premodhar Bora.

MEMBERS :

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

SECRETARIAT :

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

INTRODUCTION

1. I, Shri Premodhar Bora, Chairman, Committee on Public Accounts having been authorised to submit the Report on their behalf, present this Ninety-third Report of the Committee on Public Accounts on the Audit paragraphs contained in the Reports of the Comptroller and Auditor General of India (Civil) for the years 1996-97, 1997-98, 1998-99, 1999-2000 and 2000-2001 pertaining to the Panchayat & Rural Development Department, Government of Assam.

2. The Reports of the Comptroller and Auditor General of India (Civil) for the years 1996-97, 1997-98, 1998-99, 1999-2000 and 2000-2001 were presented to the House on 16th March, 1998, 22nd March, 1999, 14th March, 2000, 30th May, 2001 and 14th March, 2002 respectively.

3. The Report as mentioned above relating to the Panchayat & Rural Development Department have been considered by the Committee in its meetings held on 23.8.2002 and 12.9.2002.

4. The Committee has considered the Draft Report and finalised the same in its sitting held on 12.3.2003.

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 Department.

6. The Committee thanks to the Departmental witnesses for their kind co-operation and offers appreciation to the officers and staff dealing with the Committee on Public Accounts, Assam Legislative Assembly Secretariat for their strenuous and sincere services rendered to the Committee.

7. The Committee earnestly hopes that Government would promptly implement the recommendations made in this Report.

Dispur :

The 12th March, 2003.

PREMODHAR BORA,

Chairman,
Committee on Public Accounts.

Panchayat and Rural Development Department

Retention of Govt. Money in non-scheduled bank

(Audit para 6.1/CAG (Civil)/1996-97)

1.1. The audit has pointed out that after scrutiny (February, 1997) revealed that cheques issued by the PD, DRDA after January, 1992 were not honoured by the bank even though there was a balance of Rs.17.26 lakh in those accounts at the end of January, 1992. PD, DRDA stated (June, 1997) that the cheques had not been honoured due to unsound financial condition of the banks. Thus not only funds to the extent of Rs.17.26 lakh provided for implementation of various schemes remained with a non-scheduled bank for the last 7 to 8 years, they were also not available for utilisation. Moreover, the action of the PD in keeping the money in a non-scheduled bank was irregular and unauthorised.

1.2. The Department by their written reply has stated that the Project Director, DRDA, Sibsagar stated that during the period from 1989-90 the then Project Director opened 7 nos. of Accounts in the Sibsagar District Central Co-operative Bank Ltd., Sibsagar and deposited the fund as shown below :

Sl.No.	Account No. opened	Amount deposited	Balance
1	3423	Rs. 9,63,887.00	Rs. 3,52,478.00
2	3181	Rs. 6,34,000.00	Rs. 6,08,982.00
3	2789	Rs. 2,96,049.00	Rs. 1,02,834.80
4	3127	Rs. 37,500.00	Rs. 2,797.40
5	2790	Rs. 8,50,000.00	Rs. 1,66,552.00
6	3167	Rs. 3,89,200.00	Rs. 3,55,704.60
7	3452	Rs. 9,05,016.00	Rs. 1,55,356.00

Till January, 1992, transactions were made smoothly by the Bank. But from January, 1992 Bank abruptly began to dishonour the cheques issued to them. In this regard several correspondences were made from the DRDA. The Bank had also submitted a written statement that the Bank was not in a position to honour the cheques due to its financial crisis.

OBSERVATIONS AND RECOMMENDATIONS

1.3. Having considered the written submission, the Committee has directed the official witness to furnish a detailed report on the deposition of Govt. money into non-scheduled banks by fixing responsibility on the guilty officials within 30 days with effect from 23rd August, 2002. But no specific action taken report on the direction of the Committee has been received by the Committee within the stipulated time except issuing certain direction to all PD concerned, DRDA pertaining not to keep money in non-scheduled banks, accounts to be maintained only in Nationalised Banks, Plantation to be taken up only in March and April, Signboards to be displaying the information with length, height, amount involved, year of construction, submit metarials to audit etc., vide department letter No. RDD.15/2000/Pt.222, dated 26.11.2002 by the Joint Secretary, P & RD. But no action against delinquent officials who happened to be involved in depositing money in non-scheduled bank had been intimated to the Committee.

Thereupon the Committee was anguished on the failure of officials of the Department and recommends to the Govt. that the guilty officials be brought to book, responsibility be fixed on him/them and amount be realised and deposited to the state exchequer. Action Taken by the Govt. thereon be intimated to the Committee within 30 days of this report presented to the House.

Wasteful expenditure on Plantation

(Audit para 6.2 CAG (Civil)/1996-97)

1.4. The audit has pointed out that the test-check (November, 1996) of records of the Project Director, DRDA, Diphu, revealed that PD during his inspection (January, 1995) of plantation area under Howraghat and Samelengsu blocks found that most of the plantations created did not survive and the plantation was a total failure. The PD attributed the failure to absence of proper maintenance and instructed (January, 1995) the D.F.O. not to incur any further expenditure on such plantation. However, by then Rs. 14.85 lakh had already been spent on plantation. The balance amount of Rs. 0.73 lakh was lying with DFO Karbi Anglong West Division, Diphu. Thus the entire expenditure of Rs. 14.85 lakh incurred on the scheme proved wasteful as the desired objective had not been achieved. Reason for non-maintenance of plantation after creation was not stated.

1.5. The Department by their written reply has stated that as pointed out by the Audit the detailed utilisation of amount released by DRDA, Karbi Anglong, Diphu has been shown below :

Year	Name of Development Block	Fund proposed approved	Wage	Materials	Mandays
1994-95	Howraghat	12,66,240.00	8,29,260.00	4,36,980.00	27,642.00
1995-96	- do -	4,15,480.00	3,12,060.00	1,03,420.00	10,402.00
1996-97	- do -	2,60,250.00	2,10,000.00	49,950.00	7,010.00
1997-98	- do -	60,600.00	59,550.00	1,050.00	1,985.00
Total		20,00,000.00	14,18,400.00	5,81,300.00	47,290.00
1994-95	Samelengso	13,29,950.00	8,61,930.00	4,68,000.00	28,731.00
1995-96	- do -	3,49,200.00	2,86,920.00	62,280.00	9,564.00
1996-97	- do -	2,60,250.00	2,10,000.00	49,950.00	7,010.00
1997-98	- do -	60,600.00	59,550.00	1,050.00	1,985.00

Out of the fund proposed for 1994-95, Rs. 15,57,714.00 has been released to the D.F.O. (West Division), Karbi Anglong, Diphu as per administrative approval accorded by the Deputy Commissioner & Chairman, DRDA, Karbi Anglong, Diphu as per technically approved estimate from the Conservator of Forest in the year 1994-95. As per norms provided in the

detailed estimate, scheduled time of plantation and weeding are as follows :

- | | |
|--------------------------------------|--------------|
| 1. Digging of pits & Planting/sawing | June & July. |
| 2. 1st weeding & recovery filling | July |
| 3. 2nd weeding | August |
| 4. 3rd weeding | October. |

The first release of fund was done in July, the scheduled time for plantation.

The 2nd instalment of fund was released on 10.10.94 as per requisition of fund from the D.F.O. (West), Karbi Anglong and on the basis of progress Report submitted vide letter No. EAS.6729-30, dated 23.04.94. In course of time, the Project Director visited the site of the scheme in the month of January, 1995 and found that most of the plants died out and most of the bamboo enclosures were either removed or broken. In cases where bamboos were not removed seedlings planted mostly died which is believed to be improper maintenance of the plantation. In view of the above condition, the then Project Director, DRDA has ordered to stop further incurring expenditure. However, as per the Progress Report submitted by the D.F.O. (West Division), Karbi Anglong vide this letter No. G.25/EAS/4026-27, dated 09-07-95 in respect of the scheme it is found that the scheme was not totally unsuccessful and cannot be treated as wasteful expenditure. The unspent balance of Rs. 0.03 lakhs lying with D.F.O. (West Division), Karbi Anglong has been refunded to DRDA, Diphu during 1997-98. Hence, there is no question of 100% wasteful expenditure on social forestry plantation executed by D.F.O. (West Division).

OBSERVATIONS AND RECOMMENDATIONS

1.6. Disapproving the submission of the official witnesses on the objection, the Committee felt that had there been no mistake in approving the schemes there would be no failure on plantation schemes. So, the Committee holds that there should be cause of action against the officials concerned who spent quite a large sums on the faulty schemes tagged therewith administrative lapses. Action taken by the Government thereon be intimated to the Committee within 90 days of this Report presented to the House.

Unproductive investment on residential buildings

(Audit para 6.3/CAG(Civil)/1996-97)

1.7. The audit has pointed out that after scrutiny (September, 1996) of records of the Project Director revealed that none of the residential quarters had been occupied September, 1997. It was stated (September 1996) by the Block Development Officer (BDO) Barbhag Development Block that the quarters could not be allotted to the officer and staff as these were not suitable for habitation due to non-availability of electricity, water, sanitary and other required facilities. The reason for which essential services had not been provided to the quarters by the PWD was not stated.

1.7.1 Thus, unplanned construction of quarters without provision of essential facilities like electricity, water and sanitation, resulted in idle investment of Rs. 14.57 lakh since October, 1991, apart from depriving the officers and staff from the benefit of Government Housing, facility and loss of revenue.

1.8. The Department by their written reply has stated that the Project Director, DRDA, Nalbari stated that Executive Engineer, PWD, Building Division, Nalbari had constructed 9 (nine) buildings out of 16 (sixteen) buildings and handed over the same to the then I/C BDO of Barbhag Dev. Block during June to October, 1991. It appears from the Block records that although 9 buildings were taken over by the I/C, BDO of the said block during the aforesaid period none of them except the office building is in use till date for want of essential facilities like electricity, water, sanitation, etc. It is also stated by the BDO that installation of electric service connection and water supply facilities were not done by the PWD Division, Nalbari.

OBSERVATIONS AND RECOMMENDATIONS

1.9. Dissatisfied with the official submission on the objection, the Committee holds that had there been no fault in the plan and estimates as well as technical sanction therewith there would not incur loss of revenue for those quarters nor unproductive expenditure of the Government fund/made. Thereby misuse of Govt. fund could well be avoided.

Whatsoever, the Committee recommends that the existing building should be put to right use by taking appropriate step deem fit therefor by the Govt.

Irregular expenditure under Million wells scheme
(Audit para.6.4/CAG (Civil)/1996-97)

1.10. The audit has pointed out that a test check (August/September, 1996) of records of the Project Director (PD), District Rural Development Agency (DRDA), Kokrajhar revealed that 306 RCC ring wells had been constructed for provision of drinking water in five blocks during 1993-94 and 1994-95 at a cost of Rs. 12.01 lakh out of MWS funds. Thus, the expenditure of Rs. 12.01 lakh was incurred for purposes not contemplated under the scheme. The responsibility for this irregular expenditure need to be fixed.

1.11. The Department by their written reply has stated that the Project Director, Kokrajhar stated that during the years 1993-94 and 1994-95 a total of 306 nos. of RCC Ring wells were constructed costing Rs. 12.01 lakhs. These were taken-up due to the reasons :

- (1) the same were constructed for the purpose of irrigation in the rain fed areas, specially for irrigating cash crops during lean period,
- (2) These were constructed with a minimum cost of Rs. 4000.00 to Rs. 5000.00 per unit with optimum services in rural areas.
- (3) MWS was amalgamated with JRY during the period in question : So 20% individual beneficiary of SC/ST were selected for constructing Ring Well with a view to help the poor cultivator to cultivate the cash crops.
- (4) In addition to irrigation purposes the same were used as drinking water in the SC/ST inhabited areas, where no pure drinking water was available. However, the audit observation made in the said report against taking up Ring Well under MWS Programme has been noted for future guidance.

OBSERVATIONS AND RECOMMENDATIONS

1.12. After careful consideration the official submission, the Committee has decided to drop the objection as raised in the audit Paragraph of the report of the CAG of India.

Irregular/injudicious expenditure on purchase of signboards.

(Audit para 6.5/CAG (Civil)/1996-97)

1.13. The audit has pointed out that a test check (August/September, 1996) of records revealed that during April-May 1996 Rs.3.50 lakh was paid to 3 suppliers for supply of 1000 signboards while payment for another 625 signboards supplied amounting Rs. 2.19 lakh was yet to be made (September, 1996). Records showing receipt and issue of 1625 signboards were not made available to audit as the concerned Assistant Project Officer (technical) was in judicial custody and the Junior Engineer (HQ) was absconding without handing over records. Information in respect of the remaining 375 signboards ordered was not available on records. Further scrutiny revealed that during 1993-94 to 1995-96 only 682 EAS works were executed/taken up for execution against which 1625 signboards were procured. Thus expenditure of Rs. 3.50 lakh on procurement of 1000 signboards and committed liability of Rs. 2.19 lakh on additional 625 signboards, not envisaged under EAS, was irregular. Out of this, expenditure of Rs. 3.30 lakh being the cost of 943 (1625-682) signboards procured in excess of requirement was injudicious.

1.14. The Department by their written reply has stated that the Project Director, Darrang stated that the proposal was submitted to the Director, Panchayat & Rural Development, Assam for approval of purchase of 2000 nos. of signboards. On the basis of approval, 1000 nos was procured out of 2000 nos. from EAS Head and payment was made. The rest of 1000 nos. purchased from JRY Head and payment was made from JRY Head. It may be mentioned here that during the period of audit the concerned officer-in-charge (Stores) and Junior Engineer were absent and hence, the required information could not be produced before the audit. The procurement of 2000 nos. of signboards was made on actual requirement for both the programme. During the period of audit 682 nos. of EAS were completed out of total 1032 nos. for the period from 1993-94 to 1995-96 only. The required nos. were provided against the total nos. of EAS Scheme. As per Para No. 7.3 of EAS guidelines and as per the Government instruction these were procured. Necessary payment was made from the schematic contingency of the Projects under the programmes as per Govt. letter No.DRD-2(A0192/93/131, dated 21.02.94.

OBSERVATIONS AND RECOMMENDATIONS

1.15. The official submission on the points of objections of the audit has satisfied the Committee. The objection thereon, therefore has been dissolved and dropped by Committee.

Doubtful expenditure on purchase of multi-colour posters and stickers.

(Audit para 6.6/CAG (Civil)/1996-97)

1.16. The audit has pointed out that after scrutiny (November-December 1996) of cash book in respect of integrated Rural Development Programme for the year 1993-94 maintained by the Project Director, District Rural Development Agency (PD, DRDA), Golaghat revealed that an amount of Rs. 4.90 lakh was paid (March, 1994) to a Guwahati based supplier for supply of 70,000 of multi-colour posters at Rs. 4.50 each and stickers at Rs. 2.50 each. The materials were supplied against the supply order issued by the PD, DRDA on 30th December 1992 though according to financial powers delegated to him he was not competent to incur expenditure in excess of Rs. 10,000 for this items in a year. Moreover no formal proposal indicating necessity for purchase of these materials had been submitted to the Director of Panchayat and Rural Development, Assam for obtaining his approval.

