



COMMITTEE ON PUBLIC ACCOUNTS

(2009-2011)

HUNDRED AND TWENTIETH REPORT

(TWELFTH ASSEMBLY)

REPORT OF THE COMMITTEE ON PUBLIC ACCOUNTS,
ASSAM LEGISLATIVE ASSEMBLY ON THE REPORTS OF THE
COMPTROLLER AND AUDITOR GENERAL OF INDIA (CIVIL)
FOR THE YEARS 2003-2004, 2004-2005 AND 2005-2006
RELATING TO GENERAL ADMINISTRATION,
TRANSPORT, SOCIAL WELFARE AND
HANDLOOM AND TEXTILE
DEPARTMENTS, GOVERNMENT
OF ASSAM.

Presented to the House on 29-06-2009

ASSAM LEGISLATIVE ASSEMBLY SECRETARIAT
DISPUR :: GUWAHATI-6.

(i)

COMPOSITION OF THE COMMITTEE

Chairman:

1. Shri Phani Bhusan Chaudhury

Members:

2. Shri Rajendra Prasad Singh
3. Shri Rameswar Dhanowar
4. Shri Gobinda Chandra Langthasa
5. Shri Abdul Khaleque
6. Shri Rajib Lochan Pegu
7. Shri Padma Hazarika
8. Shri Girindra Kumar Barua
9. Smti Kamali Basumatari
10. Shri Ranjit Dutta
11. Shri Jagat Singh Engti
12. Shri Anwarul Hoque
13. Shri Membor Gogoi

Secretariat:

1. Shri G.P.Das, Secretary
2. Shri B. Basumatari, O.S.D.
3. Shri P.K.Hazarika, Deputy Secretary
4. Shri K. Rahman, C.O.

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PREFATORY REMARKS

1. Shri Phani Bhusan Chaudhury, Chairman, Committee on Public Accounts, Assam Legislative Assembly having been authorized to submit the report on its behalf present this Hundred and Twentieth Report of the Committee on Public Accounts on the Audit paras contained in the Reports of the Comptroller and Auditor General of India (Civil) for the years 2003-2004, 2004-2005 and 2005-2006 pertaining to the General Administration, Transport, Social Welfare and Handloom and Textile Departments, Government of Assam.

2. The Reports of the Comptroller and Auditor General of India(Civil) for the years 2003-2004, 2004-2005 and 2005-2006 was laid before the House on 3rd March,2005, 8th March,2006 and 10th March,2007.

3. The Report mentioned above relating to the General Administration, Transport, Social Welfare and Handloom and Textile Departments were considered by the outgoing Committee as in Annexure-'A' in their sittings held on 4th June,2008, 17th June,2008 and 1st July,2008 and considered this Draft Report on 28th November,2008 but could not be presented the same before the House owing to expiry of its term.

4. The 120th Report of the Committee on Public Accounts as finalized and approved by the outgoing Committee, the present Committee has approved the same in its meeting held on 23-06-2009 for presentation before the House.

5. The Committee wishes thanks to the outgoing Committee for their strenuous works. The Committee has also appreciated the valuable assistance rendered by the Principal Accountant General (Audit), Assam as well as his junior officers and staff during the examination of the Department.

6. The Committee thanks to the departmental witnesses as well as Finance Department 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 service rendered to the Committee.

14. The Committee earnestly hope that the Government would promptly implement the recommendations made in this report.

Dispur:
The 23rd June,2009

PHANI BHUSAN CHAUDHURY
Chairman
Committee on Public Accounts.

Chapter – I

General Administration Department

Non-accountal of receipts in cashbook and misappropriation

(Audit Para 4.1.3/C & AG(Civil)/2003-2004(P-61-62)

1.1 The audit has pointed out that a test-check (November-December 2002) of records of development branch of Deputy Commissioner (DC), Tinsukia for the period from November 2000 to October 2002, revealed that the cash management of the DC was violative of the provisions of AFR, which resulted in the following irregularities. The DC did not account for in his cashbook, Rs.1.65 crore received during 1999-2002 through bank drafts/cheques from three different sources for implementation of various developmental schemes. In his cheques draft register, the DC had, however, shown the remittance of entire amount of Rs.1.65 crore to different bank accounts at Tinsukia. Of this, the DC could not substantiate credit of Rs. 74.63 lakh in his two (updated to 31 October 2003) bank accounts due to non-reflection of credit of Rs. 5 lakh in one account and non-availability of pass book of another account to show credit of Rs.69.63 lakh as the concerned bank account was closed on 24.3.2001 without keeping the closed pass book/cheque books etc. Besides, the DC or his DDO had not retained bank remittance slips nor did they carry out monthly reconciliation of transactions with the banks or obtained bank reconciliation statements. The DC in his reply (December 2002) admitted non-accountal of Rs.1.65 crore as Rs.92.89 lakh being Oil Fund, which was recorded in a separate register and balance Rs.74.63 lakh not recorded due to sudden death of Accountant. An ex-accountant-cum-cashier of the DC's Development branch had fraudulently withdrawn (November 1998 to April 1999) Rs.3.12 lakh through five cheques from UBI, Bordoloi Nagar branch, Tinsukia (A/C No.2991) by forging the signature of DDO. The amount was neither reflected in the cash-book nor was there any voucher to support the transaction of Rs.3.12 lakh. The DC instituted (April 2000) a departmental inquiry but had not intimated the matter to Police and the AG(A & E) as required under rules. Thus, failure on the part of the DC to exercise proper regulatory checks in maintenance of cashbook and bank accounts and absence of monitoring of all transactions through the cashbook had resulted in non-accounting of Rs.1.65 crore in the cashbook, of which Rs.74.63 lakh was fraught with the risk of embezzlement/misappropriation, and misappropriation of

Rs.3.12 lakh through fraudulent withdrawals by an accountant-cum-cashier.

