

PAC - 131

COMMITTEE ON PUBLIC ACCOUNTS
(2009-2011)

HUNDRED AND THIRTY FIRST REPORT



सत्यमेव जयते

(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 1985-86,
1987-88, 1992-93, 1993-94 AND 1994-95
RELATING TO
FOOD & CIVIL SUPPLIES AND CULTURAL AFFAIRS,
DEPARTMENTS, GOVERNMENT OF ASSAM.**

Presented to the House on 08-02-2011.

**ASSAM LEGISLATIVE ASSEMBLY SECRETARIAT,
DISPUR : GUWAHATI-781006.**

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(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, Principal Secretary
2. Shri B. Basumatari, Additional Secretary.
3. Shri P.K.Hazarika, O.S.D
4. Shri K. Rahman, Protocol Officer.

(ii)

PREFATORY REMARKS

I, Shri Phani Bhusan Choudhury, Chairman, Committee on Public Accounts, Assam Legislative Assembly having been authorized to submit the report on its behalf present this Hundred and Thirty First Report of the Committee on Public Accounts on the Audit paras contained in the Reports of the Comptroller and Auditor General of India (Civil) for the years years 1985-86, 1987-88, 1992-93, 1993-94 and 1994-95 pertaining to the Food & Civil Supplies and Cultural Affairs Departments, Government of Assam.

2. The Reports of the Comptroller and Auditor General of India (Civil) for the years years 1985-86, 1987-88, 1992-93, 1993-94 and 1994-95 was laid before the House on 7th June, 1989, 21st December, 1992, 15th March, 1995, 18th September, 1995 and 15th June, 1996.

3. The Report mentioned above relating to the Food & Civil Supplies and Cultural Affairs Departments were considered by the Committee in their sittings held on 20th May, 2010

4. The Report of the Committee on Public Accounts as finalized and approved by the Committee in its meeting held on 28-01-2011 for presentation before the House.

5. The Committee has 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 Departments.

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.

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

Dispur:
The 28th January, 2011

PHANI BHUSAN CHOUDHURY
Chairman
Committee on Public Accounts.

The Report

CHAPTER - I

FOOD AND CIVIL SUPPLIES DEPARTMENT

Excess payment on purchase of GCI Sheets

(Audit para 3.13/ C &AG(Civil)/1985-86/P-42-43)

1.1 The audit has pointed out that the Director of Food and Civil Supplies finalised the purchase price of a bundle of GCI sheets weighing one quintal (100 Kgs) from a local supplier, at Rs. 1049 in August 1984 and at Rs.1283 in March 1985 in accordance with the prevailing market price. This price was fixed by adding elements of tax, transportation charges and a margin of profit (5 per cent) to the prevailing market price of a well known manufacturer without inviting quotations. The department purchased 2158 bundle at these rates incurring an expenditure of Rs.24.28 lakhs. The bundles were, however, found to weigh only 75 Kgs as against the requirement of 100 Kgs each. In terms of weight, these bundles of 161.8 tonnes were valued only at Rs.18.22 lakhs. The purchases, therefore, led to an excess payment of Rs.6.06 lakhs. The matter was reported to Government in July 1986 but reply given in March 1987 did not clarify how full payment was made for bundles weighing only 75 Kgs each instead of 100 Kgs.

1.2 The department by their written replies has stated that the a) as stated in the Audit Notes, Rs.11,645.00 was not the prevailing market price of TATA .G.C.I Sheets, Rs.11,645.00 was the Company price as announced by the TATA Iron & Steel Co. Naturally the market price will be higher than the company price of Rs.11,645.00 per M.T. Attempts were made to obtain the requirements of .G.C.I. sheets from TISCO. But the company expressed their inability to supply the G.C.I. sheet due to their heavy commitment to other priority sectors. As a result the G.C.I. sheets could not be obtained from TISCO and had to be purchase from private parties. In such a situation the question of avoidable expenditure of Rs. 2,56,767.00 for not purchasing the G.C.I. sheets from TISCO can not arise. B) In this case also, constant contact was made with TISCO for obtaining the requirement of G.C.I. Sheets from them. But in every time they expressed their inability to supply our requirement due to their heavy commitment to other priority sectors like Defense etc. and also due to low production due to some constraints. Trade Adviser and Director of Movement, Government of Assam, Calcutta also intimated this