1.16.1. The receipt of material could not be verified in audit as the PD, DRDA failed to produce the actual payee's receipt, delivery challan in support of supply of material or any other record showing receipt and issue of material. Even the certificate of receipt recorded on the body of the bill was without reference to stock register and did not bear any signature. In view of the foregoing observations, the correctness of payment, receipt and issue of multi-colour posters and stickers worth Rs. 4.90 lakh could not be verified in audit. Besides, the purchase was made without the sanction of the competent authority.

1.17. The Department by their written reply has stated that the Project Director, Golaghat stated that it was a fact that Rs. 4.90 lakhs was paid (March, 1994) to Guwahati based supplier for supply of 70,000 of multi-colour posters at Rs. 4.50 each and stickers at Rs. 2.50 each. The supply order was placed by the then Project Director in favour of M/S B.S. Associates, Guwahati as per suggestion of the Director, Panchayat & Rural Development, Assam Guwahati addressd to the Project Director, DRDA vide his letter No.DRD-II (P)5/89/11, dated 19.12.89. As per the letter efforts were needed to be made to boost effective publicity of different anti-poverty programme implemented by the Department and in view of this it was decided that some posters and stickers be made and distributed among the rural masses of each Gaon Panchayat and also displayed in every public place both in rural and urban areas of each district. The matter was also discussed by the then Project Director, DRDA, Golaghat with the Director, Panchayat & Rural

Development, Assam Guwahati on 16.12.89 as is referred to in the above stated letter of the Director, Panchayat & Rural Development, Assam, Guwahati. Besides, the cheque for aforesaid amount and the proposal for inclusion of amount in the IRDP Annual Action Plan under Publicity Head etc, 1993-94 were approved by the Deputy Commissioner & Chairman, DRDA, Golaghat and the approval of Deputy Commissioner and Chairman, DRDA, Golaghat is seen in the note sheet dated 28.09.93 of the concerning file.

OBSERVATIONS AND RECOMMENDATIONS

1.18. On careful consideration of the submission on the points made by the official witness the Committee has decided to drop the objection as raised by the audit in the paragraph.

Extra expenditure due to purchase of GCI sheet at higher rate
(Audit para 6.7/CAG (Civil)/1997-98)

1.19. The audit has pointed out that a test-check (November, 1997) of records of Director, Panchayat and Rural Development revealed that in spite of availability of GCI sheets of 8 feet length with SAIL at the rate of Rs. 21950 per tonne (inclusive of taxes and duties), the Director purchased (between September, 1992 and March, 1993) 850.257 tonnes of GCI sheets (8 feet) at the rate of Rs. 26951 per tonne plus 11.5 per cent Excise and special duty from the approved firm, Guwahati. Rupees 2.55 crore were paid to the firm between September, 1992 and April, 1993. The rate of Rs. 26951 per tonne was subsequently (September, 1992) revised to Rs. 31988 per tonne plus 11.5 per cent Excise and special duty by the Technical Committee constituted by the Government under Assam Preferential Stones Purchase (APSP), Act 1989. A further payment of Rs. 48 lakh was made in April, 1997 on account of the price difference based on court judgement (August, 1996) of Gauhati High Court. Thus, by procuring 850.257 tonnes of GCI sheets (8 feet) from a private firm at higher rate than that of SAIL as recommended by the Purchase Committee, the Department had incurred an extra expenditure of at least Rs. 1.17 crores. Though the Commissioner and Secretary of Panchayat and Rural Development Department expressed his concern over the extra expenditure to the Commissioner and Secretary, Industries Department in January, 1993 the Director of Panchayat and Rural Development continued to make purchase till the end of March, 1993.

1.20. The Department by their written reply has stated that as per direction of the Govt. vide letter No. RDD.230/10/91/111, dated 06.01.92 the Director of Panchayat & Rural Development, Assam vide letter No. DRD.10/31/91-92/37, dated 03.02.92 invited sealed tenders from the manufacturing firm for supply of GCI sheets of various sizes and thickness to this Directorate Godown at Greater Guwahati area. In response to the above tender 7 (Seven) Nos. of tenders were received and were placed before the Purchase Committee which fixed the rates of 8" ft. GCI sheet at existing price offered by SAIL. The Committee recommended the rate of 7' ft. and 9' ft. long GCI sheet at Rs. 30,050.00 per MT (inclusive of taxes) to be purchased from M/S. KRL and others. The recommended rates were communicated to the Government vide this office letter No. DRD-2(MC)19/91-92/44, dated 07.05.92 for approval. By this time the State Government included the item of GCI sheet as reserved item in the schedule-II of APSP Act/1990 vide Govt. Notification No. CI-430/91/35, dated 14.05.92. Till the receipt of approval for the

recommended rates from the Government no supply order was placed in favour of M/S. KRL. According to the provision of APSP Act/1990, the rate of reserved item of GCI sheets should be fixed by the Technical Committee No. 3 of the Directorate of Industries. In view of the above Government directed vide No. RDD-230/91/33, dated 04.08.92 this Directorate to place supply order of 1000.00 MTs GCI sheets in favour of M/S. KRL at the rate to be fixed by the Technical Committee No. 3 of the Industries Department. The Technical Committee fixed the rate of GCI sheets at Rs. 35,666.00 per MT (inclusive of taxes) vide letter No. DI(1)32/91/225, dt. 28.09.92. The Directorate procured 850.00 MTs of GCI sheets as per Govt. instruction. As the rate fixed by the Technical Committee was higher than the rate fixed by the Purchase Committee the matter was communicated to the Govt. and the Govt. vide letter No. RDD.58/87/273, dated 02.01.93 directed this Directorate to make payment to M/S. KRL for the supply of GCI sheets at the rate approved by the Purchase Committee held on 30.03.92. Accordingly, payment was made at the approved rate of Purchase Committee. But on the other hand M/S. KRL did not accept the rate of Purchase Committee paid by the Directorate of Panchayat & Rural Development, Assam and filed a suit against the Department in the Hon'ble Gauhati High Court claiming the rate approved by the Technical Committee No. 3. The Hon'ble High Court rejected the claim of the firm vide its judgement dated 04.04.95. After this the firm submitted an appeal to a "Bench of Judges" of the Hon'ble High Court against the previous judgement. Subsequently, the Hon'ble Judge's (Bench) passed a afresh judgement directing payment to the firm at the rate fixed by the Technical Committee. Again a Special Leave Petition was filed by the State of Assam to the Hon'ble Supreme Court. The Hon'ble Supreme Court dismissed the Writ Petition. Accordingly, the Government was directed to make the payment of GCI sheets to M/S. KRL at the rate fixed by the Technical Committee and the full payment was made. In view of the above it is said that the rate approved by the Technical Committee was accepted as per the decree of the Hon'ble Court and as per instructions of the Government. Hence, no extra avoidable expenditure of Rs. 1.17 crore was made by the Directorate. The Directorate only followed, the instructions of Hon'ble Court as well as the Government.

OBSERVATIONS AND RECOMMENDATIONS

1.21. Having heard the submission of the official witnesses the Committee has decided to drop the objection as raised in paragraph of the report of the CAG of India.

Unauthorised expenditure from JRY funds
(Audit para 6.8/CAG (Civil)/1997-98)

1.22. The audit has pointed out that after scrutiny (November-December, 1997) of the records of the Project Director (PD), District Rural Development Agency (DRDA), Dhemaji revealed that Rs. 46.05 lakh, out of funds for Million Well Scheme (MWS), were placed at the disposal of the Executive Engineer, E&D Division, Dhemaji by the PD during 1994-95 (Rs. 13.50 lakh) and 1995-96 (Rs. 32.55 lakh) for channel diversions and flood damage works etc. Records of expenditure incurred were not produced to audit despite requisition. Placing of funds with the Executive Engineer E&D Division was beyond the scope of the MWS and expenditure of Rs.46.50 lakh from JRY funds was unauthorised.

1.23. The Department in their written reply has stated that the Project Director, DRDA, Dhemaji stated that the decision of handing over the amount of Rs. 46.05 lakhs to E&D Department was taken in a meeting held on 17.02.94 in the Deputy Commissioner's office in connection with closing of breaches at Moridhal and Jiadhal. The meeting was attended by the Deputy Commissioner. Additional Deputy Commissioner, Dhemaji, President Mahkuma Parishad I/C Project Director, DRDA, Dhemaji. The records of expenditure could not be produced before the audit because E&D Department who executed the scheme did not submit the same to the DRDA. The records were however submitted by the E&D Department later on but without M.B. s.

OBSERVATIONS AND RECOMMENDATIONS

1.24. The Committee has, however, satisfied with the official deposition and decided to drop the objection as raised in this paragraph by the audit in its report.

**Unauthorised diversion of funds pertaining to Rural
Development programmes.**

(Audit para 6.8 (b)/CAG (Civil)/1997-98)

1.25. The audit has pointed out that as per the instructions issued by the Government (March, 1996) and Deputy Commissioner, Nagaon (April 1996), the Project Director (PD), District Rural Development Agency (DRDA), Nagaon incurred (between April and October, 1996) an expenditure of Rs. 33.88 lakh for repairing of erecting bamboo fencing in the School buildings which were to be utilised as Polling stations during the General Election, 1996. The entire amount was diverted from the unspent balances of various time bound schemes relating to Employment to Employment Assurance Scheme, Intergrated Rural Development Programme and Jawahar Rojgar Yojana. There was no record to show that the decision of the State Government to divert the Rural Development funds had the prior approval of the Government of India. The PD, DRDA approached (October, 1996) the State Government (Panchayat and Rural Development Department) to obtain reimbursement of the estimated cost of Rs. 29.40 lakh, which was awaited (September, 1997). The PD had also informed the Government that diversion of funds hindered the progress of several schemes and some remained at half done stage. Thus, unauthorised diversion of Rs. 33.88 lakh resulted in denial of intended benefits to the targetted group.

1.26. The Department in their written reply has stated that the Project Director, DRDA, Nagaon stated that repairing and erecting bamboo fencing in the school buildings were done by diverting fund of EAS/JRY/IRDP infrastructure etc. as per Govt. direction. The amount so diverted comes to Rs. 29,39,159.00 only. The Govt. was requested to re-imburse the amount so diverted vide this office letter No. DRDA(N)1361/96-97, dated 22.10.96 and subsequent letters. The Director, Panchayat & Rural Development, Assam was also intimated vide this office letter No. DRDA(N)903/15/137, dated 05.06.98.

OBSERVATIONS AND RECOMMENDATIONS

1.27. Dissatisfied with the submission of the official witness on the audit objection, the Committee had directed them to submit a report to the Committee within 30 days with effect from 23.8.2002, date of meeting of the Committee after making a through enquiry towards the diversion of the fund of the schemes together with action taken thereon by the Government. Having failed to submit action taken by the Government within the stipulated time till finalisation of this report, the Committee was astonished and anguished upon the in action

of the department thereby led the Committee to depend on the findings. So no observation could be resolved out on diversion of fund.

1.27.1 So, the Committee holds that inaction of the Government on the direction of the Committee has resulted adverse effect on smooth administration. The Committee, therefore, urges the Government to be very serious to take appropriate action well on time in the greater public interest.

**Extra Expenditure on construction of houses under
Indira Awas Yojana.**

(Audit para 6.9/CAG (Civil)/1997-98)

1.28. The audit has pointed out that the test-check (August-September, 1997) of the accounts of the Project Director, District Rural Development Agency, Nagaon, revealed that 2070 houses were constructed during 1994-95 (620 houses and 1995-96) (1450 houses) at a total cost of Rs. 3 crore (i.e. Rs. 14500 per house) without providing sanitary latrines and smokeless chullahs. In the absence of these components the cost of construction was to be restricted to Rs. 2.59 crore (i.e. Rs. 12500 per house). It was further noticed from the model estimate prepared for IAY houses by the Executive Engineer, Nagaon that the estimated cost of each house was Rs. 14,000 without smokeless chullahs and sanitary latrines. Thus, in violation of JRY norm an extra expenditure of Rs. 41.40 lakh was incurred in excess of prescribed monetary limit for construction of houses without basic amenities. The beneficiaries belonging to the weaker section of the community were also deprived of hygienic sanitary system. In reply to audit query PD stated (April, 1998) that the houses were constructed without smokeless chullahs and sanitary latrines due to escalation in the cost of construction. The reasons for exclusion of these components and also for exceeding the prescribed limit by Rs. 500 per house without approval of Government of India had not been stated.

1.29. The Department by their written reply has stated that the Project Director, DRDA, Nagaon stated that the objection of learned audit in the matter of construction of IAY houses have been thoroughly examined and observations are as follows :-

- (1) The completion of an IAY house with the permissible limit of expenditure for construction of a house becomes difficult in the North-East due to the higher price of construction materials. Therefore, with necessary technical approval of the competent authority and also of the Governing Body the IAY houses were completed utilising the fund earmarked for without construction of sanitary latrine and smokeless chullah. Moreover, the poor beneficiaries of SC & ST communities insisted more on the completion of the home rather than providing them with the other basic amenities. However, improved chullah and community latrine although could not be constructed simultaneously these were taken up subsequently under different programme like JRY, EAS etc.

OBSERVATIONS AND RECOMMENDATIONS

1.30. Having heard the submission of the official witnesses on the objections raised, the Committee directed them to furnish an exhaustive report to the Committee within 15 days with effect from 23.8.2002 for consideration. But the Committee is of the view that non-submission of the report by the departmental representatives till finalisation of this report has displeased the Committee thereby not being enabled to formulate an specific observation by the Committee on the action to be taken by the administration on the issue in view of audit objection for setting up the administration towards the right direction.

Amount spent out of IRDP funds on items which was beyond the scope of the scheme.

(Audit para 6.10/CAG (Civil)/1997-98)

1.31. The audit has pointed out that after scrutiny (January-February, 1997) of records revealed that the Project Director, District Rural Development Agency (PD, DRDA), Dhubri spent Rs. 20.30 lakh for purchase and installation of 748 hand tube wells out of IRDP funds for the years 1994-95 and 1995-96 for supply of drinking water. Thus, the diversion of Rs. 20.30 lakh was unauthorised as it was beyond the scope of the scheme.

1.32. The Department in their written and oral replies stated that the Project Director, DRDA, Dhubri stated that for the North-Eastern States, IRDP guideline allow 25% of the total allocation to be utilised under IRDP-PI. The State Level Coordination Committee of Assam has sanctioned 100 nos. of Hand Tube Wells relating to supply of drinking water to be taken under IRDP-PI for the year 1995-96. From this it is clear that the SLCC considered the installation of Hand Tube Wells as one of the permissible Project under IRDP-PI.