1.2 The department by their written reply has stated that it is a fact that the amounts received from various sources as shown below had not been reflected in the Cash-Book by the then accountant and also not verified by the then DDO-

Sl.No		Sources of fund	Amount Rs. In Lac)
1	O.I.L's	Social Welfare Fund	92.89
2	D.U.D.A		69.63212
3	CMSNY		27.73
4.	MPLAD	(R/S) from DC, Silchar	2.00
Total			Rs. 192.25212 Lac.

The amount of Rs.92.89 Lac received from OIL, Duliajan, against 30 Nos. scheme deposited in S/B Account No.2611 of Subansiri Gaonlia Bank, Tinsukia and fully utilized in implementation of the schemes. OIL funds were previously not entered in to cashbook. However, funds received from OIL were later on entered in to the cashbook and a separate Register also maintained for OIL fund. The fund against DUDA, Tinsukia received was initially deposited in the S/B Account No.3011 in UBI, Bordoloi Nagar Branch, Tinsukia. The account was closed and transferred to Union Bank, Tinsukia with an initial deposit of Rs.61.57934 Lac(S/B Account No.3011). The account in Union bank, Tinsukia was also subsequently closed and amount of Rs.60.71934 Lac transferred to Indian Bank, Tinsukia (Account No.9996). The current transaction of fund under DUDA is going on from the account of Indian Bank, Tinsukia. The account of Rs.27.73 Lac received from Government against CMSNY has been kept in the form of Banker's cheques and the amount is still intact. The amount of Rs.2.00 Lac received from Deputy Commissioner, Cachar under MPLADS (R/S) scheme vide cheque No 335844 Dated 02/03/2002 was deposited in the bank account No.708510 of Allahabad Bank, Tinsukia Dated 20/03/2003 vide fund deposit register Sl. No. 26. The amount fully utilized against the recommended scheme of Shri K.

Bhattacharjee Hon'ble MP (R/S). Omission/non entry in to cash book occurred due to absence of Accountant during the period, resultant on the sudden death of the erstwhile accountant Shri B.Deka. Reconciliation of transaction with banks against fund of various sources are now carried on regularly. (b) Rs.5.00 Lac was received from the OIL authority vide cheque No.537380 Dated 06/07/1999 which was credited into SGB A/C No. 2611/10. The said amount was released to the E.E. PWD (Roads), Tinsukia in one installment immediately vide this office cheque No.283761 Dated 30/11/1999 for construction of Pengaree Bordumisa Road. The amount of Rs.5.00 lakh was not shown in Register because of confusion resulted due to sudden death of Shri Bhagwan Deka, D.A. who maintained accounts of the Development Branch. The same is now being verified and corrected. The Account No.3011 of UBI, Bordoloi Nagar Branch, TSK, was closed vide our letter No.TPL. 32/99/83 Dated 26/03/2001. The closing pass-book of the said account and the cheque book were surrendered to the bank. (c) The ex-accountant cum cashier Late B.Deka, withdrawn Rs.3.12 Lac fraudulently. The amount is now being recovered from the monthly salary of Smti. Depali Deka, wife of Late Deka who has been appointed as Grade-IV staff in DC establishment on compassionate ground. An amount of Rs.1,000/- (Rupees One thousand) deducted from the salary of August/2002 and till July/2004 amount recovered is Rs.23,000/- (Rupees Twenty three thousand). The amount is deposited in SBI, C & I Account Nop.4/23(01000/050978). A departmental enquiry was ordered vide order No.TPL.37/90-93/410 Dated 11/04/2000 to look into the entire matter of cashbook maintenance including alleged misappropriation by Late Deka, Accountant. The enquiry committee headed by Shri Shamsheer Singh, ACS, the then ADC, Tinsukia submitted its report on 07/12/2000.

OBSERVATIONS/RECOMMENDATIONS

1.3 The Committee heard the deposition made by the departmental witnesses and observes that the department has initiated necessary step to recover the amount of Rs.3.12 lakh fraudulently withdrawn by the ex-Accountant cum cashier Late B.Deka. The Committee, therefore, decided to drop the para.

