

PROVINCIAL ASSEMBLY OF THE PUNJAB



**REPORT
OF THE
AD HOC PUBLIC ACCOUNTS COMMITTEE
ON THE
Commercial Accounts of the Government of the Punjab
for the year 1970-71 to 1979-80
AND
the Report of the Auditor-General of Pakistan thereon**

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AD HOC PUBLIC ACCOUNTS COMMITTEE
ON THE
COMMERCIAL ACCOUNTS OF THE GOVERNMENT OF THE PUNJAB
FOR THE YEARS 1970-71 TO 1979-80
AND
REPORT OF THE AUDITOR GENERAL OF PAKISTAN THEREON**

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1970-71 to 1974-75

P R E F A C E

The Adhoc Public Accounts Committee consisting of the following Members was constituted to examine the Commercial Accounts of the Government of the Punjab for the years 1970-71 to 1979-80 and the Report of the Auditor General of Pakistan thereon :-

- | | |
|----------------------------------|----------|
| 1) Mian M. Arshad Hussain, | Chairman |
| 2) Mr. M.Z. Khan | Member |
| 3) Mian Abdul Rashid | Member |
| 4) Alhaj Khawaja Habib-ur-Rehman | Member |
| 5) Ch. Fateh Muhammad | Member |
2. The Committee conducted the Preliminary Examination of the Commercial Accounts of the Government of the Punjab for the years 1970-71 to 1980-81 and the Report of the Auditor General of Pakistan thereon in it's meetings held on 22nd to 25th August, 1982, 20th to 22nd February, 1983, 2nd April, 1983, 14th to 17th December, 1983 and 2nd February, 1984, in Library Room, Assembly Building, Lahore.
3. The Committee started detailed examination on the above accounts with effect from 22.8.1982 and completed consideration thereon in it's last meeting held on 16.12.1984.
4. During the course of deliberations, the Committee observed the under-mentioned serious irregularities :-
- (i) Delayed departmental action against the defaulting officers/officials.
5. While considering the Commercial Accounts for the years 1970-71 to 1980-81, the Committee observed with concern that timely action was not taken against the defaulters and the

irregularities committed by them were taken lightly or ignored. Action in such cases was taken by the concerned departments after the lapse of a long period with the result that defaulting officers/officials had either been retired from service or had died, or their whereabouts were not known. As such, due to negligence on the part of the defaulting officers, the recoveries could not be made and public money was allowed to fritter away as a consequence thereof. The Committee was of the view that had the Administrative Departments taken timely action, such a situation would not have arisen.

(ii) Compliance of Public Accounts Committee's Directives.

6. The Committee observed that timely action on the directives issued by the Committee from time to time was required to be taken by the respective departments. Therefore, due to non-compliance of the Committee's directives by overlooking the proper and timely action, the recoveries were not effected in time nor any decision was taken to write off the outstanding dues. The Departments were advised by the Committee to adhere to the instructions given to them by it from time to time and to make all out efforts to take timely action in implementing the directives of the Committee.

(iii) Court Cases.

7. During the course of consideration of the accounts, the Committee observed that various departments did not take interest in the proper handling and effective follow up of the Court cases. The Committee directed that some senior officers/officials also were well conversant with the facts in each case should be deputed to attend the Courts so that the cases could be finalized and the Audit Paras could be settled as

expeditiously as possible.

(iv) Non appearance of Administrative Secretaries.

8. The Committee took a serious note for non appearance of some of the Administrative Secretaries in person in the meetings of the Committee. The Committee observed that the Administrative Secretaries/Heads of Departments being the Principal Accounting officers were responsible and accountable to the Committee. The Committee directed that the Administrative Secretaries were required to make it a point that they do attend the meetings of the Public Accounts Committee personally and punctually.
9. The Committee placed on record its appreciation for the assistance and co-operation extended to it by the Administrative Departments, Audit Departments, Finance Department, Secretary Assembly and his staff.

LAHORE:

The 5th November, 1990.