OBSERVATIONS AND RECOMMENDATIONS

1.33. Having considered carefully the submission of the official witness the Committee has been satisfied and decided to drop the objection raised in this audit paragraph.

Unauthorised expenditure and diversion of funds

(Audit para 6.11/CAG (Civil)/1997-98)

1.34. After scrutiny of records (May 1997 to July, 1997) the audit has pointed out that the District Rural Development Agency (DRDA), Kamrup revealed that the Project Director (PD) had withdrawn (July, 1992) an amount of Rs.16.65 lakh from IRDP funds and spent the amount, on behalf of the Director, Panchayat and Rural Development, Assam, for holding "Awareness-cum-Publicity Campaign" at Guwahati during celebration of Gandhi Jayanti 1991 although neither any provision for such expenditure existed in the IRDP Manual nor had any approval for the purpose been obtained from the Government of India. The amount so spent by un-authorized diversion was treated as 'Loan' to the Panchayat and Rural Development Department which however, had not refunded the amount. On this being pointed out in audit the PD stated (August, 1998) that as some amount of normal grants (Amount not specified) was released by the Government during 1996-97 and 1997-98 for Administrative expenditure, the amount was treated as re-imbursed. The reply of the PD is however, not tenable since release of normal grant for administrative expenses of the DRDA was meant for establishment expenditure and not related to the purpose for which loan was given.

1.35. The Department in their written reply has stated that in reply Project Director, DRDA, Kamrup stated that the amount of Rs. 16.65 lakhs has been spent by DRDA, Kamrup on behalf of the Panchayat & Rural Development, Assam as per Chief Secretary's letter No.CS/6/91, dated 22.09.91 and as the amount has not been refunded by the Director, Panchayat & Rural Development, Assam the sum of Rs. 12.63 lakhs released by Director, Panchayat & Rural Development, Assam during 1996-97 and 1997-98 as administrative Pool expenditure was treated as re-imbursed. In this regard the matter was conveyed to the Government of India.

OBSERVATIONS AND RECOMMENDATIONS

1.36. The Committee has been satisfied with the submission of the Departmental witnesses and decided to drop the objection as raised by the audit in this paragraph.

Non-accountal of materials by the Block Development Officers
(Audit para 6.12/CAG (Civil)/1997-98)

1.37. After scrutiny of records (August-September, 1997) the audit has pointed out that the PD, DRDA, Nagaon and 13 BDOs revealed that construction materials valued at Rs.14.36 lakh issued by the agency during October, 1994 to March 1996 to 13 BDOs were not accounted for in the books- of the respective BDOs. These unaccounted materials included perishable items like 2721 bags of cement valued at Rs.5.03 lakh issued to 7 BDOs. Records in support of utilisation of aforesaid materials for any work could not be produced to audit. Though required under rules, physical verification of stock had not been conducted in the Blocks during the period from April, 1994 to March, 1996. The matter had not been investigated by PD, DRDA (March, 1998).

1.38. The Department in their written replies has stated that the Project Director, DRDA, Nagaon stated that the stock books of the DRDA and Development Blocks have been verified. The observations and rectifications of errors done are noted in each point of observation which is reflected.

OBSERVATIONS AND RECOMMENDATIONS

1.39. The Committee has been satisfied with the submission of the Departmental witnesses on the objection and decided to drop the objection as raised by the audit in this paragraph subject to the following action is being taken by the Government that senior official (s) capable and conversant with the matters be sent to the District offices at the time of auditing into the accounts thereto by the audit.

Irregularities in purchase and distribution of tool kits in the IRDP.

(Audit para 6.13/CAG (Civil)/1997-98)

1.40. The audit has pointed out that the test-check (February, 1997) of records of PD, DRDA, Dhubri revealed the following irregularities in procurement and distribution of tool kits.

- (a) The PD without inviting any tenders etc., placed supply orders with 36 suppliers for purchase of tool kits and paid Rs. 35.32 lakh during 1994-95 and 1995-96 towards purchase of 1766 tool kits at the rate of Rs. 2000 each against the sanction of Rs. 14.13 lakh for 758 beneficiaries.
- (b) Against 758 beneficiaries identified by the department records showed distribution of 1090 tool kits. Out of the balance 676 kits only 121 kits were available as closing balance in the stock book leading to a shortage of 555 kits valued at Rs. 11.10 lakh. The shortage was not detected earlier by the department as no physical verification was carried out. Reasons for the shortage were not stated.
- (c) Of the 1090 kits shown as distributed acknowledgement in respect of only 288 kits could be produced to audit leading to serious doubt/ about actual distribution of 802 kits costing Rs. 16.04 lakh including distribution of 332 kits (value Rs. 6.64 lakh) for which identification of eligible beneficiaries was not on records.
- (d) Rs. 200 was to be paid by each beneficiary for the kits. There was no record to show the recovery of Rs.2.18 lakh to wards beneficiary contribution in respect of 1090 kits stated to have been distributed.

1.41. The Department by their written replies has stated that the Project Director, DRDA, Dhubri stated that the matter has already been enquired by the DRDA, Dhubri and report has already been sent to Commissioner to the Government of Assam, Panchyat & Rural Development Department, Dispur with a copy to the Director, Panchyat & Rural Development, Assam stated the matter vide this office letter No.DPI-189/96-97/70, dated 14.11.96 and DPI 189/96-97/85, dated 16.12.96.

One FIR was lodged against the persons as per table below :-

(1) Copy of the FIR & enquiry report have also been sent to the Commissioner

to the Government of Assam, Panchyat & Rural Development Department,
Dispur vide this office letter stated above :

<u>Case No.</u>	<u>Name of persons & designation</u>
1. Dhubri PS Case No. 199/96	1. Shri D. K. Choudhury, Ex-Project Director, DRDA, Dhubri.
	2. Shri Hanifuddin Ahmed, Ex-APO (U), DRDA, Dhubri.
	3. Shri I. H. Bepari, UDA, DRDA, Dhubri.
	4. Shri P. K. Nath, Ex-Field Assistant (Biogas), DRDA, Dhubri.

OBSERVATIONS AND RECOMMENDATIONS

1.42. Having heard the submission of the official witness the Committee has decided to drop the objection as raised in this audit paragraph subject to take action according to the judgement is being made by the court and intimation thereon be furnished to the Committee on time.

Irregular retention of cash balance and unauthorised expenditure.

(Audit para 3.22/CAG (Civil)/1998-99)

1.43. The audit has pointed out that after scrutiny (October, 1998) of records revealed that the Director had spent Rs. 46.06 lakh during August and September, 1998 on construction of buildings, purchase of materials and retained the balance of Rs. 4.01 lakh as of September, 1998. The action of the Director in diverting the funds for other purposes and retaining the balance without transferring to the Apex Society was irregular and unauthorised.

1.44. The Department in their written reply has stated that prior to declaration of SIRD as an Autonomous Institution on 27.4.98 the institute was under the Administrative Control of the Director of Panchayat and Rural Development Assam. All funds received both from State and Central Government were drawn by the Director of Panchayat and subsequent expenditure was also incurred by the Director of Panchayat and Rural Development. Initially there was confusion regarding the Drawing and Disbursing Officer persons regarding SIRD because there was no clear cut directions from Finance Department. All expenditure were made in connection with SIRD building at Khanapara or research study. Other payments made were subsequently recouped. Since the building work was progressing it was necessary to expedite it from unutilized fund. These are bring adjusted against fund released for SIRD building by Government vide No. RDD-22/97/116, dated 22.5.99. The entire account of SIRD has been submitted State Government for final settlement. After being declared as Autonomous Institution, there was an unspent balance of Rs. 50.07 lakhs as on 27.7.98 from which following expenditure was made.

20.8.98 = Rs.	9,66,201/-	Paid to Bhagaban Ch. Das.
31.8.98 = Rs.	78,874/-	A.G.S.T.
31.8.98 = Rs.	1,97,214/-	Paid to Rustam Ali,
5.9.98 = Rs.	4,025/-	Income Tax
5.9.98 = Rs.	13,61,592/-	Adjusted against Director, Pan. & Rural Development Building at Khanapara.
9.9.98 = Rs.	50,000/-	Indian Institute of Public Administration.
21.9.98 = Rs.	13,90,469/-	Paid to Diptron against Power Tiller bills.
27.9.98 = Rs..	56,754/-	A.G.S.T.
24.9.98 = Rs.	4,88,263/-	Paid to Bhagaban Ch. Das.
25.9.98 = Rs.	9,965/-	Income Tax.
<hr/>		
Total	= Rs. 46,03,357/-	

Unspent balance	
As on 27.7.98	= Rs. 50,07,000/-
Expenditure	= Rs. 46,03,357/-
Balance	= Rs. 4,03,543/-
Amount adjusted	
Against payment	
of Power Tiller	= Rs. 13,90,469/-
Unspent balance	= Rs. 17,94,312/-

Thus the unspent balance comes to Rs. 4.03 + 13.90 + 0.57 (AGST) = Rs. 18.50 lakhs after being recoument of payments made against inputs under IRDP infrastructure. Since the Admn. Building (Under construction) at Khanapara has been proposed for Administrative purpose of SIRD, payments made to the contractor for construction purposes has been adjusted out of the unspent balance of SIRD fund.

OBSERVATIONS AND RECOMMENDATIONS

1.45. Having heard the submission of the official witnesses the Committee has directed them to submit a detailed report on the matter for consideration so as to resolve out certain practical solution thereon. Since, no report thereon, has been furnished by the Government representative, the Committee recommends the Government that action taken report on the matter be submitted immediately to the Committee after making an enquiry there-into.

Excess administrative expenses and loss due to deduction of central share.

(Audit para 6.7/CAG (Civil)/1998-99)

1.46. The audit has pointed out that after Scrutiny (June, 1998) of records of the Project Director (PD), DRDA, Darrang revealed that during the years 1995-97 the PD, DRDA incurred excess expenditure on administrative expenses over the permissible limit as detailed below :

Year	Name of the Scheme	Amount of grant received	Permissible amount (10% and 2% for I.R.D.P. & JRY respectively)	Actual expenditure.	Excess Expenditure over permissible limit.
1995-96	IRDP	70.80	7.08	24.07	16.99
	JRY	337.17	6.75	14.31	7.56
1996-97	IRDP	75.00	7.50	26.34	18.84
	JRY	70.09	1.40	22.86	21.46
Total			22.73	87.58	64.85

Thus, there was excess expenditure of 285 per cent over the permissible limit on administrative expenses.

(b) Further, during the year 1996-97, Central and State shares under different Rural Development Programmes in respect of DRDA, Darrang were reduced by Rs. 125.31 lakh by the Government of India due to excess closing balance and excess administrative expenses as detailed below :-

Sl. No	Name of the deducted scheme	Details of deduction	Amount (Rupees in lakh)
1.	JRY	Excess opening balance as on 1st April, 1996.	78.73
2.	IRDP	Excess administrative expenditure	7.00
3.	MWS	Excess opening balance as on 1st April, 1996	10.32
4.		State share	29.26
Total -			125.31

This resulted to reduce in availability of fund for implementation of the schemes. The PD, Darrang stated (June, 1998) that the prescribed limit on Administrative expenditure was not sufficient to cover all the expenses. This was not a valid reason for violating provision of the Manual.

1.47. The Department by their written reply has stated that -

(a) It is true that the administrative expenditure under IRDP and JRY has exceeded the ceiling limit. The prescribed limit of 10% in respect of IRDP and 2% in respect of JRY were too insufficient to cover all the expenses. The salary of IRDP staff including that of all officers itself requires more than Rs. 20.00 lakhs (Twenty lakhs) in one year. Even this expenditure could not be covered by the prescribed limit. Due to increase of dearness allowances from time to time, hike of price of petrol, spare parts of vehicle stationery articles from time to time also resulted in the increase of the Administrative Expenditure. All the 6 Nos. of vehicles of this DRDA of that period including the vehicles of different Development Blocks which were more than 10 years old required frequent repairing due to extensive tours in the interior rural areas where the roads are of very wretched condition. As a result of this administrative expenditure increased in both the two programmes which was essential to execute and monitor the Rural Development schemes.

(b) Generally the major portion of Government grants are received at the end of the financial year. Funds are released to the Development Blocks or executive agencies on the basis of progress of work for proper utilization of the released fund. So, the entire fund received in a particular programme at the end of the financial year can not be utilized fully which is why some excess in closing balance had remained unutilized during that financial year.

OVSERVATIONS AND RECOMMENDATIONS

1.48. The Committee has considered deeply the submission made by the official witnesses on the objection raised by the audit and decided to review the prevailing situation under local condition. Thereupon, the Committee therefore recommends the Government of Assam should moved the Central Government to enhance the amount to Rs.30,000.00 for completion of each unit of house under the IAY as a special case. While considered reported cases of diversion of fund under JRY, the Committee could not be satisfied with the reasons adduced by the Departmental witnesses wherefor the Committee recommends that action be taken by the Government against those officials who committed irregularities after having probed thoroughly into the matter and action taken thereon by the Government be intimated to the Committee within 90 days of this report presented to the House.

Diversion of fund.

(Audit para 6.8/CAG (Civil)/1998-99)

1.49. The audit has pointed out that the JRY manual does not provide for construction of DRDA office buildings out of JRY funds. Test-check (June, 1998) of the records of Project Director, District Rural Development Agency, Darrang revealed that the Project Director, spent Rs. 19.54 lakh between January, 1995 and March, 1997 out of JRY funds for construction of DRDA office buildings. Similarly, he spent Rs.2.85 lakh in January, 1996 in connection with Assam Panchayat Convention out of JRY funds for the year 1995-96 which was also irregular. These unauthorised diversions of funds evidently deprived the poorer sections of people of the intended benefits.

1.50. The Department in their written reply has stated that the office building had been constructed from the interest head with due approval from the governing body during the period from January, 1995 to March, 1997. An amount of Rs.19.54 lakh was spent in connection with the construction of office building. Therefore, allocated fund as per the AAPs of these years were not spent and schematic fund was not diverted. Construction of the office building was most essential for smooth functioning and has in the long run saved the house rent which had to be paid while functioning from the rented house. This DRDA, Darrang, Mangaldoi had incurred an expenditure of Rs.2.85 lakh in connection with the Panchayat Conference held on 19-01-96 at Guwahati on the strength of Government W.T. Message No.PDA/256/95/67 dated 17/1/96 from the contingency fund of JRY for the year 1995-96. The details statement regarding amount of incurred expenditure, no of persons attending the convention and no, of buses used in connection with the conference had been informed to the Director, Panchayat and Rural Development, Assam vide this office letter No.DRDA/MLD/184/95-96/2098 dated 11.07.96.

OBSERVATIONS AND RECOMMENDATIONS

1.51. Having duly considered the submission of the official witness on the objection, the Committee has directed them to make an enquiry into the affairs and action taken by the Government thereon, on the basis of the findings of the enquiry be submitted to the Committee within 30 days of this report presented to the Assembly.