Department in this letter No.TAM.91/84/3/6758, 19-09-84 that TISCO would not be able to meet our requirement. As a result this Department had to purchase the C.I sheet from private's parties. In such a situation the question of avoidable expenditure of Rs.3,15,781.84 for not purchasing the C.I. Sheets to from TISCO can not arise. (i) Though quantity were not invited formally the market price of G.C.I. sheets were collected by deputing responsible Officers C.I. sheets in the market are sold in each basis and the dealers are no willing to supply on credit. As such, for purchase of C.I. sheets from the supplier on credit negotiation had to the made with some supplier ans persuaded. The market prises during July'83 was found to be Rs.1150/- to 1200/- per bdls. Of 50 mm imported C.I. sheets 75-80- Kg weight and on March/85 the market prices for same quality of C.I. sheets was Rs.1310/- Rs.1320/- against these market price the supplier was offered Rs.1049/- and Rs.1283/- respectively. ii) As already stated in (i).above, the market prices of 50 mm imported C.I. sheets of 75-8- kg weight in March/85 was Rs.1310/-1320/- per bdls. For facilities of analysis of Rates the company price of Tata was taken as base price though the market prices are always higher than the company price. The price of Rs.1283/- per bdls. Offered to the supplier included the transportation cost from Guwahati to different Relies Camps. Regarding the addition of 5% over the TATA prices it is stated that the suppliers are to invest a considerable amount of money for purchasing the C.I. sheets for supply to Government Department on credit suppliers can not export to get the payment from the Government on the date o supply. Misc expenditure are al ways to be incurred by the suppliers on the entries deal. Besides every business concerns main purpose is to earn some profit. Hence 5% was allowed to the supplier to over the misc expenditure involved and to get some return on his investment etc. In all sorts of analysis of rates some percentage is allowed to cover up the miss expenditure and return on investment. (iii) As stated in (ii) above this 5% was allowed to cover the misc expenditure and return on investment. As the supplier was not a manufacturer, he had to pay the A.F.T. at the time of supply to the Govt. As a result his purchase price was considered as actual price plus A.F.T paid on such price. Hence there is no over payment of Rs.1732.50 and Rs.42888.85 as stated to the Audit Note Para.(iv) This Sub Para has already been included in Audit Notes, For the period 7/82 to 9/84 vide Para 3 of Pt-II-B. An amount of Rs.3,14,78,250.00 was paid to TISCO being the value of 3671.430 MT. against which they supplied 3656.895 M.T.thereby leaving Rs.2,35,543.00 unadjusted. Against this TISCO has refunded an amount of Rs.1,10,345.96 for recovery of the balance amount of necessary correspondence has already been made.

Similarly SAIL was paid Rs. 4,65,14,235.00 for 5147M.T. against which they supplied 5045.215 M.T. there by leaving an amount of Rs.11,07,916.22 unadjusted. Out of this amount SAIL has refunded Rs.9,78,698.21 which has been deposited to the Treasury under challan 1 dt.19/8/85. Hence, the actual avoidable expenditure of Rs.5.73 lakhs instead of Rs.6.06 lakhs.

OBSERVATIONS/RECOMMENDATIONS

1.3 The Committee is satisfied with the submission of the departmental representatives and decided to drop the para.

Avoidable expenditure

(Audit Para 3.12/C & AG(Civil)/1993-94(P-56)

1.4. The audit has pointed out that the Food and Civil Supplies Department decided (20 November 1990) to issue Family Identity Cards (F.I.CARDS) exclusively for delivery of Superior Kerosine Oil (S.K.Oil) to the consumers of greater Guwahati. In pursuance of this decision, the Government issued instructions (January 1991) to the Director, Food and Civil Supplies Department to print 4 lakh F.I.CARDS from private presses and subsequently sanctioned (August 1992) Rs. 12.80 lakhs for the purpose. The amount was drawn and paid to two private presses in August 1992. It was, however, noticed by Audit (January 1993) that the Deputy Director, Food and Civil Supplies Department, Guwahati in consultation with the Deputy Commissioner, Kamrup intimated (September 1991) the Director of Food and Civil Supplies that no separate F.I.CARDS for S.K.OIL was necessary. The entire lot of F.I.CARDS was lying unutilized and as per the Government directive issued in January 1993 to utilise these F.I.CARDS as general public distribution cards, the Directorate of Food and Civil Supplies sent 1.27 lakhs F.I.CARDS (Rs.4.07 lakhs) to various districts/sub-divisions up to March 1993 leaving a balance of 2.73 lakhs F.I.CARDS worth Rs.8.73 lakhs. Information regarding actual distribution of 1.27 lakhs F.I.CARDS to the districts/sub-divisions was not available on record of the Directorate. Thus the Government incurred an avoidable expenditure of Rs.12.80 lakhs for printing of F.I.CARDS (S.K.OIL) while existing F.I.CARDS could have served the purpose.

1.5 The department by their written replies has stated that the Govt. had sanctioned for Rs.12.80 lakhs for printing of F.I.Card (S.K.oil) vide letter No.SDA.112/90/69 dated 5.8.92. Accordingly this Directorate had been printed 4 lakhs F.I.Cards meant for the S.K.oil F.I.Cards consumers. It may be mentioned here that the 4(four) lakhs S.K. oil F.I.Card have been distributed to the all DC's/SDO's for use as P.D.S. card @ Rs.3.20 per card as per instruction of Govt vide letter No.SDA.112/90/107 dated 6.1.93 and the sale process have been deposited in Govt.Account through the Treasury Challan. Hence, the amount of Rs.12.80 lakhs is not incurred as avoidable expenditure by the department.

OBSERVATIONS/RECOMMENDATIONS

1.6 The Committee observes that the F.I. cards were printed by the Deputy Director, Food & Civil Supplies Department, Guwahati for use in the greater Guwahati as such how this can be used in other districts/sub-divisions. The Committee, therefore, directed the Department to submit a report in this respect with a copy to the A.G.(Audit), Assam as to how F.I. cards printed for greater Guwahati can be used in different districts within one month and also to furnish a copy of the Treasury Challan depositing the amount of Rs. 12.80 lakhs. Action taken in this regard may be intimated to the Committee within 3 months from the date of presentation of this report before the House.