**Defective cash management and retention of unspent/unutilized
government money**

(Audit Para 4.1.4/C & AG(Civil)/2003-2004/(P-63))

1.4 The audit has pointed out that after scrutiny (August-September 2003) of records of the Deputy Commissioner (DC), Nagaon for the period from November 2001 to August 2003 revealed that as of August 2003 the DC retained unspent cash balance of Rs.72.48 lakh, which comprised balance Rs.63.11 lakh out of drawals made from treasury upto 1997-98 (Rs.15.54 lakh) and thereafter from 1998-99 to August 2003 (Rs.47.57 lakh) and receipts of Rs.9.36 lakh against Bakijai decree cases during the above period. According to Government instruction issued in February 1999, all moneys drawn upto 1997-98 but remaining unutilized were required to be refunded to Government Treasury by the end of February 1999. Violating these instructions, the DC did not refund Rs.15.54 lakh drawn upto 1997-98 for reasons neither on record nor stated to audit. Out of unutilized amount of Rs.63.11 lakh, Rs.33.90 lakh was drawn in 15 contract contingency bills for various purposes. The entire amount was kept in hand without any amount having been spent or refunded to Government Account for reasons not on record. The DDO of DC or DC did not carry out physical verification of cash balance monthly and periodically (once in a three months) or during change of incumbents. Non-carrying out of physical verification of cash balance was violative of codal provisions and was fraught with the risk of embezzlement/misappropriation. Thus, the DC drew money in advance of actual requirement, which remained unutilized for long periods. This violated codal provisions and Government instructions and resulted in unnecessary locking up of funds.

1.5 The department by their written reply has stated that (a) In response to the Government instructions issued during February 1999, an amount of Rs.28,74,453.00 only was refunded to the Government leaving a balance of Rs. 15.55 lacs. Out of this remaining amount of Rs.15.55 lacs (balance of amounts drawn up to 1997-98), an amount of Rs.3,59,075.00 has recently been refunded on 31/08/2004. The balance amount of Rs.12,83,739.00 only could not be refunded due to no trace ability of original sanction etc. for which Government is being moved for necessary approval and head of account under which the said amount will be refunded. (b) Regarding the undisbursed amount of Rs.47.57 lacs drawn

from treasury during 1998-99 to August 2003, as incorporated in draft Para, an amount of Rs.38.57 lacs has been disbursed and the remaining amount of Rs.9.00 lacs is under process of disbursement. It may be mentioned here that an amount of Rs.25.23 lacs out of the above mentioned Rs.47.57 lacs was received during July and August, 2003 and when audit was carried out in August, September 2003, disbursement of this amount had just started. At the time of audit, an amount of Rs.9.36 lacs was lying against Bakijai cases which has been disbursed to certificate holders. It may be mentioned here that collection against Bakijai cases being a continuous process of recovery, some amount collected usually remains undisbursed till collection by the certificate holders. However, to avoid accumulation of undisbursed Bakijai dues, steps have been taken for disbursing the amounts immediately and disseminating information regarding collection to certificate holders concerned. (c) Physical cash was verified every time during the transfer & joining of Deputy Commissioners, but this was not mentioned in the cash book. Moreover, the undersigned himself verified the physical cash every time during the Treasury inspection day, but this was not reflected in the cash book.

OBSERVATIONS/RECOMMENDATIONS

1.6 The Committee heard the deposition made by the department and observes that there was administrative lapses on the part of the D.C., Nagaon as he did not carry out physical verification of cash balance monthly and periodically or during the change of incumbents. Even if they did verify the cash balance, but failed to record the same in the cash book. Non-carrying out of physical verification of cash balance was violative of codal provision and was fraught with the risk of embezzlement/misappropriation. The Committee, therefore, recommends to fix the responsibility and to take action against the erring officials. Action taken report may be submitted to the Committee within 30 days from the date of presentation of this report before the House.

Chapter - II

Transport Department

Idle Expenditure

(Audit Para 4.4.8/C & AG(Civil)/2003-2004/(P-86-87)

2.1 The audit has pointed out that a test-check (September 2003) of records of the Executive Engineer (EE), Dibrugarh Inland Water Transport (IWT) Division and information collected subsequently revealed that two ferry services viz. Dhansiri-Gomiri (DG) ferry service and Dehingmukh-Sissi-Kalghar (DSK) ferry services remained inoperative for the years 1998-2004. The ferry services were not settled during three years (DG ferry services during 1998-99 and 2000-01 and DSK ferry services during 2001-02) and during the remaining years, though settled were not taken over by the lessee resulting in loss of Government revenue of Rs.3.12 lakh in the form of lease rent. Reasons for non-settlement/non-taking over of the ferry services by the lessees were not on record of the division. Though the EE pleaded for direct settlement of these ferry services with interested parties and forwarded (October 2002 and January 2003) their applications to the Director, IWT the later had neither cancelled the settlements with the defaulting lessees nor entertained the EE's request and resettle them with interested parties. During non-operational period of 1999-2004, the EE incurred a nugatory expenditure of Rs.2.59 crore towards salary and wages of 127 idle staff which included an irregular expenditure of Rs. 1.72 crore on engagement of 29 work charged (MC) staff and 67 muster-roll (MR) workers against these two ferry services without any works. Engagement of WC/MR employees without work was against the spirit of the recommendation of Public Accounts Committee at para 7.1 of its Eighty-fifth report presented to the State Legislature on 8 March 2002 and was irregular. Thus, laxity on the part of the department for expeditious settlement/resettlement of the ferry services resulted in an idle expenditure of Rs.2.59 crore in the form of staff salaries/wages besides, loss of Government revenue to the tune of Rs.3.12 lakh in the form of lease rent. The matter was reported to Government in July 2004. In reply, the Director stated (October 2004) that the Department was committed to disburse staff salary engaged against the ferry vessels irrespective of whether the ferry service was in operation or not. The Director added further that the approval for direct settlement of the ferry