Non-accountal of materials by Block Development Officers.

(Audit para 6.9/CAG (Civil)/1998-99)

1.52. The audit has pointed out that after scrutiny (July-August, 1998) of records of the Project Director, Nalbari and 8 Block Development Offices revealed that construction materials worth Rs.14.47 lakh issued by the Agency during the year 1995-96 and 1996-97 and to eight Blocks were not accounted for in the books of the respective Blocks. The unaccounted material included items like 4676 cement bags (value Rs.8.79 lakh) having shelf life of less than 6 months issued to 8 Blocks. Though required under Rules, physical varification stock had not been conducted in the Blocks during April, 1995 to March, 1997. The Project Director stated (May, 1999) that in pursuance to audit observation the matter would be taken up for investigation.

1.53. The Department in their written reply has stated that the construction materials like GCI Sheets, Cement, MS Rod were duly received in Central Godown at DRDA, Nalbari and these are directly transported to work sites in rural areas in Tamulpur, Baska, Dhamdhama, Pub-Nalbari, Borigog-Banbhag, Madhupur, Tihu-Barama and Borbhag Block. These materials were meant for construction of houses under IAY scheme and other constructions. These were not carried to Block HQ nor the same were stored in godown in Blocks in order to minimize the transportation charge and handling charges in loading/unloading side by side ensuring timely utilization under better supervision from DRDA, Head Quarter, DRDA Head Quarter was aware of the materials going to the sites since the materials were issued from HQ. on requisition/indent. These were received by Accountant/Junior Engineer of the Blocks from the Central Godown at DRDA HQ., Nalbari and accordingly it was not felt than necessary to enter the materials in the stock of blocks as the same did not enter into respective godown physically. However this has been done post-facto after the objection raised. Some samples of indent photocopy enclosed herewith proved that materials were directly received by Junior Engineer/Account on indent. The IAY houses etc. that have come up bear testimony on proper utilization of the construction materials and the objection raised may be dropped and it will be ensured proper accounting henceforth. This is noted for future guidance.

OBSERVATIONS AND RECOMMENDATIONS

1.54. Disapproving the submission of the official witnesses on the objections, the Committee directed the departmental witnesses in its meeting held on 12 September, 2002 to submit a detailed report thereon to the Committee within a month for its consideration as well as formulating specific observation. But failure on the part of the departmental officers to comply with the direction of the Committee, has led the Committee to formulate no specific observation on the anomalies since reported by the audit. On the inaction of the department, the Committee is anguished. Thereupon the Committee holds that action should be taken against delinquent officials on the basis of a through enquiry conducted into the entire dealing and action taken thereon by the Government be intimated to the Committee within 60 days of this report presented to the Assembly.

**Non-utilisation of grants received from Central Government in
respect of State Institute of Rural Development and
Extension Training Centres.**

(Audit para 6.5/CAG (Civil)/1999-2000).

1.55. The audit has pointed out that a test-check (October, 1998) of the records of the Director, Panchayat and Rural Development and subsequent information collected upto November, 1999 disclosed that out of Rs.2.86 crore, the State Government released only Rs. 50 lakh as of March, 2000. The Director drew the amount in June, 1999. Thus, due to non-release of balance of Rs.2.36 crore for the purposes for which the grants were released by the Central Government, the objective of strengthening the State Institute of Rural Development and Extension Training Centres was not achieved. Further, in the context of the continuing and perpetual reliance of the State Government on Ways and Means advances and overdrafts, these funds were apparently diverted to meet other expenditure of the Government.

1.56. The Department in their written reply has stated that it is a fact that the Government of India released Rs.2,86 crores between 1996-97 and 1997-98. The amount was credited in the state exchequer through Reserve Bank of India. As reported in the para Rs.50.00 lakhs was first released to the institution. Subsequently, the balance amount of Rs.2,36 crores was released to the SIRD, details of which are given below :

Sanction Order No. & Date	Amount released in month.
1. RDD,22/97/116, Dated. 20.5.99	Rs. 14,23 Lakhs, March/2K
2. RDD,63/90/Pt/1/150, Dated. 10.8.99	Rs. 42.00 Lakhs, March/2K
3. RDD,63/90/Pt/1/148, Dated. 10.8.99	Rs. 93.76 Lakhs, March/2K
4. RDD,22/97/144/15, Dated. 18.9.99	Rs. 12.91 Lakhs, March/2K
5. RDD,22/97/182, Dated. 23.11.2000	Rs. 74.00 Lakhs, Dec./2K
	<hr/> Total = Rs.236.90 Lakhs.

OBSERVATIONS AND RECOMMENDATIONS

1.57. The Committee has been satisfied with the departmental replies and deposition on the objection raised in the audit. So the Committee has decided to drop the objection as raised in this paragraph of the report of the CAG, India.

Excess administrative expenditure under IRDP/JRY Works.

(Audit para 6.6/CAG (Civil)/1999-2000).

1.58. The audit has pointed out that after scrutiny (January, 1999 to September, 1999) of records of Project Directors of 5 DRDAs (Nagaon, Karbi-Anglong, North Cachar Hills, Karimganj and Dibrugarh) revealed that during 1995-96 to 1997-98, the agencies incurred total administrative expenses amounting to Rs.3.79 crore of this, Rs.1.99 crore (3 per cent) was in excess over the permissible limit of Rs.1.80 crore. The reasons for excess administrative expenses, however, could not be explained to audit. Diversion of Rs.1.99 crore towards administrative expenses evidently deprived the poorer section of people of the intended benefits under the schemes to that extent.

1.59. The Department in their written reply has stated that :

Nagaon : As per audit para the following amount of excess expenditure, on IRDP and JRY during the year 1996-97 and 1997-98 has been observed.

1.	IRDP	-	1996-97	--	Rs. 6.87 Lakh
			1997-98	--	Rs. 4.41 Lakh
2.		-	1996-97	--	Rs. 19.76 Lakh
			1997-98	--	Rs. 11.04 Lakh

In regard to IRDP, it may be stated that in spite of measures taken to keep the administrative expenditure within the prescribed ceiling, due to unavoidable expenditure such as considerable enhancement of interim relief and dearness allowances of officers and staff due to revision of pay, escalation of cost of printing and stationery materials and cost of maintenance of vehicles etc. the administrative expenditure could not be kept within the prescribed ceiling. The irregularities pointed out is noted and almost care would be taken to keep the administrative expenditure within the prescribed ceiling. In regard to JRY, it may be stated that the following amount of administrative expenditure was incurred by the DRDA and deducted by the Directorate of Panchayat and Rural Development, Assam during 1996-97 and 1997-98.

1996-97 - JRY - Rs. 11.52 by DRDA (expended)

Rs. 13.44 by Directorate (deducted)

Total = Rs. 24.96 lakh.

1997-98 - JRY - Rs. 11.65 lakh by DRDA (expended)
 Rs. 5.20 lakh by Directorate (deducted)

Total = Rs. 16.85 lakh.

1.59.1. The amount of expenditure incurred by the DRDA was against pay and allowances/etc. of the Executive Engineer and other Technical staff under JRY of the DRDA besides the essential contingency expenditure etc. The expenditure so made was subject to re-imburement from the Directorate of P & RD, Assam. Accordingly the DRDA, Nagaon received Rs. 9.60 lakhs as Administrative expenditure for the 1996-97 during the year 1997-98. However no fund under Administrative expenditure for 1997-98 was received. The fund of Rs. 9.60 lakh received from the Directorate during 1997-98 against Administrative expenditure for 1996-97 was however expended for developmental works during 1997-98. Karbi Anglong : DRDA, Karbi Anglong made an excess expenditure amounting to Rs. 27,79,219/- on administration during the year 1995-96 to 1997-98 over the ceiling prescribed by the Government due to revision of pay scale of employees and payment of arrear salaries and clearing pending liabilities (transfer TA/pension Contribution/Leave Salary contribution of deputed Officers & Staff. Hence, DRDA, Karbi Anglong, Diphu having 11 (eleven) Blocks could not keep the expenditure within the prescribed ceiling.

N. C. Hills : The allocation of fund under IRDP is made by the Government of India based on nos. of population and Development Blocks in the district. It may be mentioned here that there were only 4 (four) nos. of Blocks in N. C. Hills District till the date of audit. As such, allotment of fund under the programme is minimum compared to that of other districts with large no. of population whereas the staffing pattern is almost the same in other DRDAs. The State Government communicated the strength of sanctioned posts of officers and Office Staff to the DRDAs for functioning of the office smoothly. The appointment and posting of Officers on deputation are made from the State Government. The rest of the office staff are recruited directly at the District Level in accordance with the strength of sanctioned posts created by the State Government. The Officers on deputation from different State Government Departments draw higher amount of pay and allowances as they belong to higher grades of services. Moreover, they also draw monthly T.A. etc. rates of which have been enhanced considerably. Due to revision of the pay scale of the employees and enhancement of the dearness allowances from time to time, by the State Government the excess expenditure on administrative head of account by the DRDA was inevitable.

Karimganj : In spite of utmost efforts made by the DRDA, Administrative expenditure could not be restricted to the ceiling limit of expenditure as laid down in the IRDP/JRY manual for the following reasons :

- 1.59.1.1. 1. Increase of rates of TA/DA of employees working under the aforesaid schemes.
2. Revision of pay scales of employees.
3. Subsequent posting and increase of number of employees.
4. Increase of cost of fuel and motor parts of vehicles.
5. Increase of cost of contingency materials.

The above mentioned expenditure was quite unavoidable and hence ceiling limit of administrative expenditure had to be exceeded for smooth and proper implementation of the programme.

Dibrugarh : During 1997-98 excess administrative expenditure was incurred by DRDA, Dibrugarh for an amount of Rs.17.00 lakh under IRDP and Rs.10.00 lakh under JRY as reported in the C. & AG Report. Detailed facts leading to this excess expenditure are given below :

(1) Out of total excess Administrative expenditure of Rs.27.00 lakhs (both IRDP & JRY) an amount of Rs. 5.40 lakhs relating to the year 1996-97 was received from State Government vide letter No.DRD-1(A)20/89/264, dated 20.06.97. Hence, actual excess Administrative expenditure for the year 1997-98 was (Rs.27.00 lakhs-Rs.5.40 lakhs) i.e. Rs.21.60 lakhs.

(2) An amount of Rs.3.26 lakhs was spent under JRY as schematic contingency for execution of schemes under the programme. This amount is not to be treated as Administrative expenditure. Hence, actual excess Administrative expenditure was (Rs.21.60 lakhs- Rs. 3.26 lakhs) i.e. Rs.18.34 lakhs).

(3) The excess Administrative expenditure was due to the enhancement of pay and allowances of officers & staff and escalation of the cost of office equipment like furniture motor parts, stationery etc. which was unavoidable. The permissible limit of (Rs.14.00 lakhs + Rs. 4.00 lakhs) i.e. Rs. 18.00 lakhs based on actual fund received was not sufficient to meet the expenditure on salary of this DRDA. For example, during 1997-98 total expenditure on salary including pension contribution & leave salary contribution of deputed officers, C.P.F. of staff was Rs. 25.51 lakhs. A considerable amount of funds was also needed as unavoidable expenditure i.e. house rent of office building, T.A. of officers & staff. Telephone & Electricity charges etc. expenditure incurred for holding of mandatory G.B. and other meetings, purchase of furniture, stationery, repairing of vehicles, printing of forms, Sweeper charges, carriage of materials, maintainance of Fax, Computer, Intercom, Type Writer & Duplicating Machine etc. therefore, this DRDA had to incur the above mentioned Administrative expenditure. Government of India deducted

Rs.26.84 lakhs for excess Administrative expenditure During the year 1997-98 from the 2nd installment of Central share of JRY, 1998-99 but Government of India vide letter No.V-24015/3/98-JRY/S.N. 161 dated 12/3/99 released this deducted amount of Rs.26.84 lakhs subsequently. It may be mentioned here that Government of India reviewed the actual requirement of Administrative fund and accordingly revised this amount to Rs.57.00 lakhs per year for this DRDA with effect from 01/04/99 by introducing a new scheme as DRDA Administration.

OBSERVATIONS AND RECOMMENDATIONS

1.60. The Committee has been satisfied with the departmental submission and decided to drop the objection as raised in this paragraph of the report of the CAG, India.

**Extra expenditure on construction of houses under
Indira Awas Yojana.**

(Audit para 6.7(a)/CAG (Civil)/1999-2000).

1.61. The audit has pointed out that a test-check (November, 1999-January, 2000) of records of the six Project Directors of the District Rural Development Agencies revealed that during 1996-97 to 1999-2000, 14570 houses were constructed @ Rs. 20,000 per house without providing sanitary latrines and smokeless chullah. In the absence of these components the unit cost of construction of per house was to be restricted to Rs. 18,500 (Rs. 20,000 - Rs. 1,500). Thus in violation of IAY norms an extra expenditure of Rs. 2.19 crore (Rs. 1500 x 14,570 houses) was incurred in excess of prescribed monetary limit for construction of houses without basic amenities. The beneficiaries belonging to the weaker section of the Community were also deprived of hygienic sanitary system.

1.62. The department by their written reply has stated that :

Bongaigaon : In the case of implementation of IAY, the State Government vide No. RDD.444/99/7, dated 27.3.98 issued the following instructions.

1.62.1. (i) The amount of expenditure against each unit is to be restricted Rs. 20,000/- in general cases and Rs. 22,000/- in special cases.

(ii) The plinth area of each IAY house should not be less than 20 sq. meter (say 200 sq. ft.) as the permissible limit of expenditure for construction of house under IAY was revised in Assam, this DRDA constructed IAY houses @ Rs. 20,000/- per unit without providing sanitary latrines and smokeless chullah.

1.62.2. N. C. Hills : The rural people in this district live in very remote interior areas. The rural hill people particularly IAY beneficiaries do not prefer the construction of sanitary latrines with smokeless chullah as per the provision of the IAY guidelines. The utility of smokeless chullahs is not felt necessary by the IAY beneficiaries as because firewood is abundantly available in the rural areas being covered by full of forest land alternatively all the IAY beneficiaries insisted that their dwelling houses be constructed by utilising the entire permissible amount of Rs. 20,000/- (Rupees twenty thousand) only inclusive of the cost of Sanitary Latrines and Smokeless Chullah so that the houses constructed were bigger in size than the original plan and estimate.

Accordingly this N. C. Hills DRDA has utilised the fund under IAY for those years in accordance with the need of the beneficiaries for successful implementation of the programme.

1.62.3. Dhemaji : Construction of houses under IAY was carried out according to prescribed norms under IAY and expenditure for each house was incurred as per "Model Estimate for IAY houses 1999-2000" which was approved by the Joint Director (Tech.), Panchayat and Rural Development, Assam on 16.12.99. Technical sanction was accorded for an amount of Rs. 20,800/- (Rupees twenty thousand eight hundred) only. But cost of construction of per house under this DRDA is restricted to Rs. 20,000/- (Rupees twenty thousand) only. There is not provision of providing Sanitary Latrine and Smokeless Chullah in the approved estimate.