Avoidable payment of Godown rent**(Audit para 3.13/C&AG(Civil)/1993-94/(P-57)**

1.7 The audit has pointed out that the Superintendent of Supply, Nalbari hired 4(four) godowns at Nalbari from January 1964 to October 1969 for storage of wheat. Due to failure to pay rent totalling Rs.0.29 lakh by the Department, the owner served a notice under section-80 of the Civil Procedure Code followed by a civil suit in 1970 for realisation of Rs.0.31 lakh (including interest). In January 1975 the Assistant District Judge No.1, Guwahati issued a decree for payment of total rent of Rs.0.95lakh within 3 months together with interest of 6 per cent for the date of payment. Following an appeal by the owner in March 1975 the Guwahati High Court in its judgment in January 1989 ordered the Department to pay a total of Rs.1.88 lakhs (at Rs.4322.40 per month for 4 godowns).Accordingly the Department paid Rs.1.88 lakhs to the owner in May 1992 being the decretal amount. No action was taken to fix responsibility for delay in settlement of godown rent for over 20 years which resulted in avoidable expenditure of Rs. 1.59 lakhs. The Department Stated in April 1994 that while standard rent was being fixed through proper authority (Public Works Department) the matter became subjudice and rent could not be fixed. Thus the delay in fixing the standard rent resulted in extra payment.

1.8 The department by their written reply has stated the decrial amount of Rs.1.59 lakhs excluding original rent of Rs.0.29 lakhs totaling to Rs.1.88 lakhs had been payment as godown rent as per Hon'ble Gauhati High Court against the money execution suit case No.29/89. The aforesaid amount had been sanctioned by the Government vide letter No.SDS.230/90/78 dated 28-3-92. It is to be mentioned here that no appropriate action had been taken against erring official who was responsible for delay in settlement of godown rent for over 20 years which resulted in available expenditure of Rs.1.59 lakhs. The official concerned expired after retirement from service. As such there is no scope of taking further action against those official and no opportunity of showing show cause against erring official at this stage.

OBSERVATIONS/RECOMMENDATIONS

1.9. The Committee observes that the case is very old and the official concerned expired after retirement from Government service. The Committee, therefore, decided to drop the para with a stricture that Department should be careful so that such cases do not recur in future.

Implementation

(Audit sub-para 3.18.6/ C& AG(Civil)/1994-95/(P-103)

1.10 The audit has pointed out that as per norm fixed by Government of India, at least 20 kgs. of food grains per month should be made available to each household living in the identified areas. On these basis, a static requirement of 10.900 tonnes of rice per month was worked out by the State Government. Against this the allotment by the Government of India stood between 3420 tonnes per month from July 1992 to October 1993 and 3830 tonnes per month up to February 1995. Full quota of 10,9000 tonnes rice was allocated during March 1995 only. Reason for non release of balance quota of rice during the period up to February 1995 were not stated. Further, it was also seen that even the quantity so allocated was not fully lifted by the GPSS/LAMPS. An analysis of trend of lifting in these three years had shown that lifting in 1992-93, 1993-94 and 1994-95 was 61 percent, 48 per cent and 47 per cent respectively. A statement showing monthly position of demand, allocation and lifting for the period 1992-93 to 1994-95. Thus, due to less allocation of rice by Government of India, and non-lifting of allotted quantities in full by GPSS/LAMPS, the beneficiaries were not provided with the required quantities of rice as intended in the scheme. Monthly average issue of rice to each family ranged between 3.09 kgs.(1994-95), and 3.83 kgs.(1992-93) against 20 kgs resulting in non-achievement of the desired objective. Reasons for short lifting were attributed by the Deputy Commissioners (Supply) mainly due to (i) unsound financial position of the GPSS/LAMPS,(ii) non-availability of stock in the FCI Godowns. Audit, however, observed that the State Government had engaged the agencies for lifting of rice from FCI without formulating proper action plan to maintain uninterrupted flow. According to the scheme, the State Government was responsible for providing credit facilities to the GPSS/LAMPS. However, it was seen that no action was initiated by the State Government to provide such benefit to GPSS/LAMPS which directly resulted in short lifting.

1.11 The department by their written reply has stated that the as Govt of India could not release full quota rice. Hence beneficiaries could not be provided rice as per requirement.

OBSERVATIONS/RECOMMENDATIONS

1.12 The Committee observes that the P.A.G. (Audit), Assam who was present in the meeting of the Committee held on 20/5/2010 pointed out that for the last 3 (three) years no request for specific allocation has gone to the GOI. Had the State Government of Assam made a request to the Government of India for this, the Government of India would have definitely considered it. Therefore the Committee directed the Department to move the GOI to fulfill all the requirement so that shortage of essential commodities can be removed and that such lapses do not recur in future. The Committee however, decided to drop the para.