services with the interested parties was awaited from the Government and that against the defaulting lessees; penal action (including institution of Bakijai cases) would be initiated. The contention of the Director was not based on justification for engagement of WC/MR employees without work. Reply from the Government had not been received (October 2004).

2.2 The department by their written reply has stated that the vessel staff engaged in the particular vessel are generally handed over to the lessee and their pay including allowances are usually borne by the lessee. But in case of ghat management & other works, expenditures against the engagement of W/C & M/R workers are to usually borne by the Department. As the ghats were not leased out to the lessee, the entire staff expenditure were incurred by this Department. The road connectivity in both bank of Dhansiri-Gamery Ferry Service and Dehingmukh-Sissi-Kalghar ferry service were not found suitable for which the passenger movement through the above ferry services were found negligible. As such, no lessee had come forward to take over these ferry services. Also, there was every possibility of sustaining heavy losses, if the operation of the above two ferry services could be maintained Departmentally for crossing of very negligible passengers and goods. Hence, the ferry services remained closed for that period. The Department as such decided to close down the above two ferry services and the staff engaged against the above ferry services are transferred and re-engaged in other Major ferry ghats under Inland Water Transport Division, Dibrugarh.

OBSERVATIONS/RECOMMENDATIONS

2.3 The Committee heard the deposition of the departmental witnesses and observes that the department incurred an idle expenditure of Rs.2.59 crore towards salary of 127 idle staff which included an irregular expenditure of Rs.1.72 crore on engagement of 29 work charged staff and 67 muster-roll workers against Dhansiri-Gomiri Ferry service and Dehingmukh-Sissi-Kalghar Ferry service without any work. The Committee also observes that in spite of the Committee's recommendation made in its 85th Report (para 7.1) that "the Committee recommends that the engagement of Master Roll/Work Charged employees in the works department should be restricted on the necessity of works component tied with best economic points of view" the Government departments have not taken any tangible step in this regards. The Committee directed the department to submit a detailed report as to where the idle staff of the above mentioned ferry services are engaged and latest position of the Bakijai cases within 30 days from the date of presentation of this report before the House.

Non-realization of Government dues

(Audit Para 4.5.5/C & AG (Civil)/2003-2004/(P-91-92)

2.4 The audit has pointed out that a test-check (September 2003) of records of the Executive Engineer (EE), Inland Water Transport (IWT) Division, Dibrugarh and subsequent collection of information revealed that the Government leased (March 2002) Dibru-Kachari-Oriumghat Ferry Service to a lessee at a bid value of Rs.45.00 lakh for three years 2002-05 commencing from April 2002. The lessee was required to deposit bid value for respective years in advance in four quarterly installments together with the salary of floating-staff. The lessee deposited the first installment of bid money and staff salary aggregating Rs.4.10 lakh for the first quarter of 2002-03 on 31 March 2002 and accordingly the EE handed over the ferry service to the lessee in April 2002. The lessee however, delayed and defaulted in payment of subsequent installments during 2002-04 and finally did not deposit Rs.11.97 lakh till the last quarter of 2003-2004 (payable by 31 December 2003). For recovery of these outstanding dues the division served (May 2003 and September 2003) notices without imposition of any penalty to the lessee as the Director IWT in agreement with the lessee allowed (December 2003) relaxation for depositing outstanding dues within January 2004. Neither the lessee turned up to clear all the dues within the stipulated period nor did the division take further steps to recover overdue installments of bid money and staff salary of Rs.11.97 lakh as of May 2004. Besides, as required under the rules, the division also did not levy and recover penal interest of Rs.75.81 lakh (worked out up to May 2004) nor terminate the lease agreement. Thus, failure of the department to recover the entire amount of bid money and staff salary before handing over the ferry services to the lessee and delay in initiating action against him for recovery of bid money and staff salary in installments together with penalty resulted in on-recovery of Rs.87.78 lakh (Rs.11.97 lakh + Rs.75.81 lakh), which provided undue financial benefit to the lessee, as of June 2004. The matter was reported to Government in July 2004. In reply, the department stated (September 2004) that they had instructed the lessee to deposit the outstanding amount of bid money, staff salary and penal interest aggregating Rs.87.78 lakh, in default of which the ferry service would be taken over by the department and Bakijai case or other legal process would be instituted against the lessee. Government's reply had not been received (October 2004).