1.62.4. Nagaon : The IAY houses with a plinth area of 20.00 Sq. metre with brick wall and GCI sheets roofing could not be constructed within the restricted unit cost of Rs. 17,500/-. This is due to high price of construction materials in the District and lack of good communication. Therefore, the sanitary latrine and smokeless chullah could not be provided to the beneficiaries and accordingly an estimate was prepared for Rs. 20,000/- exclusively for the IAY house.

1.62.5. Cachar : During the period 1996-97 to 1999-2000, the DRDA, Cachar constructed the IAY houses @ Rs. 20,000/- per house as per approved estimate. For the construction of IAY houses rates of store materials like GCI sheet, MS Rod and Ridging were communicated by the Director of Panchayat and Rural Development, Assam. The materials like sand, chips, bricks, timber etc. were procured at the prevailing market rate. The high cost of the materials does not allow the providing of the extra facilities of sanitary latrine and smokeless chullah within the permissible of Rs. 20,000/-.

1.62.6. Dhubri : During the period from 1996-97 to 1999-2000 IAY houses were constructed by DRDA, Dhubri as per Model Estimate @ Rs. 20,000.00 each where the provision of low cost sanitary latrine and smokeless chullah was included in the Model Estimate. But the DRDA, Dhubri executed the scheme without the facilities of low cost Sanitary Latrine and Smokeless Chullah. In this connection it is to be mentioned here that during the period 1996-2000 the store materials like GCI sheet & GI ridging etc. were procured as per the approved rates of SLTC. Due to the high cost of building materials low cost Sanitary Latrine and Smokeless Chullah could not be provided within the prescribed amount of Rs. 20,000/-. It may be mentioned here that in the year 2001-2002 the fund @ Rs. 20,000.00 for each IAY house was directly

paid to the beneficiaries with specifications of GCI sheet and GI ridging and plinth area of the IAY model due to which beneficiaries could directly procure GCI sheet and GI ridging from local market at lower rates thereby enabling the construction of low cost Sanitary Latrine and Smokeless Chullahs.

OBSERVATIONS AND RECOMMENDATIONS

1.63. Hearing the submission of the official representatives on the objection raised by the audit, the Committee has felt that the amount earmarked for completion of the house appeared inadequate and to fully implement the scheme of IAY in State like Assam where construction cost appeared higher than some other States of India. Hence, the Committee recommends to the State Government to move the Central Government to increase atleast to Rs. 30,000.00 from Rs. 20,000.00 for every unit of construction of the houses under the IAY.

Unauthorised diversion of IAY funds towards JRY Programme.

(Audit para 6.7(b)/CAG (Civil)/1999-2000).

1.64. The audit has pointed out that a test-check (November, 1999-January, 2000) of records of the Project Director (PD), District Rural Development Agency (DRDA), Dhemaji revealed that during 1996-97, DRDA received Rs. 1.84 crore from the Government of India for IAY programme, of this the DRDA spent Rs.0.62 crore for the construction of IAY houses during the above period and diverted Rs.0.83 crore to JRY fund and the balance of Rs.0.39 crore was brought forwarded as opening balance in 1997-98. Thus, due to unauthorised diversion of funds for Rs.0.83 crore and non-utilisation of Rs.0.39 crore, the Department could not extend benefit to 610 beneficiaries against the target of 920. The PD stated (January 2000) that IAY fund of Rs.0.83 crore would be recouped to concerned fund but he did not indicate the reason for such diversion.

1.65 The Department in their written reply has stated that :

1.65.1. Dhemaji : An amount of Rs.1,65,67,000.00 (Rupees one crore sixty five lakhs sixty seven thousand) only was received as Central Share during the year 1996-97.

1.65.2. An amount of Rs.64.76 (L) was spent for construction of IAY houses during the year 1996-97.

1.65.3. An amount of Rs.64.76 (L) was paid as wages to the labourers under JRY subject to the recouped to IAY fund whenever the Agency received fund under JRY.

1.65.4. The Government of India has deducted its share of Rs.89.16 (L) against the allocation during the year 1996-97 as a result of which the recoupment could not be made.

1.65.5. The same will be recouped to IAY fund whenever this agency receive the deducted fund as well as State Share.

OBSERVATIONS AND RECOMMENDATIONS

1.66. Unauthorised diversion of IAY funds towards JRY programme appeared to the Committee illegal for which Committee failed to appreciate it. So, the Committee holds that those delinquent officials who diverted the funds from IAY to JRY schemes should be held responsible and action taken by the Government against the fraudulent officials should be intimated to the Committee.

**Non-disbursement of subsidy by Banks under unauthorised release of
subsidy under IRDP to non-scheduled Bank and
Co-operative Societies.**

(Audit para 6.8/CAG (Civil)/1999-2000).

1.67. The audit has pointed out that -

- (a) Scrutiny (May-June, 1999) of records of Project Director, District Rural Development Agency, Karbi Anglong revealed that the Project Director during 1996-97 and 1997-98 released Rs. 3.88 crore to 6 participating Banks for disbursement as subsidy to beneficiaries selected jointly by the DRDA and participating Banks under the programme along with loan component. Information obtained from 3 Banks out of 6 Banks revealed that against the release of Rs. 1.91 crore to them, the Banks could disburse subsidy of Rs. 0.22 crore during the period and the balance Rs. 1.69 crore remained undisbursed with the Banks for 2 to 4 years. The Project Director being the implementing authority for the programme was to provide financial assistance to the beneficiaries with the help of Bank and Financial Institution but there was no record to indicate that any step or initiative had been taken by him for getting the subsidy released to beneficiaries by the Banks and the inaction frustrated the objective of the programme. Besides, the objective of creating income generating assets could not be achieved to that extent.
- (b) Scrutiny (August-September, 1999) of records of the Project Director, District Rural Development Agency (PD, DRDA), N. C. Hills, Haflong revealed that during 1995-96 to 1997-98 the PD released Rs. 87.94 lakh to twelve Co-operative Societies (Rs. 37.05 lakh) and the Assam State Co-operative Agriculture and Rural Development (ASCARD) Bank Limited, Haflong (Rs. 50.89 lakh), a non-scheduled Bank for 1016 beneficiaries. Disbursement of subsidy to Co-operative Societies and placement of funds with a non scheduled Bank were not provided for in the IRDP manual. Following an instruction issued (August, 1998) by the Director of Panchayat and Rural Development Department, Assam, further release of subsidy to these Institutions was stopped by the PD, DRDA since November, 1998. Records regarding actual disbursement of subsidy along with loan to the beneficiaries in respect of 12 Co-operative Societies were not produced to audit and as such their actual utilisation could not be vouchsafed in audit. Out of Rs. 50.89 lakhs paid to ASCARD Bank during 1995-96 to 1997-98 the Bank disbursed

Rs. 49.11 lakh as loan to the 1016 beneficiaries without releasing corresponding subsidy amount and keeping entire subsidy amount as scrutiny in the Bank, which was violative of the IRDP guidelines. As per IRDP norms, subsidy and loan amount should be disbursed together to the beneficiaries. The PD had not taken any initiative to ascertain the actual disbursement of subsidy by the Co-operative Societies/Bank. Disbursement of subsidy to Co-operative Societies and placement of funds with a non-scheduled Bank in contravention of IRDP norms led to doubtful and irregular retention of Rs. 50.89 lakh by the Bank as scrutiny against loan released, frustrating the objectives of the IRDP scheme. Thus, the procedure followed in releasing the subsidy of Rs. 50.89 lakh to the non-scheduled Bank was irregular. Besides, there was no record to show that the subsidy of Rs. 37.05 lakh was disbursed to the beneficiaries by the Co-operative Societies.

1.68. The department by their written reply has stated that :

1.68.1. Karbi Anglongs :

Procedure for release of subsidy as laid down in para 7.10 of IRDP Manual is followed by the Agency. DRDA, Karbi Anglong has opened Account in the Principal Banks. Sponsoring Banks were directed to claim subsidy from the Principal Banks as and when loan Application to the Target group of families were forwarded to them by the Agency. After the transaction is over the sponsoring Bank used to send the list of beneficiaries to the Agency showing the details of subsidy etc. DRDA, Karbi Anglong keep all records regarding year wise release of subsidy, disbursement of loan subsidy to the beneficiaries submitted by the Principal Banks. Balance amount as on 31-3-98 Banks-wise is shown below -

(1) Bank of Baroda	-	Rs. 1,26,374/-
(2) Central Bank of India	-	Rs. 28,542/-
(3) SBI, Diphu	-	Rs. 21,30,644/-
(4) Union Bank of India	-	Rs. 3,12,712/-
(5) LDRB, Diphu	-	Rs. 28,70,268/-
(6) UCO Bank	-	Rs. 82,454/-

Disbursement has made to the beneficiaries by the Bank in subsequent years. However, the Agency has taken up the matters with individual Banks to collect the exact amount of un-disbursed amount if any lying with them.

1.68.2. N. C. Hills : There is no restriction in the IRDP manual to sponsor the IRDP loan applications to only the scheduled Banks like SBI/UBI/LDRB Bank. Despite, the manual provides for even Risk fund to the Co-operative Societies to encourage them to finance loans under IRDP scheme. There are limited numbers of UBI/LDRB in the N.C. Hills district which are also operated in the town areas only due to the prevailing law and order situation and extremist problem. They have their own Bank norms of financing the Bank loans to beneficiaries within a maximum distance of about 12 Kms from the Bank Branch Headquarter. The rural villages of this district are mostly located in remote and interior places beyond the service areas of such scheduled Bank Branches. On the other hand, the Assam Co-operative Apex Bank Ltd., the Lamp Co-operative societies Ltd. and ASCARD Bank Ltd. of this district were interested to finance the Bank loan-cum-subsidies under IRDP to the rural beneficiaries. Their application for participation in financing of the loan-cum-subsidies were allowed as approved by the Deputy Commissioner & Chairman, DRDA, N.C. Hills who gave his approval after ensuring himself that such Co-operative Societies could be encouraged to finance the loan-cum-subsidies under IRDP. More over, it was found that the poor rural people living in the most interior places of the district of N.C. Hills could be assisted under the Agency's IRDP scheme for removing rural poverty only through encouraging the Lamp Co-operative Societies Ltd. and Non-Nationalised Bank Branches like a ASCARD Bank Ltd. etc. Thus subsidies were released to such Non-Scheduled Bank Branches/Co-operative Societies after considering all the aforementioned facts so that the Government plan of fighting rural poverty under IRDP scheme can be implemented and achieve the physical and financial target allocated to this DRDA, N. C. Hills by the Government. The disbursement list of IRDP loan-cum-subsidy in respect of the 12 Co-operative Societies are being collected from the Co-operative Societies concerned and the list will be shown to the next audit. Regarding ASCARD Bank the disbursement list of IRDP loan and subsidies (1016 beneficiaries for year 1995-96 & 1997-98 were made available in this office. It is found from the disbursement list that the Bank disbursed both the loan and subsidies to the IRDP beneficiaries concerned. The list will be produced in the next audit.

OBSERVATIONS AND RECOMMENDATIONS

1.69. Disapproving the submission of the official witnesses on the audit objection the Committee has observed that the guilty officials who violated the IRDP guidelines in respect of disbursement of subsidy and loan amounts to the beneficiaries, should be brought into book and responsibility be fixed on them provided subsequent regularisation cannot be proved and adduced record thereon to the competent authority. Action taken on them by the Government be intimated to the Committee within 90 days of this report presented to the House.

Unproductive expenditure on cultivation of onion.

(Audit para 6.9/CAG (Civil)/1999-2000).

1.70. The audit has pointed out that Test-check (January-May, 1999) of the Project Director District Rural Development Agencies (PD, DRDAs), Goalpara, Dhubri and Kamrup revealed that 178.94 quintal onion seeds worth Rs.71.58 lakh were distributed (November, 1998) to 9700 small and marginal farmers without payment of wages as required under the scheme. It was further seen in audit that the germination of seeds was "nil" in Goalpara District, 5 to 20 per cent in Dhubri District and to 25 per cent in Kamrup District. The expenditure of Rs. 71.58 lakh on onion cultivation which was outside the purview of the scheme, was therefore, totally unproductive and very purpose of the scheme could not be achieve.

1.71. The Department by their written reply has stated that :

Goalpara : Government of Assam vide W.T. Message No.RDD.335/97/114 dated 8.10.98 had directed to take up a thrust programme on onion production for an area of 300 Hecteres under EAS Horticulture component. The order, to supply onion seeds and fertilizer had been placed to seed corporation of India by the Government and accordingly the seed corporation of India supplied only the onion seeds to the blocks. Blocks have distributed to 2234 No. small and marginal farmers and APR's had been received by DRDA. The rate of germination of the onion seeds is nil, which was communicated to Government vide W.T. Message No.RD GLP-1/TP/98-99/69 dated 28.1.99. No payment has been made to the seeds corporation of India for supplying the onion seeds although the corporation has submitted a bil @ Rs.26.80 lakhs. Moreover wage to the farmers are also net given due to non-germination of seeds. Hence, the fund has not at all been given and, therefore, the para may be dropped.

Dhubri : The Government of India decided (June, 1998) to permit and promote Horticulture on private land of small and marginal farmers under EAS and in pursuance of W.T. Message No.RDD.335/97/114 dated 08.10.1998 issued by the Government of Assam in the Department of Panchayat & Rural Development, the then Project Director, DRDA, Dhubri issued a supply order to M/S Assam Seed Corporation Ltd. Dhubri Branch, Vide No.AEP-25/98-99/10142-43B), dated 12.11.1998 for supply of 67.50 Qtls. of SSp and 225 Qtls. of MOP. Against this supply order the ASC Ltd., Dhubri supplied 67 Qtls. of onion seeds, 381.61 Qtls. of urea and 893.21 Qtls. of SSP. The supplied seeds and fertilizers were distributed amongst the selected beneficiaries. The

value of the fertilizer supplied i.e. 4.43 lakhs was paid to ASC Ltd. on 12.02.1999. But the value of onion seeds amounting to Rs.26.796 lakhs is yet to be paid. It may be stated here that the onion seeds did not germinate and no yields were harvested by the farmers. The whole matter is under the consideration of the State Government.

Kamrup : 1. The programme was implemented as per Government of Assam W.T. Message No.RDD.3359114 dated 8.10.98.

2. According to the W.T. Message, Assam Seed Corporation Ltd. had supplied 44.95 Quitals of Onion Seeds amounting to Rs.17.98 lakhs and seed was received by DRDA, Kamrup. Due to paucity of fund under EAS at that time seeds were distributed among the beneficiaries of 17 Nos. of blocks and wage component was to be borne by the farmers on verbal agreement.

3. Germination of seeds in the farmers field was observed from 0-25% which was very poor and as such payment against seeds is not yet made.