Family Identity Cards (FIC)

(Audit Sub-para 3.18.7/C&AG(Civil)/1994-95/(P-103-104)

1.13 The audit has pointed out that the according to guideline of the Government of India all the identified population under RPDS were to be issued FI Cards. It was noticed in Audit that the population figures adopted by the Government of Assam for this scheme were based on 1971 census and not on 1991 census. These figures were collected from the Welfare of Plain Tribes and Backward Classes Department (WPT & BC). Out of 5.45 lakh families the Department had fixed a target for issue of F.I.Cards to 3.63 lakh families during the year 1992-93 : against which F.I.Cards to 0.13 lakh families (4 per cent) only were issued as of April 1995. The Department stated (May 1995) that the identity cards to remaining 5.32 lakh families could not be issued due to shortage of fund for printing the FIC. And as such no target for subsequent years had been fixed. However, the Department stated that the remaining families were getting the benefits of RPDS rice either through ration cards issued to them by GPSS/LAMPS or through a register maintained for the purpose. Under such system of distribution scope for mis utilisation of RPDS rice cannot be totally ruled out. Thus, decision to implement the scheme without ensuring issue of cards to all the identified families reflected serious deficiency in planning and non-achievement of the objective of elimination of bogus cards. The Government stated in November 1995 that the preparatory work for the scheme had to be completed prior to 1992 and as such population figures as per 1991 census was not available at that time. Besides, the family identity cards could not be issued for want of fund for printing the cards.

1.14 The department by their written reply has stated that RPDS population figures were collected from Welfare of Plains Tribes and Backward Classes Department which was based on 1971 census. The population of RPDS as per 1991 census was awaited from the above department. F.I Cards could not be issued due to paucity of fund.

OBSERVATIONS/RECOMMENDATIONS

1.15 The Committee is satisfied with the departmental representatives and pleased to drop the para.

Storage facilities.

(Audit Sub-para 3.18.8/C & AG(Civil)/1994-95/(P-104-105)

1.16 The audit has pointed out that according to the Director, the existing 59 godowns with storage capacity ranging from 50 to 400 tones available under different GPSS/LAMPS were quite adequate for storage of the required quantity of rice in RPDS areas. Records, however, revealed that total storage capacity available under all the 59 godowns was only 9220 tonnes against montly requirement of 10,900 tonnes. Moreover, in 10 blocks (Diuangmukh, Diyang Valley, Harangajaw, Jatinga Valley, Bhurbandha, Kapli, Mayang, Laharighat Tengakhat and Matia) in the districts of N.C.Hills, Nagaon, Morigaon, Dibrugarh and Goalpara districts there were no facilities for storage available with the GPSS/LAMPS. In case of some block areas the montly requirement of RPDS rice was substantially more than the existing storage capacity of godowns as indicated below :

Name of the District	Name of the block	Monthly require ment of rice	Storage capacity of godown
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(In tonnes)

Goalpara	Dudhnoi	405	100
Karbi Anglong	Howaghat	394	200
- do -	Lumbazong	344	200
- do -	Joochairh	274	100
Kokrajhar	Dotoma	305	100
- do -	Kokrajhar	474	300
Dhemaji	Murkangselek	287	150
Sonitpur	Chariduar	256	100

The Department failed to specify mode of storage of RPDS rice in these areas. The State Government had not availed of the benefit of loan from Central Government for the construction of go-downs to meet the above shortage of storage facility.

Godowns of G.P.S.S/LAMPS were sufficient to keep the RPDS rice..The departmental representatives in their oral deposition before the Committee stated that FCI is constructing 55000 MT capacity warehouse in Changsari and State Government warehousing corporation is building 19 godowns at various places. Construction of 13 godowns have been completed and Chief Secretary also said all the Deputy Commissioners to allocate land and to provide storage capacity.

OBSERVATIONS/RECOMMENDATIONS

1.18 The Committee is satisfied with the reply of the Department and decided to drop the para.

Additional expenditure on transportation of rice passed on to beneficiaries instead of being borne by State Government.

(Audit Sub-para 3.18.9/C &AG(Civil)/1994-95/(P-105-106)

1.19 The audit has pointed out that according to decision communicated by GOI in May 1992 the end retail price of RPDS rice should be kept within a margin of Rs.25.00 over Central Issue Price per quintals. This margin of Rs.25.00 is to cover transportation/handling charges (Rs.10.00) of Sub-wholesaler (i.e.GPSS/LAMPS) and profit margin (Rs.15.00) of retailers (i.e.FPS). The GOI also emphasised that in exceptional cases, if these costs could not be covered by Rs.25 per quintal, the additional expenditure involved was to be met by the State Government from their own funds. It was noticed during text-check (April-May 1995) that the GPSS were charging higher rates of transport ranging from Rs.16 to Rs.73 per quintal than the admissible amount (Rs.10) from retailers . The extra expenditure involved in these cases was ultimately passed on to the consumers instead of meeting the excess cost of transportation by the State Government. Alternatively the State could have availed of the 50 per cent subsidy available for the purchase of mobile vans for transportation of food grains to the FPS. Inaction in this respect resulted in non achievement of the main objective of providing essential commodities at affordable prices to the common man. The Department had not investigated the reasons for excessive transportation charges. Also no action was taken by the State Government to meet the extra cost on this account. The Government stated in November 1995 that it was not in a position to bear additional transportation charges.