2.5 The department by their written reply has stated that the D/K/O Ferry service was settled with Sri Biswajit Gogoi for three year (2002-05) at the bid value of Rs.45.00 lacs. 2. On deposition of Rs. 4.10 lacs by the lessee as 1st quarter Kist money including staff salary, the Executive Engineer IWT Division Dibrugarh handed over the ghat to the lessee. 3. The lessee has not paid any further amount of Bid Value except deposition of Rs. 4.10 lacs and run the ferry service as per court verdict. 4. As per Audit Para and direction from the Principal Accountant General (Audit) Assam vide D.O. Rep© /IV /2003-04/19 /451, Dt. 14-07-04 address to the Principal Secretary, Transport Department the Executive Engineer, IWT Division, Dibrugarh was requested vide this office letter No.DWT 3/96/270, Dt. 26-07-04 to realize the fine/penalty amounting to Rs.75.81 lacs from the concerned lessee of D/K/O Ferry service. 5. In view of Court verdict.No.WP© No. 8239 /04, this Directorate apprised the matter to the Sr. Govt. Advocate, Gauhati High Court regarding non-deposition of Govt.Revenue vide this office letter no.DWT- 76/04/06, Dt. 06-11-04. 6. Again one reminder letter for the above purpose was issued to Sr. Govt. Advocate vide this office letter No.DWT 76/04/43, Dt. 14-12-04. 7. On the basis of the above correspondences, the Hon'ble High Court passed an order on 13-05-2005 and directed to take action as may be admissible under the rules for realization of the same. 8. As per direction of the Hon'ble High Court above, the Executive Engineer, IWT Division. Dibrugarh has been again requested to initiate Bakijai case against the defaulter lessee vide this office letter No.DWT-76/64/45, Dt. 30-06-05. 9. Initially the Executive Engineer IWT Division, Dibrugarh had requested the Deputy Commissioner, Dibrugarh vide his letter No.ESDKO -11 /2004-05/1663 Dt. 02-09-05 to proceed for Bakijai case against the lessee for realization of outstanding amount of Rs.43,96,270.00. The Executive Engineer, IWT Dibrugarh also issued reminder to the D.C. Dibrugarh vide his letter No.EBC-1/2005-06/1758 Dated 05-10-06 for initiating of the Bakijai Case. Again, the Executive Engineer, Dibrugarh had requested the Deputy Commissioner, Dibrugarh vide his letter No.EBO-1/2005-06/2033, Dt. 30-07-07, to realized total amount of Rs.181.74 lacs from Shri Biswajit Gogoi, on the basis of assessment made by the Audit Inspection Party of A.G. Assam during Inspection of IWT Division Dibrugarh. 10. As informed by the Executive Engineer, IWT Division Dibrugarh vide his letter No.EBC-1/2005-06 /1003, Dt. 10-07-2007, no payment could be realized from Sri Biswajit Gogoi till this date. The matter is now at the disposal of the Deputy Collector's Office, Dibrugarh. This Directorate has also issued a letter to the Executive Engineer, IWT

Division, Dibrugarh vide this office letter no.DWT-76/04/55, Dt. 27-02-08 to initiate the matter with D.C. Dibrugarh for early realization of the amount from Shri Biswajit Gogoi as per assessment made by the Audit Inspection Party of A.G. and also to intimate the latest position of the Bakijai Case.

OBSERVATION/RECOMMENDATIONS

2.6 After going through the written reply as well as oral depositions of the departmental representatives the Committee observes that the department failed to initiate action against the lessee when he failed to deposit the bid value for the respective years in advance in quarterly installments together with salary of floating staff. No penal interest and the levy were imposed on the lessee for recovery of Rs. 11.97 lakh as per rules. The Committee, therefore, recommends that the department concerned should issue necessary instructions to the officials to be careful in future in settlement of ferry services to the lessees and also to furnish the latest position of the Bakijai case against the lessee within 30 days from the date of presentation of this report before the House.

Loss due sinking of vessels

(Audit Para 4.5.8/CAG(Civil)/2005-2006/(P-164)

2.7 The audit has pointed out that a test-check (January 2006) of records of the Director, Inland Water Transport (IWT), Guwahati revealed that the work of construction of three vessels (two 22 metre long steel RPL passenger cum ferry vessels and one 20 metre long steel hulled wooden superstructure single boat on river Brahmaputra) was awarded (March-June 1992) to a local firm at a total tendered cost of Rs.58.58 lakh with the stipulation to complete and deliver the boats by June-September 1993. According to the terms of the agreement, the Department could inspect the vessels under construction at its will at any stage. Between 1992 and 1994 despite Rs.50.12 lakh being paid to the firm in eight installments against the physical progress of 70 per cent of the work, non progress was intimated by the firm since 1995 nor did the Department on its own pursue or check progress with the firm. Records also do not show that any spot verification was done after installments were released. It was only on 28 January 2005 that the Deputy Director (DD), IWT informed the Director, that all the three vessels while still under construction with the firm had sunk on 26 January 2005 near Gopinath Ferry Service, Fancy Bazar, Guwahati. The reason for sinking as stated by the DD were improper placement and absence of monitoring by the ship builder. A First Information Report(FIR), was also lodged (28 January 2005) by the Department with the local police station. Thus, failure of the Department to ensure periodical inspection, and expedite completion of construction and delivery within the stipulated period (June-September 1993) resulted in loss of Rs.50.12 lakh to the Department . The purpose of providing inexpensive ferry service to the people of the area was also defeated.