OBSERVATIONS AND RECOMMENDATIONS

1.72. The submission of the official witnesses on the objection has failed to satisfy the Committee. However, prior to the Committee's recommends to final disposal of the objection as raised in the report of the CAG, India, a detailed report on it is asked for by the Committee from the Departmental representatives. Also action taken by the Government according to direction of the Committee be submitted to the Committee within 30 days of this report presented to the Assembly.

Unauthorised expenditure on purchase of Tool Kits under Integrated Rural Development programme.

(Audit para 6.10 (a) CAG (Civil)/1999-2000).

1.73. The audit has pointed out that after test-check (August-September, 1999) of the records of the PD, DRDA revealed the following irregularities in procurement and distribution of tool kits.

(i) The PD purchased 572 weaving and tailoring kits being 57 per cent of total kits at a cost of Rs.10.30 lakhs (154 kits in 1995-96 and 418 kits in 1996-97) which were not provided for under the scheme.

(ii) Of the 500 kits procured in 1996-97 and shown as distributed of four Block Development Officers (BDO), acknowledgement in respect of only 240 kits could be shown to audit leading to serious doubt about actual distribution of the remaining 260 kits costing Rs.4.68 lakh as the BDOs, Mahur and Dyungbra denied receipt of any kits in 1996-97.

(iii) According to the scheme Rs.180 was to be paid by each beneficiary for the kits. There was no record to show the recovery of Rs.1.80 lakh towards beneficiaries contribution in respect of 1000 kits stated to have been distributed resulting in excess utilisation of scheme funds to that extent.

1.74. The Department in their written reply has stated that :

N.C. Hills. (i) The Tool kits of potters, Tool kits for Black smithy, Cobblers tool kits, leather designer etc. as provided for under the scheme of supply of Improved Tool kits to Rural Artisans (GOI Guidelines) were found to be not feasible and viable in this N.C. Hills district. Besides the rural people of this particular District were interested in taking up Tailoring and weaving trades of their Self employment purpose. This Agency had also imparted training to the rural people for Tailoring and Weaving Trades. As a result the Tool kits of this 2 (two) mentioned trades though not provided for under the scheme were purchased and distributed to the rural beneficiaries who received training under this DRDA, N.C. Hills within the permissible cost of Tool kits as per the Government of India Guidelines in anticipation of approval by the higher appropriate authority.

(ii) Of the 500 kits purchased in 1996-97, 245 kits were distributed through the BDOs and the remaining 255 kits were actually distributed to the beneficiaries directly by the DRDA, HQ. Office, Haflong by the then project Director, DRDA. List of the Tool Kits beneficiaries are available in this Agency Office, which can be produced to the next audit.

(iii) According to the scheme Rs.200/- i.e. 10% of the total permissible cost of the tool kits of Rs.2000/- only was to be paid by each beneficiary. But the beneficiaries because of their poor economic condition could not afford to pay Rs.200/- being the beneficiary's contributions in purchasing the Tool Kits. As a result out of the permissible limit cost of Rs.2000/- the Tool Kits were purchased @ Rs.1800/- each and distributed to the beneficiaries concerned as the beneficiaries were pressing hard for early supply of the said tool kits. There is no question of realising Rs.180/- from each of the beneficiaries as the beneficiaries contribution of Rs.200/- was not at all received.

OBSERVATIONS AND RECOMMENDATIONS

1.75. Having deeply considered the implementing difficulties inherent to the scheme as deposed and explained by the official representatives, the Committee has felt that such unviable schemes could have been avoided by the implementing authority at the very outset. whatsoever, the Committee has decided to drop this objection.

Unfruitful expenditure on distribution of Tool Kits to untrained artisans

(Audit para 6.10(b)/CAG (Civil)/1999-2000).

1.76. The audit has pointed out that after scrutiny (December, 1998-Februry, 1999) of records of the Project Director, District Rural Development Agency (PD, DRDA), Karimganj revealed that during 1996-97 and 1997-98, the PD procured 659 tool kits at a total cost of Rs. 13.18 lakh (500 tool kits in 1996-97 and 159 tool kits in 1997-98). Out of these, while 82 tool kits were distributed between April, 1995 and March, 1997 to trained artisans, 571 tool kits were issued to the artisan who were not trained under TRYSEM violating Government's orders and balance 6 tool kits remained unutilised in stock as of May, 2000. Distribution of 571 tool kits worth Rs. 11.42 lakh to untrained artisan in violation of Government of India norms raises serious doubt about their proper utilisation. Further, contributions from the beneficiaries amounting to Rs. 1.31 lakh (653 tool kits @ Rs. 200 each) were also not realised.

1.77. The department in their written reply has state that :

Karimganj : It is a fact that the DRDA, Karimganj had procured 659 sets of tool kits worth Rs. 13.18 lakhs against the year 1996-97 and 1997-98 and distributed the same to the rural artisans. Out of these 82 sets of tool kits were distributed to the TRYSEM trainees and 571 sets were issued to the rural artisans and balance 6 (six) sets are under process of utilisation. It is not a fact that the tool kits were not properly utilised. Rather the rural skilled below poverty line artisans were actually benefited. Of course the beneficiary contribution @ Rs. 200.00 each was not received. However, the Block machinaries have been instructed to collect the beneficiary contribution from the poor rural artisans.

OBSERVATIONS AND RECOMMENDATIONS

1.78. After considering the submission of the official witnesses on the objection, the Committee has directed them to take action to collect the outstanding amount from the beneficiaries. However, two months have been considered by the Committee for submission of report on it by the Government of this report presented to the House.

**Infructuous expenditure on the Work of preservation of Hatigarh
Fishery-cum-Social Forestry.**

(Audit para 6.11/CAG (Civil)/1999-2000).

1.79. The audit has pointed out that after scrutiny (January-May, 1999) of records of the PD, DRDA, Jorhat revealed that after completion of works (55 per cent) and incurring expenditure of Rs. 18.84 lakh (wage : Rs. 15.05 lakh and material Rs. 3.79 lakh) during April, 1996 to August, 1997, DRDA had to stop the work in April, 1998 following public demand for non-conversion of a historical place of trapping elephants during the reign of Ahom King into a fishery. Thus, injudicious decision of the PD to convert a historical place into a fishery resulted in infructuous expenditure of Rs. 18.84 lakh.

1.80. The department in their written reply has stated that :

Jorhat : The scheme namely 'Presrvation of Hatigarh Fishery-cum-Social Forestry' under Central Jorhat Development Block, Chipahikhola was taken up for execution under EAS in 1995-96. The administrative approval of the scheme was accorded at Rs. 27.00 lakhs only by then Deputy Commissioner & Chairman, DRDA, Jorhat on 27.11.95. The scheme has been executed to the tune of approx. 70% and expended Rs. 18.84 lakhs only. In the meantime, as per suggestion of public Accounts Committee on Assam Legislative Assembly, the scheme has been stopped. As per suggestion of the Chairman, Governing Body, DRDA, Jorhat the balance amount has been diverted to another scheme namely Meleng Sluice Gate under EAS under Central Jorhat Dev. Block, Chipahikhola. The scheme was executed by Sr. BDO, Central Jorhat Dev. Block, Chipahikhola. The 'Hatigarh' which is a historical place of trapping elephants during the reign of Ahom Kings was declared as Reserved land of Government of Assam and lying unutilised subsequently, both sides of the Garh area have been occupied by some people unauthorisedly. As such, few well wishers of that area after consultation with the local administration recommended the scheme for taking up under EAS by expecting suitable protection of the Garh area also to motivate the local unemployed youth with some income generating aspects. In fact, the scheme was taken up for execution under EAS during 1995-96 with due approval of all concerned. Also, it may be mentioned here that, though the scheme has not been completed in full, by the work so executed, approx. 10Km of the Garh area has been made free from unauthorised occupation. At present, the said historical place is under preservation of Government of Assam.

OBSERVATIONS AND RECOMMENDATIONS

1.81. In absence of original plan and estimates on the scheme alongwith progress made, if any thereon, the Committee keeps the matter pending without final decision. Thereupon, the Committee has directed the departmental representatives to submit those original plan and estimates of the scheme, progress made thereon, if any within a month of this report presented to the Assembly for consideration and to formulate specific observation of the Committee on it. Also action taken by the Government thereon be submitted to the Committee accordingly.

Extra expenditure due to purchase of GCI sheet at higher rates.

(Audit para 6.12 CAG (Civil) 1999-2000).

1.82. The audit has pointed out that after scrutiny (May-June, 1999) of records of the Project Director, District Rural Dev. Agency (PD, DRDA), Marigaon revealed that 392 tonne GCI sheets worth Rs. 1.18 crore were purchased between December, 1996 and February, 1998 at higher rates than the rates approved by the Technical Committee resulting in extra expenditure of Rs. 10.72 lakh. The PD state in June 1998 that excess payment occurred due to receipt of the revised rates effective from 20 December, 1996 only in March, 1998. The supplying firms has been asked (June, 1998) by the PD to refund the excess amount but the firms neither accepted the claims nor refunded the money as of March, 2000. The reply is not tenable as the Joint Director (Technical), Panchayat and Rural Development was a member of the Technical Committee and was present in the meeting held in December, 1996 when rates were revised and reduced. The Joint Director (Tech.) P & RD should have ensured that the orders for revised rates were received by implementing officer in time. Thus, inaction of the department in enforcing the rates fixed by the Technical Committee resulted in extra expenditure of Rs. 10.72 lakh.

1.83. The department in their written reply has stated that :

Marigaon : It has been revealed from official records that a letter was issued vide DPRD-12/9/96-97/80, dated 08.11.96 from the Director, Panchayat and Rural Development, Assam and addressed to this office allowing to place supply order for 95 MT of 0.50 mm. GCI sheet to M/s. Assam Asbestos Ltd., Guwahati in accordance with the provision of APSP Act. The rate was fixed at Rs. 30,314/- P/MT (exfactory) as per the approved rate of the Technical Committee No. 3 held on 08.10.96. In pursuance to the aforesaid letter, the Project Director, DRDA, Marigaon communicated with M/s. Assam Asbestos Ltd. vide letter No. DRDA(M)88/Pt-1/96-97/977, dated 31.1.96 and requested them to submit proforma bill against different programmes for the following quantities.

1. 0.50 mm. thick GCI sheet of length 2500 mm. - 95 MT.
2. 0.50 mm. thick GCI sheet of length 3000 mm. - 15 MT.

On submission of the proforma bill, payment was made at the approved rate mentioned above as fixed by the Director, Panchayat and Rural Development, Assam. Again with the prior approval from the Director, P & RD, Assam, 90

MT of 0.50 mm. x 810 mm. x 2500 mm. GCI sheet was procured from the Assam Asbestos Ltd., Guwahati at the same rate i.e. Rs. 30,314/OP/MT (exfactory). It is seen from the records that the Panchayat and Rural Development Department had sent a letter issued by the Industries Department, Government of Assam vide CI.583/81/Pt-I/17, dated 18.4.98, wherein it was mentioned that rate per MT of GCI sheet was refixed at Rs. 27,403.96 on 20.12.96 instead of Rs. 30,314/-. The Panchayat and Rural Dev. Department message was communicated to this office vide letter No. RDD.323/97/79, dated 5.6.98. It was also stated in the message that excess money, if any paid to M/s. Assam Asbestos Ltd. should be recovered from them. It may be noted that the refixation of rate per MT of GCI sheet at Rs. 27,403.96 was received at this office on 31.3.98 vide W. T. message No. DPRD.1258969741. In accordance with the directive issued by Panchayat & Rural Development Department letter of refund of excess money to the tune of Rs. 5,82,200/- against 200 MT was issued to M/s. Assam Asbestos Ltd. vide letter No. DRDA(M).88/Pt-I/97-98/495, dated 22.6.98. But response from the said Company could not be elicited till date. In addition to the above, the following quantity of GCI sheet was procured from M/s. TISCO Ltd. on the basis of the proforma bill submitted by the Company at their own rate.

1. 0.63 mm. x 882 mm. x 2500 mm. GCI sheet = 42 MT.
2. 0.63 mm. x 882 mm. x 3060 mm. GCI sheet = 30 MT.

As M/s. TISCO Ltd. does not come under the purview of the APSP Act. The rate approved by Technical Committee No. 3 under APSP Act. is not applicable against the said company such question of excess payment does not arise. It is also seen from records that another firm i.e. M/s. Shree Shyam Enterprise, Guwahati was approved to supply 120 MT of GCI sheet 0.50 mm. x 2500 mm. GCI sheet at the rate of Rs. 30,341/- PIMT (exclusive) of AGST. It appears that this firm is not covered APSP Act. However, in pursuance of the Government directive to recovery the excess money, a letter was issued to the company vide No. DRDA(M)88/Pt-I/97-98/47, No. DRDA(M)88/Pt-I/97-98/497, dated 22.6.98 to refund a sum of Rs. 3,49,320/-. But till date firm has not complied to the directive to refund the excess money.

OBSERVATIONS AND RECOMMENDATIONS

1.84. The Committee has heard the submission made by the departmental representatives on the objections raised by the audit but was not satisfied on

non-realisation of the amount as excess payment made to the defaulting firm. The Committee has noticed that the executing authority could take in the meantime, criminal cause of action against the defaulting firm to recover the money from it which would have been an exemplary action for all concern. Whatsoever, the Committee strongly recommends that prompt action be taken by the Government defaulting the said firm and the amount be forthwith recovered from it and deposited in to the state exchequer.

Action taken by the Government thereon be intimated to the Committee within 30 days of this report presented to the House.

Short Supply/non-supply of GCI sheets

(Audit para 6.13/CAG (Civil)/1999-2000).

1.85. The audit has pointed out that test-check of records (August-September 1999) of the Project Director, DRDA, N. C. Hills, Haflong revealed that during 1995-96 to 1997-98, the DRDA procured 238.00 tonne Galvanized Corrugated Iron (GCI) sheets of two specifications 0.50 mm x 810 mm x 3000 mm (10 feet long) and 0.50 mm x 810 mm x 2500 mm (8 feet long) for execution of works under IAY/JRY programmes.