1.20 The Department by their written reply has stated that in view of financial constrain the extra expenditure on transportation/margin allowed by Govt.of India could not be met by the State Government so, Government of India was moved from time to time to increase the margin. The Principal Secretary, Food & Civil Supplies Department in his oral deposition stated that Finance Department always cut whatever budget is sent to it proporsenately. The Committee had then instructed the Principal Secretary, Food & Civil Supplies Department to submit the details to the Finance Department regarding this matter for obtaining a reply from the

OBSERVATIONS/RECOMMENDATIONS

1.21 The Committee observes that the budget provision which is directly connected with poor people should not be cut. These people should not be affected in any way. The Committee therefore, decided to drop the para.

Chapter-II

Cultural Affairs Department

Premature drawal of money

(Audit para 3.9/C & AG(Civil)/1987-88/P-68-69)

1 The audit has pointed out that money should not be drawn from treasury unless it is required for immediate disbursement. It was, however, seen that for holding a festival of traditional song and dances of Assam in November 1986 at New Delhi in collaboration with Sangeet Natak Academy the Government sanctioned (August 1986) Rs. 1.40 lakhs and despite refusal (November 1986) by the Academy to hold the proposed function in 1986-87 the Director of Cultural Affairs drew (March 1987) the amount and retained the same in hand (January 1989). Again, in August 1986 the Government sanctioned an amount of Rs. 2.98 lakhs for the purpose of holding a cultural show at London to present traditional dance and music of Assam. Despite non-finalisation of modalities and preliminaries of the proposed show the Director of Cultural Affairs drew the amount in March 1987 and retained it in hand (January 1989). The department stated (January 1989) that the programme for putting up the cultural show at London had been cancelled and the programme for cultural show at New Delhi in collaboration with Sangeet Natak Academy had been fixed for March 1989. As a result of holding Rs. 4.38 lakhs in hand for 1 year 10 months (April 1987 to January 1989) Government lost Rs. 0.72 lakh as interest calculated at the rate of 9 percent per annum as charged by the Reserve Bank of India on ways and means advance drawn by the State. Due to keeping of such large amount in hand, the possibility of misappropriation cannot be ruled out. The matter was reported to Government in March 1988; reply has not been received (December 1989).

The department by their written reply has stated that as regards para 3.9 of 1987-88 it may be mentioned that during that period Sri Manabendra Bhattacharya was the Cashier of the office of the Directorate of Cultural Affairs. The Cashier was placed under suspension. It may be mentioned that the cash Book was not handed over by Mr. Manabendra Bhattacharya to his successor Sri Jagadish Mahanta. As such the actual position of drawals and subsequent utilization could not be ascertained for want of relevant records.

2.3 The Department by their further written reply has stated that on the basis of the report submitted by the Directorate of Cultural Affairs, it is found that during the period of Shri Manabendra Bhattacharya was the Cashier of the Directorate of Cultural Affairs. As has been reported he did not handover the cash book to his successor Shri Jagadish Mahanta. Under the circumstances the actual position of drawal and their subsequent utilization could be been ascertained for want of relevant records.

OBSERVATION/RECOMMENDATIONS

2.4 The Committee recommends that the departmental enquiry should be made, responsibility should be fixed against erring officers/officials and a detailed report may be submitted to the Committee within 30 days from the date of presentation of this report before the House.

Unfruitful expenditure

(Audit para 3.13/C & AG (Civil)/1992-93/P-71)

2.5 The audit has pointed out that in October 1990 the Director of Cultural Affairs purchased 12 Prints (from master negative) of the film 'Jyoti Prasad and Jaymati' in Black & White 16 mm valued at Rs. 1.62 lakhs (at Rs. 13.500 per print) and retained the same in stock. The condition of the film had not been tested. Reasons for purchased of 12 prints at a time and the proposed mode of utilisation of the film were not furnished. The film had not been screened during the last two years. Thus the expenditure proved unfruitful. In reply to audit query the Director of Cultural Affairs stated (November 1992) that every endeavour would be made now for exhibition of Jyotiprasad and Joymoti at the State and National levels.

2.6 The Department by their written reply has stated that regarding this Audit objection, it may be stated that as per the report submitted by the concerned officials, it is known that 12 Nos. of prints of the film 'Jyotiprasad and Joymati' was purchased during the year 1990 and was kept in the cold storage of Jyoti Chitraban Film Studio. It is also urgent that the film was screened on "Silpi Divas" every year at various places of the State. It is also seen from record the said documentary film was screened in the International Film Festival held at Siri Fort, New Delhi on 19th July 2009.

2.7 The Department by their further written reply has stated that in this regard it may be stated that 12 (twelve) Nos. of prime of Jyoti Prasad and Joymati were made considering the fact that it was the first Assamese film to be produced and is of significant importance from the cultural point of view. The film was screened in the International Film Festival held at Sir fort, New Delhi on 19th July 2009. Noted film maker, Altaf Mazid had successfully screened the constructed version of Jyoti Prasad Agarwal's Joymati (1935) in the 10th addition of Osians Cinefan Festival of Asian & Arab Cinema. The 12 Nos. of prints of the film 'Jyoti Prasad and Joymati' has been left in the cold storage of Jyoti Chitraban Film Studio for safe custody and preservation. The film is screened at Silip Divas almost every year at various places.

OBSERVATION/RECOMMENDATION

2.8 The Committee discussed the matter thoroughly and satisfied with the reply of departmental witnesses and hence the Committee has been pleased to drop the para.