2.8 The department by their written reply has stated that in respect of sinking of 3 (three)Nos. boats constructed by M/S. Tru Steel Products, it is be stated that , the builder initially submitted Insurance Policy which was valid up to the date of receiving installment payments. Also the valid Bank Guaranttee 1% of contract value were submitted which was also valid till the date of receiving the installment payment by the Firm. In view of the paucity of plan fund right from 1996-97 the plan fund provision could not be made to settle the payment to the firm in regards to the construction of vessels. As such the Ship-builders had stopped the further progress of works for their allotted vessels. Also the firm had

neither renewed the Bank Guarantee nor extended the validity of Insurance Policy against these works correspondance had been made with the firm to expedite the works, but the firm did not proceed for further works. Being the firm is registered with the Directorate of Industries as SSI unit this Directorate could not terminate the work order as awarded to them. The vessels sunk due to lapses on the part of the Ship builder since the same were under their custody. It is a fact that, the firm failed to complete the construction work of the vessels in due time and thus failed to deliver the vessels to the Department. After the expiry of the proprietor of M/s. Tru Steel Product, who expired during May 2000, no initiation had been found to be taken from the Ship builder end. The Department had executed all sort of operation to rescue the vessels alongwith the Engines & Gear Boxes. However the engines and gear boxes could be recovered from the sunken vessels including a portion of superstructure by cutting and removing from the sunken boats, which may be treated as scrap materials. Further, the Government in Transport Department vide their letter No.TWT 21/2005, Dated Dispur, the 6th September 2006 directed to file a Civil suit against the Firm M/s. Tru Steel Products for recovery of Government Money and to claim damages in connection with above 3-(three) Sunken Vessels. Accordingly, this Directorate had made correspondence with the Standing Counsel, Transport, Government of Assam Gauhati High Court, Guwahati for filling a Civil Suit against the Firm vide this office letter No.DWT(T) 1/95/Pt-II/180, Dated 22-09-2006.

OBSERVATIONS/RECOMMENDATIONS

2.9 After going through the written reply and oral deposition of the departmental witnesses the Committee observes that there was lapses on the part of both the parties i.e. the department and the builder. The department due to paucity of fund could not settle payment to the firm in regards to the construction of the vessels. The builder also allowed the bank guarantee and insurance coverage to lapse. The Committee recommends that in order to avoid further loss of Government money, the department should file a suit in the court and action taken in this regard may be intimated to the Committee within 30 days from the date of presentation of this report before the House.

Chapter – III

Social Welfare Department

Infructuous expenditure

(Audit Para 4.1.3/CAG(Civil)/2004-2005/(P-72)

3.1 The audit has pointed out that after scrutiny (June 2003) of records of District Social Welfare Officer (DSWO), Nagaon and subsequent collection (June 2005) of information revealed that the workshop became non-functional from 1990 due to lack of requisite raw materials/funds for imparting training to the blind persons as well as for running and maintenance of the workshop. Consequently, all the 20 staff (including 13 blind trainers) deployed for providing training to the blind were rendered idle since 1990 due to the Department's failure either to provide requisite materials/funds to DSWO or to re-deploy the idle staff on gainful alternative jobs. Thus, due to the apathy of the department towards training and rehabilitation of the blind persons, the DSWO had incurred an infructuous expenditure of Rs.48.20 lakh on pay and allowances of 20 idle staff during the period of 2000-2005.

3.2 The department by their written reply has stated that the Sheltered Workshop for Blind, Nagaon was set up with the objective of opening up facilities for Blind Persons to undergo training in various gainful trades which suit to the blind persons. Performance or progress must be looked upon from a different angle and may not be drawn parallel with institution or workshop for normal persons. They are trained by special method and allowed to proceed according to their own pace. No time bound course is suitable for them, So, ratio of teacher – trainee is not the create followed as is normal institution. For instance to train up a single blind person in trade of soap making , more than two instructors may become necessary to be engaged. One teacher always need to be alert on the mobility aspect of the blind trainees. So, it cannot be inferred that teacher – trainee ratio existing in Sheltered Workshop for Blind, Nagaon is irrational. The expenditure details from 1990-1991 upto 2007-08 and list of raw materials procured in the year 2005-06 have been obtained from District Social Welfare Officer, Nagaon. The report of the District Social Welfare Officer, Nagaon is reflective of the fact that the Sheltered Workshop for Blind has been re-activated and 8 nos. of blind persons

undergoing training as on date and step have been taken to accommodate at least 7 to 10 trainees more. Thus, during the period of 2000-2005 activities in the Sheltered Workshop for Blind, Nagaon, were at low key but not non-functional.