It was found that the DRDA sustained a loss of 6.80 lakh for short receipt of 22.30 tonne GCI sheets as detailed below :

(Rs. in Lakh)

Name of suppliers	Supplied quantity				Short receipt			
	Size feet	Qty. in tonne	Qty. in pieces	No. of pieces as per norms	No. of Pieces	Weight in tonne	Rate per tonne	Amount
(a) Punam Tradin Corporation Silchar	8	75.02	7708	8496	788	6.96	Rs.30139 -	4.94
	10	55.00	4309	5199	890	9.42		
(b) Kamrup Roofing Ltd. Guwahati	8	19.95	2188	2259	71	0.62	Rs.31400/-	1.86
	10	23.00	1957	2174	217	2.29		
(c) Assam Asbestos Guwahati	8	65.02	7022	7363	341	3.01		
Total		137.99				22.30		6.80

(b) In May, 1996, the Agency placed a supply order with a local firm for supply of 22 tonne GCI sheets valued at Rs.6,90,800/- (@ Rs.31400/- per tonne). The entire amount was paid in advance to the firm M/S. Sunshine Business, Haflong against the supply order, but the supplier supplied (June, 1996) only 9,973 tonne. Neither the balance quantity of 12,027 tonne GCI sheets was supplied nor its cost of Rs.3.78 lakh had been realised from the supplier as of September 1999. Though the matter was reported (June, 1996) to the Executive Engineer by the Assistant Project Officer (Technical) but no action has been initiated by the DRDA for recovery of the amount till the date of audit. The matter was reported to Government in March, 2000 ; their reply had not been received (November, 2000).

1.86. The Department in their written reply has stated that N.C. Hills : Action has since been initiated by this DRDA through the Executive Engineer, DRDA, Haflong to lodge FIR against the supplier viz. (a) Punam Trading Co., Silchar (b) Kamrup Roofing Ltd. Guwahati, (c) Assam Asbestos Ltd., and (d) Local Firm M/S Sunshine Business-Haflong for recovery of the amount Rs.10.58 lakh as pointed out in the Audit Reports. Action taken in this matter will be produced in the next Audit.

OBSERVATIONS AND RECOMMENDATIONS

1.87. Considering the submission on the objection made by the official witness the Committee holds that the fraudulent officer should never go scot free from appropriate Departmental action. So the Committee recommends that action be taken by the Government against them and intimated them immediately to the Committee.

Excess administrative Expenses

(Audit para 6.32-6.34/CAG (Civil)/2000-2001).

1.88. The audit has pointed out that after scrutiny (December, 1999- March, 2000) of records of Project Directors in respect of 4 DRDAs (Jorhat, Tinsukia, Bongaigaon and Goalpara) revealed that during 1996-97 and 1997-98, the DRDAs has incurred a total administrative expenses of Rs. 3.28 crore, of this, Rs. 2.04 crore (165 per cent) was incurred in excess of permissible limit of Rs. 1.24 crore. The reasons for excess administrative expenses, however, could not be explained to audit. Evidently, diversion of Rs. 2.04 crore towards administrative expenses deprived the beneficiaries under the scheme belonging to the weaker sections of the community of intended benefits to that extent.

1.89. The department in their written reply has stated that Jorhat the Administrative Expenditure in IRDP and JRY during the years 1996-97 and 1997-98 were incurred more than the permissible amount due to the following reasons.

- (1) Since the officers and staff were increased and their monthly pay and allowances were increased year after year, permissible amount did not cope-up the entire payable amounts. Secondly, during 1996-97 and 1997-98, payment of monthly salary and TA etc. were to be paid from programmes allocation as per Government Guidelines.
- (2) Due to shortage of technical staff for supervising various and numerous schemes at Block level, some casual/MR employees were engaged, for which a notable amount as on account of wages had to be incurred.
- (3) Since almost all the officers were deputed from other Government Departments, a huge amount in connection with pension Fund and Leave Salary Contribution were to be deposited to A. G. Assam.
- (4) The vehicles, which are being utilised in DRDA works including one Road Roller and one Truck were purchased many years back and needs frequent repairing for which a substantial amount was to be paid in repairing of vehicles and cost of POL etc. Considering the extreme necessity, the excess administrative expenditure under IRDP and JRY during 1996-97 and 1997-98 was incurred than the

permissible amounts. However, since the "DRDA Administration" programme has been introduced by the Government of India with effect from 1999-2000 such kinds of irregularities will not be occurred in future.

Goalpara : Less fund received against the allocated amount of Rs. 164.83 lakhs during the year 1996-97 2% of the available fund does not cover even the salary of the staff. More additional expenditure at (Sl. 6 at column 5) were made as per Government directives, Salary of IRDP staff also made (Sl. 8 at column 5) due to less getting of IRDP fund in the year. As a matter of fact excess expenditure were incurred of the permissible limit. The excess expenditure could not be recouped, as there is no provision of fund under administrative head. Less fund received against the allocated amount of Rs. 184.16 lakhs during the year 1997-98 2% of the above fund does not cover, even the salary of the staff. Moreover, there are other administrative expenditure of the above head of account. As such, the actual expenditure exceeds the above permissible limit. The excess expenditure could not be recouped, as there is no provision of fund to meet the administrative expenditure under the head of administrative expenditure. In the year 1996-97 only on amount of Rs. 0.71 crores has been received against the allocated amount Rs. 1.4066 crores, 10% of the available fund could not meet the expenditure, on administrative head under the programme. It appears that expenditures are within the district allocation of 1.4066 crores and the excess expenditure is due to non-receipt of fund as per allocation. In the year 1997-98, the fund received was less than the district allocation, 10% of the available fund could not meet, even the salary etc., of the staff. There are other administrative expenses also. As a matter of fact, expenditure exceeds the permissible limit. The diversion was made due to unavoidable circumstances to accommodate the salary etc. of the staff as the permissible limit of expenditure had already exceeded the budget provision.

Tinsukia : (A) Due to increase of office staff, Rent of office building & repairing of old vehicles, Administrative expenditure had cross the limit which had approved by the Governing Body meeting (Budget approval).

(B) Noted & requested the Director, Panchayat & Rural Development, Assam, Guwahati against documentary evidence of Admn. Expenditure amount of Rs. 32.461 to A.G. Audit Assam.

Bongaigaon : IRDP : The permissible amount for administrative expenses for 1996-97 and 1997-98 under IRDP did not meet actual expenditure as the permissible amount did not cover the expenditure for the salary of the officers and staff serving in this DRDA. Besides salary component, this DRDA had

to bear expenditure against house rent of office building, rent of warehouse, repairing of office vehicles and other official purpose and for this, the administrative expenses was high for those particular years.

JRY : The administrative expenditure under JRY for the year 1996-97 and 1997-98 was high as the Director, Panchayat & Rural Development had deducted an amount for the salary of Block staffs working under JRY programme, rent of warehouse under the JRY materials were kept, contingency expenditure, printing expenditure made for some essential documents of JRY programme, etc. cost of carriage materials from Head Quarter Godown to different Block Head Quarters etc. were incurred by this DRDA.

OBSERVATIONS AND RECOMMENDATIONS

1.90. The submission made by the departmental representatives on the audit objection has however satisfied the Committee which decided to drop the objection as raised in this paragraph of Report of the CAG, India.

Avoidable extra expenditure

(Audit para 6.36-6.43/CAG (Civil)/2000-2001).

1.91. The audit has pointed out that after scrutiny (December, 1999- March, 2000) of records of Project the Directors in respect of 4 District Rural Development Agencies (DRDA) of Goalpara, Dhemaji, Tinsukia, Bongaigaon revealed that 998.27 tonne GCI sheets worth Rs.3.13* crore were purchased by the DRDAs from five private manufacturers/suppliers between January, 1997 and June, 1998 at rates higher than those approved by the Technical Committee. This resulted in extra expenditure of Rs.39.33 lakh. Besides, the Government of Assam, Industries Department had issued (April, 1998) instruction to all Heads of Departments and Project Directors, DRDAs, to take appropriate action under law if higher rates were charged by the manufacturers/suppliers from the Government Departments/Organisations. The records produced to audit indicated that neither the Department nor Project Directors of DRDAs had taken any action to recover the excess amount of Rs.39.33 lakh from the above manufacturers/suppliers. Thus, failure of the Department in enforcing the rates fixed by the Technical Committee led to an avoidable extra expenditure of Rs.39.33 lakh. Scrutiny (September, 2000) of records of the Project Director, (PD) District Rural Development Agency (PD, DRDA), Sonitpur revealed that the PD had purchased 550 tonnes of GCI sheets valued at Rs.1.67 crore from a local supplier between February, 1997 and March, 1998 at Rs.30314 per tonne which was higher than the rates approved by the Technical Committee. This resulted in extra expenditure of Rs.16.01 lakh. The Government of Assam, Industries Department, had issued (April, 1998) instruction of all Heads of Departments and Project Directors, DRDAs, to take appropriate action under law if higher rates were charged by the manufacturers/suppliers from the Government Departments/Organisations under their control. The Project Director had asked (June, 1998 and December, 1998) the supplier to refund the excess payment already made. However, neither the Department nor the PD had taken any further action to recover the excess amount of Rs.16.01 lakh from the above supplier. Thus, failure of the department in enforcing the revised rates fixed by the Technical Committee resulted in an extra expenditure of Rs.16.01 lakh.

1.92. The Department in their written reply has stated that :-

Goalpara : Re-fixation of rate of GCI sheets by the Technical Committee No.3 held on 20.12.96 come to the knowledge of DRDA, Goalpara vide communication made by the Directorate, Panchayat and Rural Development,

Assam vide letter No.DPRD-12/38/98/29, dated 27.5.98 received on 03.6.98. Due to communication gap an excess payment to the tune of Rs.2.94 lakhs was made to Assam Asbestos Ltd. The supply order and payment there of were placed as per the approved rate of Technical Committee No.3 held on 08.10.96 and were prior to the date of receipt of letter of the Directorate, Panchayat & Rural Development, Assam vide letter No.DPRD-12/38/98/29 dated 27.05.98. Due to the communication gap an excess payment to the tune of Rs.2.94 lakhs was made to Assam Asbestos Ltd. The supply order and payment there of were placed as per the approved rate of Technical Committee No.3 held on 8.10.96 and were prior to the date of receipt of letter of the Directorate, Panchayat and Rural Development, Assam. Steps have been taken to recover the excess amount of Rs.2.94 lakh paid to Assam Asbestos Ltd. As soon as it came to the knowledge of DRDA about the reduction of rate by the Technical Committee No.3 held on 20.12.98. But this could not be materialised due to the interim order of Hon'ble High Court.

Tinsukia : (i) Excess payment on the purchase of GCI sheets excess payment of Rs.3,34,654.60 only shall be recovered from the next bills after getting approval from the Government. As the work executed from 17.1.1997 to 17.6.1997 and Industries Department circulated revised price of GCI Sheet on 27.4.98 vide C.I.430/91/Pt/114. Legal complication may arises to recover the amount from DRDA's and steps are taken to recover 18 Pcs of GCI Sheet received short from carriage contractor.

(ii) Avoidable expenditure on the purchase of GCI Sheets, District Rural Development Agency registered society under Societies Act. headed by Chairman can take decision on public interest.

Purchase Board of DRDA approved rate of Nippon Brand of GCI sheet at Rs.36,615.38/MTF O.R. at DRDA Godown.

DRDA placed order for Nippon Brand considering the following facts :-

- (i) Nippon Brand of GCI sheet is manufactured with latest Japanese Technology and quality of product is superior to Rhino and KRL Brand.
- (ii) The Brand is popular among mass people because of quality, durability and hence more acceptable than other brand.
- (iii) Orders are placed between September, 1997 to March, 1998 (working season of DRDA) to M/S Assam Asbestos Ltd. and M/S Kamrup Roofings Ltd. be covered APST Act but these firms did not supply materials within stipulated time.

(iv) Cost of GCI sheet Nippon is cheaper than (Rhino or KRL Brand). Price of GCI sheets was 30314/MT and carriage from Guwahati to Tinsukia was Rs.1171.30/MT.

Assam Asbestos and Kamrup Roofing supplied.

118-120 Rs. of GCI Sheet per MT.

$$\text{Cost per price} = \frac{30314 + 1171.30}{118} = \frac{31485.30}{118} = 26682/\text{ps}$$

In Nippon 138 ps/MT was received.

$$\text{Cost/MT} = \frac{36615.38}{138} = \text{Rs.}265.53/\text{ps}$$

Since prevailing rate of GCI Sheet was Rs.30.314/MT as per Technical Committee No.3 during the period when purchase for Nippon Brand were made (September, 97 to March, 98) the purchase of Nippon Brand additional benefit of 138-118-20 ps per MT. As Industries Department circulated, required price of GCI sheet 26.98, hence during the period of actual purchase of Nippon Brand there is no excess expenditure of Rs.13.32 lakh but there is slight gain for purchase of Nippon Brand because price/piece of is lower than price/piece of KRL Rhino Brand.

Bongaigaon : The allowed rate of Rs.30,300/- per tonne for GCI sheets of 0.50 x 800 x 2500 the M/S Shavam Enterprise was high against the approved rate of Rs.27,403/- per tone during the period February and May, 1998 as the M/S Shayam Enterprise had submitted the bill for payment as per approved rate of Technical Committee No.3 of Government of Assam meeting held on 08.11.96 and accordingly, this DRDA had made the payment as per i.e. Rs.30,300/- per tonne.

Sonitpur : Total quantities of GCI sheet 700 MT was procured from Assam Asbestos Ltd. @ Rs.30.314 P/MT as per approved rate of the State Technical Committee. After receipt of DRDA letter No.DPRD-12/38/9831, dated 2.6.98 with an enclose of the copy of the letter issued from the Commissioner and Secretary, Industries Department (No.CI-430/91/P/114, dated 27.4.98), the supplier of GCI sheet i.e. AAL was asked vide this office letter No.DRDA-119/96-97/173/6982-86 dated 29.6.98 to refund the excess amount of Rs.20.37 lakh, calculated as per rate fixed by the Technical Committee meeting held on 20.12.96 i.e. Rs.27,403.96 P/MT. The excess paid amount has not been refunded till date. Meanwhile Hon'ble Guwahati High Court has stayed the matter for refund of excess amount vide order No.W.P.(C)668 of 2001. In view of this no further action could be taken in this end.

OBSERVATIONS AND RECOMMENDATIONS

1.93. Having been satisfied with the submission of the official witness the Committee has decided to drop this objection as raised by the audit.

Infructuous expenditure

(Audit para 6.45-6.46/CAG (Civil)/2000-2001).

1.94. The audit has pointed out that after scrutiny (May-June, 2000) of records of the Project Director, District Rural Development Agency (PD, DRDA), Dhemaji, revealed that 4 pig breeding centres and eco-hatcheries were constructed during November, 1994 and December, 1996 at a total cost of Rs.16.23 lakh out of JRY fund. Of these, 3 pig breeding centres (Rs.7.14 lakh) out of 22 eco-hatcheries (Rs.3.76 lakh) have remained non-functional since their completion till October, 2001. The reason for non-functioning was not on records except for one eco-hatchery which was damaged by flood. Thus, the expenditure of Rs.10.90 lakh incurred on non-functional pig breeding centres and eco-hatcheries prove to be infructuous. Further, the cost of capital on the unproductive capital of Rs.10.90 lakh, calculated at the average rate of 11 per cent of market borrowing by the State Government over last 32 to 61 months amounted to Rs.4.90 lakh.