Irregularities in handling cash**(Audit para 3.14/CAG(Civil)1992-93/P -71)**

2.9 The audit has pointed out that the a test-check (November 1992) of the accounts of the Director of Cultural Affairs revealed that according to the cash book of the Directorate there was a cash balance of Rs. 508.20 lakhs as on 28 March 1991 (Bankers cheques. Rs. 494.11 lakhs and cash : Rs. 14.09 lakhs) and thereafter no cash transaction was recorded in the cash book. A list showing a sum of Rs. 9.76 lakhs disbursed as advance out of the cash balance was outstanding whereas the actual amount outstanding was Rs. 9.83 lakhs. A new incumbent assumed charge of cash with effect from 23 August 1991 without any handing/taking over of charge of cash, and opened a new cash book with nil balance. Cash transaction, however, commenced from 3 September 1991 and continued upto 12 November 1991 when a third incumbent took over charge of cash from 7 December 1991 (there was no cash transaction between 13 November 1991 and 6 December 1991) who opened another new cash book showing opening balance of cash as Rs. 14.04 lakhs although closing cash balance on the last date of transaction i.e. 12 November 1991 was Rs. 17.46 lakhs leading to a shortage of cash of Rs.3.42 lakhs. The latest incumbent failed to write the cash book chronologically, had not closed cash book daily and had shown transaction of several days together. Cash book was not maintained by the Drawing and Disbursing Officers in the prescribed manner and there was shortage of cash which the Department has to assess by carrying out special verification and recasting of cash book. In reply to audit observation the Director stated (November 1992) that action taken in this connection would be intimated to audit.

2.10 The department by there written reply has state that the CAG's report observed that the cash book was not maintained by Drawing and Disbursing officer in the prescribed manner and there was shortage of cash which the Department has to assess by carrying out special verification and recasting of cash book. In this regard, it is stated that the special verification as suggested by the audit was not carried out at the relevant time. However Govt. may be pleased to take up with Director of Accounts or Director of Financial Inspection to carry out the special verification to assess the shortage of cash and to fix up responsibilities.

OBSERVATION/RECOMMENDATION

2.11 After threadbare discussion the Committee directed the Department to furnish latest position of the case within 30 days from the date of presentation of this report before the House.

Non completion/delivery of film

(Audit para 3.15/C & AG(Civil)/1992-93/P-72-73)

2.12 The audit has pointed out that (a) in April 1990 the Director of Cultural Affairs (DCA) paid Rs.1.85 lakhs (out of Rs.2.50 lakhs drawn in May 1984) to a producer of a film being the first installment (70 per cent) for the production of a 3 realer Eastman Color (35 mm) documentary film on Kalaguru Bishnu Prasad Rava, following an agreement signed in the same month. The agreement, inter-alia, provided for submission of (i) censored print of the film and master negative to the Directorate within 90 days from the issue of work order (January 1985) and (ii) furnishing of an authenticity certificate from the Director, Tribal Research Institute. The producer, however failed to fulfil these conditions (December 1992) of the agreement. The Director of Cultural Affairs (DCA) had not agreed to the proposal submitted by the producer, for disbursement of additional amount of Rs.2 lakhs for the work in March 1991. Thereafter, in June 1991, the Producer informed the Director of Cultural Affairs (DCA) that he had served all links with the firm with which he was associated at the time of signing the agreement. The Director stated in August 1993 that the producer had assured him that he would complete the film provided additional amount of Rs.2 lakhs was given to him. There was no record to show any action having taken by the DCA/Government in the matter. (b) The DCA drew Rs.5.50 lakhs in December 1990 for production of a coloured 60 minute duration documentary film on Folk and Traditional Dances of Assam (16 mm) and entered into an agreement in January 1991 with a producer nominated by the Government. According to provision in the agreement both the first and second installments of Rs.2.75 lakhs each were disbursed in March 1991 and May 1991 respectively, but the producer failed to deliver the completed film to the Directorate within the stipulated 90 days of payment of second installment as per relevant clause of the agreement. Receipt of the completed film was awaited (December 1992) The DCA failed to produce any record showing any action having been initiated for obtaining the film or recovery of its cost. (c) For production of a colored 45 minutes 16 mm short film Gwden Bwthwrni Mijing' (New Year's Hope) in Bodo language by a firm, the DCA drew Rs.4 lakhs in December 1990 on the basis of Government's action accorded in the same month. The agreement was signed in January 1991 and a total of Rs. 3.40 lakhs representing 85 per cent of the agreed amount was released between February 1991 and July 1991. Although, the print and negative of the film was to be submitted to the release of 3rd installment (released in July 1991) and the 4th and final installment of 15 per cent were to be released on completion of the film only, the DCA released (October 1992) Rs. 0.60 lakh representing remaining 15 per cent

on receipt of instruction from the Government (June 1992) Completed film was yet to be delivered (August 1993).

2.13. The department by their written reply has stated that (a). The then concerned Dealing Assistant was personally asked to trace out the concerned file for ascertaining the action taken by the Directorate at the relevant time. However, as the records could not be retrieved, The Dealing Assistant has requested for more time to trace out the files. (b) with regard to this objection the concerned Assistant stated that the documentary film on "Folk and Traditional Dances of Assam" was handed over to the Directorate on 14.09.1997. However, it is also mentioned that the name of the documentary film was changed as "Rhythm" (c). With regard to this para, the concerned producer of the short Bodo film "Gwen Bwrhwrni Mijing" was contacted by the office. The producer Jungian Bodoso has also admitted in writing that the documentary film could not be completed due to various reasons. The producer has submitted that the completed film will be delivered within next six month time.