OBSERVATIONS/RECOMMENDATIONS

3.3 The Committee is satisfied with the reply of the departmental witnesses and decided to drop the para.

Irregular expenditure

(Audit para.4.5.7/C & AG(Civil)/ 2005-2006/(P-163-164)

3.4 The audit has pointed out that a test-check (July 2005) of records of the Director, Social Welfare (SW), revealed that out of Rs.30 lakh, an expenditure of Rs.3.07 lakh was incurred (May-July 2004) for clearing outstanding bills for the year 1991-92 and Rs.26.89 lakh was utilized for payment of outstanding bills of 1993-94 and 1994-95 violating Government instruction of June 2003 for surrendering the balance fund. Thus, expenditure of Rs.26.89 lakh incurred towards clearance of outstanding liabilities of subsequent years was irregular and violative of Government orders. Also it is evident that the scheme was not implemented in 1991-92 in accordance with the target fixed by the Government as only Rs.13.07 lakh (out of Rs.40 lakh) could be utilized for the year 1991-92. Further, the Public Accounts Committee (PAC) in its Seventy Third Report placed before the Legislature on 15 May 1998 observed that the Departments committed gross irregularities by drawal of funds from Consolidated Fund and transfer thereof to Public Accounts (Revenue Deposit). The PAC vide Para 2.13 of the said Report recommended early release of all diverted funds by the Finance Department for utilization by Departments on intended purpose. The Finance Department too in its order of February 1999 instructed all the Drawing and Disbursing officers to deposit by end of February 1999 all forms of unutilized money out of drawal made upto 1997-98 to Government exchequer under the relevant heads of accounts. Thus, while the Finance Department had ignored the PAC recommendations and their own instructions by not releasing Rs.30 lakh for RD to the SW Department for utilization or for refund to Government exchequer by end of February 1999, the Director, SW also flouted the Government instruction by not depositing the entire unutilized amount to the Government account. The irregularities were further compounded by irregular release of Rs.30 lakh from RD in December 2000 by the Finance Department.

3.5 The department by their written reply has stated that for implementation of wheat based Nutrition Programme Government accorded sanction to an amount of Rs.40.00 lakhs during the year 1991-92 vide sanction order No.SWD.295/85/361,dt. 30-03-92.The amount was drawn on 31-03-92 and kept in the form of D.C.R. As per office

record the entire drawn amount of Rs.40.00 lakhs was deposited in the Revenue Deposit (R.D) Account of Govt. on 20/06/92. Thereafter an amount of Rs.10.00 lakhs was withdrawn on 12-12-96 from the R.D.Account of the Govt. apparently under clearance of Finance (Budget) Department vide No.BB/2/28/96/1, Dt.28-1-96. The amount of Rs.10.00 lakhs so withdrawn was utilized in the programme during 1996. The balance amount of Rs.30.00 lakhs was withdrawn from R.D.Account of Govt. on 19-01-2001 apparently released by Finance Department vide order No.,BB.2612/97/9, dt. 18-12-2000 and kept in the D.C.R. As per Govt. instruction conveyed vide No.SWD.144/2003/8, dt. 12-06-03 steps were initiated to check the outstanding bills and thereafter to surrender any amount if not cover by outstanding bills. While this exercise was under process and almost in the final stage, instruction was received from Government in Social Welfare Department vide No.SWD.103/92/290, dt. 19-11-03 to settle the claim petition pertaining to outstanding bills of Shri Sumanta Bhattacharjee and 3 others and as well as one Shri Faizur Rahman Laskar. In between Government called for the relevant file of outstanding bills vide No.SWD.103/92/289, Dt. 10-09-03 and Government return the same with instruction stated above. Pursuant to Government instruction stated above outstanding bills of petitioner for the year 1993-94 & 1994-95 were paid after due verification of bills, challans, etc. Therefore, the Directorate took action as per Government instruction and cannot be construed to have violated the Government instruction of the June, 2003. The wheat base Nutrition Programme is implemented basically on coverage of feeding days. The amount of Rs.40.00 lakhs sanctioned during 1991-92 was for implementation of the scheme in 18 nos. of ICDS Project to cover 73 days @ Re. 0.30 per beneficiary. As per record the scheme could be implemented to cover 23 days only and payment was accordingly made. The Social Welfare Department deposited drawn amount of Rs.40.00 lakhs in the Public Account Revenue Deposit as per instruction of Finance Department and again withdrawn from the Public Account R.D., subsequently with Finance Department clearance. As already state above the Director of the Social Welfare initiated step to deposit the entire unutilized amount to the Government account but had to utilized the of Rs.30.00 lakhs under instruction from the Government.

OBSERVATIONS/RECOMMENDATIONS

3.6 The committee observed that Finance Department in its order of February, 1999 instructed all Drawing and Disbursing officers to deposit by end of February, 1999 all forms of unutilized money out of drawal made upto 1997-98 to Government exchequer under the relevant heads of Accounts. The Finance Department violated its own instruction by not releasing Rs.30.00 lakh for R.D. to the Social Welfare Department for utilization or refund to Government exchequer by end of February, 1999. The Social Welfare Department violated Finance instruction by not depositing the unutilized amount to the Government Account. The Committee on Public Accounts fails to understand as to why the Finance Department and the Social Welfare Department violated the recommendations made by the PAC in its 73rd report as well as Finance Department order dated February, 1999. The Committee, therefore, recommends that the said department should submit a report to the Committee within 30 days from date of presentations of this report before the House.