1.95. The Department in their written reply has stated that :

Dhemaji : During the year 1994-95 and 1995-96, 4(Four) Nos. of pig breeding centre and 3(three) Nos. of Eco-Hatchery were constructed by this DRDA, Dhemaji at a total of Rs.16.23 lakhs only out of IRDP, infrastructure which was earmarked in the IRDP Manual and not from the JRY Head. Out of 4(four) Nos. of pig-breeding centre 3Nos. of pig breeding centre are functioning and another one constructed at Rigbi (Jonai) was damaged by flood during 2000 by Siyang River. In respect of 3 Nos. of Eco-Hatchery constructed during the year 1994-95 and 1995-96 one at the Garpara is functioning and another two at Batgbaria (Dhemaji) and Telem at Jonai was wash-away by flood during the year 1996 and 2000.

OBSERVATIONS AND RECOMMENDATIONS

1.96. The submission of the Departmental representatives on the objection raised has satisfied the Committee therefore the objection in this paragraph has been dropped, by the Committee.

Irregular Execution of Works

(Audit para 6.48-6.50/CAG (Civil)/2000-2001).

1.97. The audit has pointed out that a Test-check (March, 2000) of the records of Project Director (PD), District Rural Development Agency (DRDA), Goalpara, revealed that the PD had spent Rs.91.65 lakh for construction of 54 community halls in colleges/religious places under eight Blocks during 1996-97 to 1997-98 in violation of the prescribed norms of the scheme guidelines. Further, the ratio of expenditure between wage (Rs.38.47 lakh) and non-wage (Rs.53.18 lakh) component was 42.58 against the prescribed norms of 60.40. Thus, expenditure of Rs.91.65 lakh incurred against the above works, which were not covered under EAS, was unauthorised. Besides, non maintenance of expenditure ratio between wage and non-wage components resulted in short creation of 46583 mandays employment.

1.98. The Department in their written reply has stated that :

Goalpara : The scheme of Community Hall's under EAS fund has been taken with the decision and approval of the District Level EAS Committee. The view of the Committee that the community Hall at the High School/College campus field, has served two purposes the needs of the Community as well as the needs of the School. Moreover, there is no active NGO of groups in such interior areas for its maintenance. The School/College authorities have maintained the Community Hall and the Community also utilised, at their needs. The ratio of wage & non-wage component differs of permissible limit due to implementing a good number of Community Hall. These were constructed as per decision and approval of District EAS Committee. The matter will be referred to District EAS Committee so that utmost care should be taken to maintain the ratio as well as to follow the Guideline, while approving the scheme in the year and in future.

OBSERVATIONS AND RECOMMENDATIONS

1.99. With the assurance given by the official witness, the Committee has been pleased to drop the objection as raised in this paragraph of the Report of the CAG, India.

Irregularities in implementation of scheme.

(Audit para 6.52-6.55/CAG (Civil)/2000-2001).

1.100. The audit has pointed out that after scrutiny (May-June, 2000) of records of the PD, DRDA, Hailakandi revealed the following irregularities :

(i) The Government of India did not release the second installment of GK Y in respect of Hailakandi District for the year 1997-98 as installation of STW was not found feasible by CGWB. Despite this finding, the Commissioner and Secretary to the Government of Assam Panchayat and Rural Development (P&RD) directed (June, 1998) the PD to procure and distribute the pump sets and accessories under the scheme. The PD stated (July, 2000) that the scheme was taken up after proper assessment regarding feasibility of ground water but no such assessment report, either from the CGWB or from any other authority, could be produced to audit.

(ii) Although 187 STWs were distributed to the beneficiaries through Block Development Officers (BDOs), only 3 out of the 5 concerned BDOs had confirmed the installation of 89 STWs by the beneficiaries (Katllichara 16 STWs, South Hailakandi-18 STWs and Algapur-55 STWs) while BDO, Hailakandi stated (June, 2000) that 46 STWs were neither distributed to the beneficiaries through the Block nor the BDO was aware about the utilisation. However, reasons for non-installation were not on record. The BDO, Lala could not furnish any information regarding installation of remaining 52 STWs, till March, 2001.

(iii) Non-installation of 98 STWs by the Hailakandi and Lala Blocks resulted in locking up of Rs.19.24 lakh for more than 2 years.

(iv) No follow up action had been initiated at any level to assess the functioning of the STWs as of June, 2000.

(v) The Director, P&RD had intimated (June, 1998) the approved rate of Rs.13,478 for each Kirlosker Brand 5 HP Diesel Pump set for STW to the PD, DRDA, Hailakandi. The PD however purchased 49 pump sets at the rate of Rs.13,478 and 138 sets at the rate of Rs.14,825 which resulted in excess expenditure of Rs.1.86 lakh.

OBSERVATIONS AND RECOMMENDATIONS

1.101. The official witnesses have failed to satisfy the Committee objections as raised for by the audit. Therefore, the Committee has directed to Govt. to furnish a fact finding detailed report on it to the Committee immediately for consideration of the Committee.

Doubtful Expenditure

(Audit para 6.57-6.59/CAG (Civil)/2000-2001).

1.102. The audit has pointed out that after scrutiny (September, 2000) of records of the Project Director, District Rural Development Agency (PD, DRDA), Sonitpur revealed that an amount Rs. 45.47 lakh was paid (April, 1997) to a Guwahati based supplier against proforma bill for supply of 150 tonnes of GCI sheet (50 mm. thickness). The supply order was issued by the Director, Panchayat & Rural Development, Guwahati in March, 1997. The receipt of the materials could not be verified in audit as the PD, DRDA failed to submit the required details such as delivery challan/adjustment bill, vouchers, stock book entry etc. in support of supply of materials or any other proof regarding receipt even after a lapse of four years after payment. Moreover, receipt of materials was not certified on the body of the proforma bill at the time of payment. The Project Director stated (September, 2000) that the matter had been taken up with the concerned officials who had since been transferred to their parent department. However, it was not reported to the higher authority for investigation (March, 2001). The improper payment procedure adopted by the PD, DRDA raises doubts about actual procurement and receipt of GCI sheets worth Rs. 45.47 lakh.

1.103. The Department in their written reply has stated that :

Sonitpur : The relevant records of that materials in question costing to Rs. 45.47 lakhs is examined. It is found that the materials were received in full vide challan No. 1957, 1955, 1956, 1971, 1972, 1973, 1974, 1975, 2034 and 2033. Materials were entered in the stock book of the year 1996-97 at page 25, 26 and 34 which will be shown in the next audit.

OBSERVATIONS AND RECOMMENDATIONS

1.104. The submission of the official witnesses on the objections has failed to satisfy the Committee wherefore the Committee has directed the Government to furnish a detailed report on it to the Committee within a month of this report presented to the House.

Irregular expenditure/Idle expenditure

(Audit para 6.61-6.68/CAG (Civil)/2000-2001).

1.105. The audit has pointed out that after scrutiny (March, 2000) of records of the Project Director, District Rural Development Agency (PD, DRDA), Tinsukia, revealed that the Director, Panchayat and Rural Development, Assam had deducted Rs. 64.19 lakh at source from the state's shares of IRDP pertaining to the years 1996-97 and 1997-98 against the supply of agricultural implements/inputs to the PD, DRDA for utilisation in the scheme. It was however, seen in audit that though the PD had received 38 sets of agricultural implements/inputs worth Rs. 45 lakh during the above period, no records exhibiting receipt of implements/inputs costing Rs. 19.26 lakh could be shown to audit. The PD had neither taken up the matter with the Director for obtaining the balance agricultural implements/inputs nor requested for refund of the amount. The PD had booked the entire amount of Rs. 64.19 lakh as expenditure against the years 1996-97 and 1997-98. Records also disclosed that the PD, DRDA could earn Rs. 0.81 lakh only as hire charges between 1996-97 and 1999-2000 which is indicative of the poor utilisation of the inputs. The reasons for poor utilisation were not found on records. Thus exhibition of Rs. 19.26 lakh as expenditure without receiving the implements/inputs for last four years resulted in fictitious booking of expenditure to the scheme. Scrutiny (May-June, 2000) of records of the Project Director, District Rural Development Agency (PD, DRDA), Hailakandi revealed that the PD had received 13 sets of agricultural implements/inputs and 15 power tillers and 15 pumps worth Rs. 33.28 lakh between April, 1997 and March 1998 from the Director, Panchayat and Rural Development, Assam against the State's share of IRDP. The inputs were distributed to 5 Block Development Officers (BDO's) during June, 1997 and June, 1998. According to the guidelines for supply of inputs under the Programme, the PD, DRDA/BDO was required to maintain a register and watch the recovery of hire charges and also record expenditure on repair/maintenance etc. However, no such record could be made available to audit. On an audit enquiry it was stated that 2 out of 5 BDOs to whom the above implements/inputs were issued, had furnished the information about utilisation of 8 (eight) sets upto May, 2000 and realising Rs. 0.17 lakh as hire charges during June, 1997 and May, 2000 which indicated gross under utilisation of the inputs (utilisation was only 2.53 per cent) Remaining 3 BDOs did not furnish any information (April, 2001). Scrutiny of records further revealed that 13 pumps worth Rs. 1.87 lakh still remained unused in the Block Godowns. The PD

stated (July, 2000) that all the Power Tillers had gone out of order and required major and minor repairs. The dates since when the Power Tillers went out of order were neither stated nor found on record. Thus, under utilisation of the agricultural equipment resulted in unnecessary procurement and locking up of funds to the extent of Rs. 33.28 lakh for more than 3 years apart from non-achieving of the objectives.

1.106. The Department in their reply has stated that Tinsukia : As per Director, Panchayat and Rural Development, Assam's instruction DRDA, Tinsukia had to take in to accounts a total amount of Rs. 64.19 lakhs finally in the receipt and expenditure side of the IRDP Cash Book.

(i) Appropriate reply will be given by the Director, Panchayat and Rural Development, Assam, Guwahati.

(ii) The rate of hire charges of Agril, Implements is Rs. 50/- per Bigha against Power Tiller as per Govt. norms vide Govt. letter No. DRDA.1/A/57/97/88, dated 12.4.97 (Directorate of P & R D, Assam). Hence Collection of hire charge is less as it is a welfare programme of Rural Development Department.

OBSERVATIONS AND RECOMMENDATIONS

1.107. The departmental representatives have assured the Committee that detailed verification into the matter since objections raised by the audit is being made by the concern authority and then exact position thereon is being submitted to the Committee accordingly. Thereupon, the Committee has directed them to submit within 30 days a detailed report on it with the action taken thereon by the Government or consideration and formulating observation of the Committee.

Purchase of furniture without assening requirement

(Audit para 6.70-6.74/CAG (Civil)/2000-2001).

1.108. The audit has pointed out that a test-check of records (October-November, 2000) of the Director, Panchayat and Rural Development (P&RD), Assam revealed that although only 33 out of 218 Block Development Officers had submitted requirement of furniture costing Rs. 6.32 lakh @ Rs. 20661 per block), the Director, P&RD purchased (during November, 1998 to February, 1999) furniture worth Rs. 45.04 lakh from two local manufactures at the approved rates of Assam State Industrial Development Co-operation Limited (ASIDC), for distribution to all the 218 Block Development Offices in the State. Director, P&RD could not furnish to audit the records showing expenditure sanction of Rs. 45.04 lakh and source of funds to meet such expenditure. Approval of the competent authority for procurement of 2 conference tables, 5 steel armed chairs and 20 steel armless chairs for each block office could not also be shown to audit. The Director, P&RD had made payment to the suppliers of furniture on the basis of certificates recorded on the bills by the Joint Director P&RD) against delivery challans attached to the bills in which BDOs had only indicated receipt of furniture in good condition without mentioning the items of furniture, quantity received, date of receipt, page number and stock book number in which these were accounted for. In the absence of expenditure sanction, assessment of furniture actually required and stock certificate from the actual recipients of furniture, the expenditure of Rs. 45.04 lakh could not be vouchsafed in audit. Failure of the Department to assess the need for procurement and supply of furniture resulted in available extra expenditure of Rs. 38.22 lakh (185 blocks @ Rs. 20661 per block).

1.109. The Department in their written reply has stated that Directorate : The State Level Co-ordination Committee (SLCC) of Panchayat & Rural Development in meeting held on 28.10.97 approved the proposal for construction of Meeting Halls/Auditorium and suggested that construction may be taken up only after proper assessment of existing facilities. The Committee further suggested that the existing halls wherever available may be renovated on extended instead of taking up new construction. The minimum facility of holding of meetings, seminars etc. is already available in all the Development Blocks. But the required furniture was not available and due to limited fund under Administrative expenses of DRDA is not possible to provide the same. Accordingly the matter was placed before the

SLCC which is the highest body at State Level for Planning Monitoring and reviewing the implementation of various programmes of Rural Development. The Chairman of SLCC advised to assess the requirement of furniture and to supply the same for the purpose of holding the meetings, seminars etc. Accordingly necessary assessment regarding requirement of furniture was made by the Director, Panchayat & Rural Development, Assam and supply orders were placed to two local SSI Units at the approved rates of Assam Small Industries Development Corporation Ltd. (ASIDC). Since the matter was initiated at the State Level and the position was well known to the implementing authority at the State Level, it was not felt necessary to obtain indents from all the Development Blocks. As furniture for meeting halls had not been provided to the Development Blocks earlier the requirement of the same was uniform in respect of all the Development Blocks. Accordingly arrangement was made to fulfil the minimum requirement as per fund availability. As per Rule 5(2) of Schedule 11 of DFP Rules, 1960, the Director, Panchayat and Rural Development, Assam has full powers in the matter of purchase of furniture. Therefore, no sanction is required in this regard. The furniture procured was as per the approved rates of Assam Small Industrial Development Corporation Ltd. (ASIDC). Therefore, no separate approval was required regarding the rates of the furniture. The expenditure incurred was from administrative expenses under EAS 1998-99 and 1999-2000. The delivery challans indicated clearly the specifications of the furniture delivered by the suppliers to the block offices and the block officials duly acknowledged the receipt of the same. Therefore, stock entry was made in the Directorate on the basis of their delivery challans. Moreover, it was not felt convenient to obtain stock entry certificate by sending the bills to the concerned Development Blocks located all over the State as the receipt of the furniture supplied to them are ascertained from the acknowledgement in the delivery challans. As the requirement of furniture was uniform in respect of all the Development Blocks, who were supplied with furniture for meeting hall for the first time. Therefore, the question of available extra expenditure does not arise.

OBSERVATIONS AND RECOMMENDATIONS

1.110. The submission made by the departmental witness on the audit objection has failed to satisfy the Committee in absence of reports of actual stock verification of the furniture if received or entered them against which payment made. Having called for clarification on points raised by the Committee at the time of examination of the department, the departmental representatives have submitted the prayer for extension of one month to enquire into objection thereof and furnish necessary verification report accordingly to the Committee for consideration. Thereupon, the Committee has very reluctantly agreed to the prayer of the official witness and asked them to submit necessary report together with action taken by the Government thereon within 30 days of this report presented to the Assembly.