OBSERVATION/RECOMMENDATION

2.14 The Committee directed the Department to intimate as to whether the completed film has been delivered in the meantime. A report in this regard may be submitted to the Committee within 30 days from the date of presentation of this report before the House.

Undue Financial aid to supplier**(Audit para.3.5/C & AG (Civil)/1992-93/P-45)**

2.15 The audit has pointed out that in March 1993 the Government of Assam sanctioned Rs. 8.80 lakhs for printing of multi coloured folder and multi coloured poster on national integration by observing codal formalities. The Director of Cultural Affairs, Assam without observing the provision of Assam Financial Rules, drew the amount and paid cent percent advance to the supplier in April 1993 after entering into an agreement with unusual conditions of payment of 100 percent advance. The codal formalities to ascertain the lowest rate were not observed. The agreement did not contain any penalty provision in case of non-supply of the materials and specification of the poster folder to be printed. As per the agreement. (April 1993) the supplier was to complete supply within one month from the date of agreement. However, it was seen in audit that the materials were not supplied as of April 1994 which resulted in undue financial aid to the supplier. In the absence of any penalty provision the department could not initiate any action against the supplier (April 1994).

2.16 The department by their written reply has stated that with regard to this Audit para, it appears from the record that due to such gross financial irregularities Departmental proceedings were taken against the then cashier Sri Ajit Baruah and the then Director of Cultural Affairs.

2.17 The Department by their further written reply has stated that for the gross irregularities committed by the then cashier Shri Ajit Baruah, Departmental Proceeding was initiated and enquiry ordered. As regard the then Director of Cultural Affairs, Shri Ananda Mohan Bhagawati who has since retired, Departmental Proceedings which were initiated against him has been completed and order have been passed by the Disciplinary Authority in consultation with Assam Public Service Commission. The entire pension and gratuity amount payable to the incumbent was withheld permanently.

OBSERVATION/RECOMMENDATION

2.18 The Committee is satisfied with the action taken against the then Director of Cultural Affairs. The Committee would like to know the latest position of the case initiated against the then cashier. A report may be submitted to the Committee within 30 days from the date of presentation of this report before the House.

Irregularities in handling Cash and in the maintenance of Cash Book

(Audit para 3.9/CAG(Civil)/1994-95/P-82-83)

2.19 The audit has pointed out that the Financial Rules of the State stipulates daily verification of each entry in the cash book by the competent authority. The Drawing and Disbursing Officer was to be responsible for the accuracy of the cash book and the cash balance. Mention was made in paragraph 3.14 of the report of the comptroller and Auditor General of India for the year ended 31 March 1993 about certain irregularities in the maintenance of cash book for the year 1991-92 in the Directorate of Cultural Affairs, Assam . The State Government in April 1994 had appointed the Additional Chief Secretary as an Enquiry Officer and directed him to submit a report by July 1994. The result of enquiry had not been intimated. Further scrutiny by Audit in April 1994 disclosed that . (a) Entries of daily receipts and payments in the cash book during 20 February 1993 to 8 December 1993 had not been attested and cash book had not been closed monthly. The closing balance of Rs.16,47,920.00 as on 20.2.1993 (on which date there was a change of cashier) which was neither analyzed nor certified and carried forward in the cash book till March 1994.(b) Withdrawal of Rs. 2,66,63,254 . from Kamrup Treasury in 175 bills during 30 November 1993 to 31 March 1994 were not accounted for in the cash book. Although at the instance of audit transactions upto 31st March 1994 had been recorded in the cash book, the analysis and certificate of physical verification of closing balance amounting to Rs. 22,62,169.00 on that date had not been recorded. (c) Of the closing balance of Rs.16,47,920.00 on 20 February 1993 carried forward in the cash book on 31 March 1994 at the instance of audit, Rs. 10 lakhs was indicated as bills pending for payment, details of which had not been furnished to audit. Thus proper control was not exercised in the maintenance of cash book which resulted in non-accounting of drawls and other irregularities indicated above.

2.20 The department by their written reply has stated that the audit observed that despite audit observation irregularities in cash book management persisted in the Directorate of Cultural Affairs. With regard to this, it may be stated that although there was such irregularities in the relevant audit period, afterwards, steps were taken for irregular maintenance of cash book and cash management Govt. was pleased to appoint one Finance & Accounts Officer to this Directorate to extend the necessary help to the Director of Cultural Affairs to ensure regular maintenance of Cash book and Cash management. Accordingly, the cash book and cash management are being maintained presently in proper manner and as per rules and procedure.

OBSERVATION/RECOMMENDATION

2.21 The Committee discussed the matter thoroughly and satisfied with the reply of departmental witnesses and hence the Committee has been pleased to drop the para.

H. Rangshu Sekhar Das, IAS
Principal Secretary to the Govt. of Assam



Annexure-'A'

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D.O. No. FEC(II) 7/99/56,

Dated Dispur, the 4th June, 2010.