Chapter – IV

Handloom and Textile Department

Unproductive expenditure

(Audit Para 4.3.3/C & AG(Civil)/2005-2006/(P-151-152)

4.1 The audit has pointed out that a test-check (July-August 2005) of records of the Managing Director, Assam Apex Weavers and Artisans Co-operative Federation Limited (ARTFED), Guwahati and subsequent collection (June 2006) of information revealed that the Powerloom Production Centre and its preparatory plant at Bamunimaidan, Guwahati stopped functioning from April 2001 as all the powerlooms and accessories became unserviceable. Though the Project remained non-functional, the Federation continued to entertain 39 staff (10 regular + 29 casual) without utilizing their services. During 2001-02 to 2005-06 the Federation incurred expenditure amounting to Rs.90.37 lakh towards salaries and wages of those idle staff, which proved to be unproductive. The Senior Manager (Finance and Accounts), ARTFED stated (August 2005) that the services of these staff were utilized in other works, such as exhibition, expo, stores etc. The reply is not tenable, as the Federation could not produce any documentary evidence in support of their actual engagement. The matter was reported to the Government in April 2006. In reply, the Government stated (October 2006) that two establishments of ARTFED at Bamunimaidan were currently running. The reply is not acceptable as same is not supported by production figures. Fact is that all power looms and accessories had become unserviceable.

4.2 The department by their written reply has stated that regarding unproductive expenditure, it is to state that since non functioning of Powerloom Production Centre and its preparatory plants, the services of 10 nos. Regular Employees and 29 nos. contract weavers have immediately been transferred and posted in various Sectors, Branches and Production Centres as per order No.ARTFED/STM/02/94-95/144 Dated 14-12-05 . Pay Roll etc. so maintained under the head of account of powerloom has also immediately been discontinued since pointed out by audit with effect from 01-12-2005. Further it is also stated that salary & wages of above employees have been paid from ARTFED's own fund.

OBSERVATIONS/RECOMMENDATIONS

4.3 After going through the written reply and oral deposition of the departmental witnesses, the Committee is satisfied and decided to drop the para.

Non-realisation of value of yarn

(Audit Para 4.5.3/C & AG(Civil)/2005-2006/(P-159)

4.4 The audit has pointed out that a test-check (July-August 2005) of records of the Managing Director, ARTFED revealed that without entering into any formal agreement, ARTFED had issued yarn valued Rs.3.51 crore to 284 Primary Weavers Co-operative Societies (PWCS) for production of finished goods like Dhoti, Chadar, Mekhela etc., on payment of wages to artisans/societies at the item rate of finished products during 1997-2004. Of these, 70 PWCS supplied finished products containing yarn valued at Rs.22 lakh leaving a balance of yarn valued Rs.3.29 crore with 214 PWCS as of August 2005. ARTFED did not take any initiative either to obtain the finished goods from the societies concerned or to realize the value of yarn, which was outstanding for periods ranging from one to eight years with the societies as of August 2005. In reply to the audit objection, ARTFED stated (August 2005) that steps would be taken to recover the value of yarn from the societies. The matter was reported to the Government in April 2006. In reply, the Government stated (October 2006) that out of Rs.3.29 crore, Rs.1.25 crore was realized till March 2006. Thus, Rs.2.04 crore is yet to be realized from the affiliated societies.

4.5 The department by their written reply has stated that according to the para, yarn for Rs.328.73 lakh was issued to various primary weaving co-operative societies for production of Handloom fabrics and for products but back by the ARTFED adjusting repayment dues regularly. In this connection it is to be stated that apart from realized value of Rs.1,47,61,952.00 upto 2005-06, the balance of the following yarn value has been realized during the year as detailed below :-

1. 2006-07	-	amount realized	Rs. 96,21,731.00
2. 2007-08	-	amount realized	Rs. 46,07,915.00
3. Already realized upto 2005-06			Rs. 1,47,61,952.00
Total			Rs. 2,89,91,598.00

The realization of balance outstanding of Rs.70,97,000.00 has been continuing and expected to complete the same within this financial year of 2008-09.

OBSERVATIONS/RECOMMENDATIONS

4.6 The Committee heard the oral deposition of the departmental witnesses and recommends that the process of recovery of the balance outstanding amount of Rs. 70,97,000.00 may be completed within the financial year 2008-2009 and a report may be submitted to the Committee within April, 2009.

Annexure-‘A’

COMPOSITION OF THE OUT GOING COMMITTEE

(2006-2008)

Chairman:

1. Shri Brindaban Goswami

Members:

- 2. Shri Sarat Borkotoky**
- 3. Shri Rameswar Dhanowar**
- 4. Shri Gobinda Chandra Langthasa**
- 5. Shri Abdul Khaleque**
- 6. Shri Rajib Lochan Pegu**
- 7. Shri Padma Hazarika**
- 8. Shri Phani Bhusan Choudhury**
- 9. Smti Kamali Basumatari**
- 10. Shri Parimal Sukla Baidya**
- 11. Shri Jagat Singh Engti**
- 12. Shri Anwarul Hoque**