Dear Shri,

Kindly recall the discussion held on 20th May, 2010 in the Meeting of the Public Accounts Committee in respect of Para 3.18.9 of the Report of the Comptroller and Auditor General of India for the year, 1994-95. In course of discussion on the Para, it was pointed by the Principal Accountant General (Audit), Assam that, during 1997-98, a sum of about Rs.140.00 lakh sanctioned and released by Government of India (GOI) for purchase of Delivery Vans by the State Government for delivery of PDS items in the State has not yet been utilized by the State Government. On which it was pointed by the representative of the Food and Civil Supplies (FCS) Department that, because of non-release of the fund by Finance Department the amount so sanctioned by Government of India could not be utilized by the department. The Chairman of the Public Accounts Committee, therefore, desired that, necessary action should be taken by Finance Department for immediate release of the fund.

The matter has been examined in the Finance Department, a synopsis of which is given below :-

1. During 1997-98, GOI sanctioned Rs.114.00 lakh (50% as loan and 50% as subsidy) for purchase of 19 Vans/Trucks (of 8-10 Tonne or more capacity) in order to strengthening the public distribution system and for stepping up the door delivery system in the State vide GOI's letter No. 16(8)/97-PD.I, dated 09-01-98. Again, during 1998-99, GOI sanctioned a sum of Rs.26.96 lakh (50% as loan and 50% as subsidy) for purchase of 7 trucks (of 6 Tonne or more capacity) for strengthening of public distribution system vide GOI's letter No. 16(8)/97-PD.I, dated 30-03-1999. Thus, GOI sanctioned a total sum of Rs.140.96 lakh during 1997-98 and 1998-99 for purchase of 26 trucks for the above-mentioned purpose.

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2. During 1999-2000, the FCS Department submitted a proposal to Finance Department for a C.F. Advance of Rs. 140.96 lakh for the purpose which was returned to the department with the request to re-submit the same with relevant references of GOI indicating credit of the fund released by them into State Government account because information to this effect could not be located in the Finance Department. The FCS Department re-submitted the proposal without proforma invoice for the trucks/vans which were again called for. With the required materials the FCS Department re-submitted the proposal at the fag end of the financial year, 1999-2000, which could not be agreed to by Finance Department because of the restrictions on Government transactions imposed by the Reserve Bank of India.
3. During the last quarter of the financial year, 2000-01, the FCS Department re-submitted the proposal along with a proposal for C.F. Advance for the purpose. As the Assembly was in session, the C.F. Advance proposal could not be considered and the department was requested to re-submit the proposal in the next financial year, 2001-02 with necessary budget provision.
4. During 2001-02 to 2007-08 no proposal appears to have been submitted by the FCS Department to the Finance Department in this regard.
5. During 2008-09, a proposal to this effect was submitted by the FCS Department to Finance Department and concurrence was accorded by Finance Department to an expenditure of 1,38,83,617/- (Rupees one crore thirty-eight lakh eighty-three thousand six hundred and seventeen) for purchase of 18 (eighteen) numbers of truck under the GOI Scheme vide Finance Department's **endorsement dated 21-03-09** in FCS Department's file No. FSB.120/07, after budget provision for the purpose made through Supplementary Demand. Accordingly, sanctions were also issued by the FCS Department vide their letters No. FSB 120/2007/33 and No. FSB.120/2007/34, **both dated 24-03-2009**. However, the amount could not be drawn during the year because of technical problem in the treasury **on 31-03-2009** as reported by the Director of Food and Civil Supplies vide his letters No. SA. 20/2008/39 and No. SA. 20/2008/40, **both dated 20-01-2010**.

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Principal Secretary to the Govt. of Assam



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6. The FCS Department, therefore, submitted proposal to Finance Department for revalidation of the above sanctions during the last financial year, 2009-10 on **16-03-2010** vide their endorsement in file No. FSB.138/09 after making budget provision for the purpose again through Supplementary Demand. Finance Department concurred to the expenditure afresh vide its endorsement dated **23-03-2010** in the said file No. FSB.138/09 and sanctions on the basis of this concurrence of Finance Department also were issued by the FCS Department vide their letters No. FSB. 138/2009/35 and No. FSB. 138/2009/35, both dated 31-03-2010. There is, however, no record in the Finance Department to show that, the FCS Department moved Finance Department during the last financial year for release of 'Ceiling' for the purpose.

As may be seen from the above that, there was no inordinate delay on the part of Finance Department to clear this important proposal of the FCS Department. The above facts are brought to your notice for examination of the whole issue in its right perspective and also for taking timely and appropriate action for utilization of the Central Fund for such a meaningful purpose without any further delay.

With regards,

Yours sincerely

/
(H. S. Das)

Sri S. L. Mewara,
Principal Secretary to the Government of Assam,
Food and Civil Supplies Department, Dispur.

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Memo No. FEC(II) 7/99/56-A.

Dated Dispur, the 4th June, 2010.

Copy forwarded to the Secretary, Assam Legislative Assembly for
favour of appraisal of the Public Accounts Committee.

(H.S. Das)

4/6/10

Principal Secretary to the Government of Assam,
Finance Department

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2010
4/6/2010

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4/6

M. Doley

pl. for n/a.

6/6/10

A.G.P.(Mini) 13/11-L.A-PAC-350-4-2-11.