9/000
(CH. HABIB ULLAH.)
SECRETARY
Provincial Assembly of the Punjab.

Typed by
"Haji Alamgir"

PRELIMINARY

Preliminary examination of the Commercial Accounts of the Government of the Punjab for the years 1970-71 to 1980-81 and the Report of the Auditor General of Pakistan thereon, presented to it in its meetings held on the 22nd to 25th August, 1982, 20th to 22nd February, 1983, 2nd April, 1983, 14th to 17th December, 1983 and 2nd February, 1984, in the Library of the Assembly Building, Lahore. It was attended by the following:-

1) Mian M. Arshad Hussain,	Chairman
2) Mr. M.Z. Khan,	Member
3) Mian Abdul Rashid,	Member
4) Alhaj Khawaja Habib-ur-Rehman,	Member
5) Ch. Fateh Muhammad,	Member
6) Mr. Muhammad Mahbub Abbasi, Secretary, Provincial Assembly of the Punjab.	Secretary to the Committee

FINANCE DEPARTMENT

- 7) Ch. Abdul Rashid,
Additional Secretary (Monitoring). On invitation
- 8) Ch. Hashmat Ali,
Deputy Secretary (Monitoring). - do -

COMMERCIAL AUDIT

- 9) Mr. A.S. Ansari,
Director General. - do -
- 10) Ch. Ahmad Din,
Assistant Audit Officer. - do -

COMMERCIAL ACCOUNTS FOR THE YEAR 1970-71
AND AUDIT REPORT THEREON

AGRICULTURE DEPARTMENT

AGRICULTURAL ENGINEERING WORKSHOPS

1. Para No. 3 Page No. 4

The Director General, Commercial Audit drew attention to the fact that out of 8, 6 of the Agricultural Engineering Workshops namely Faisalabad, Multan, Bahawalpur, Lahore, Leiah and Rawalpindi had not compiled their proforma accounts since 1970-71. They had drawn attention of the Administrative Department to this fact but with no result. The attention of the Committee is invited to this fact and it is suggested that the Administrative Department be asked to explain why the accounts have not been compiled and what steps are proposed to be taken in order to have them compiled as early as possible and when they will be completed.

I. TRANSPORT DEPARTMENT

2. Para No. 5 Page No. 9

It is proposed that the Punjab Road Transport Board may be advised to consider taking disciplinary action against the Officer who failed to follow the rules and did not give personal hearing to the official at fault.

3. Para No. 6 Page No. 9

According to the rules, the District Manager, Faisalabad should have accepted the bid provisionally and asked the successful bidder to deposit 25% of the total amount. Thus he failed to do and the bidder backed out. The Audit pointed out the irregularity through the Audit Report to

the Chairman, Punjab Road Transport Board in March, 1969, 13 years having elapsed, it is not possible now to take any action against the then District Manager. The Second bid took place in November, 1968. So the Board were aware of the irregularity committed by the District Manager. Had they been more vigilant, action could have been finalized against the District Manager before he retired. The Board should be more careful in future.

Subject to these remarks, the para may be dropped.

4. Para No. 7 Page No. 10

This matter deserves more detailed consideration. It is proposed that the Department may be asked to produce the papers before a Sub-Committee and explain the matter at length.

II. INDUSTRIES AND MINERAL DEVELOPMENT DEPARTMENT

5. Para No. 8 Page No. 10

The para relates to the Province of Sind. It was suggested by the Director General, Commercial Audit that it may be transferred to the Adhoc Public Accounts Committee, Sind for their consideration. This may be agreed to.

6. Para No. 9 Page No. 10

The machinery has since been disposed of.

The para may be dropped.

(WEST PAKISTAN SMALL INDUSTRIES CORPORATION, LAHORE)

7. Para No. 13 Page No. 11

The Department's stand is that the custom duty and sales tax were reduced and in consequence they had to dispose of the yarn at a lower price. The Department may be asked to substantiate their stand.

8. Para No. 11 Page No. 11

Audit objection was that Rs. 80,000/- were deposited by the Corporation in 1961 although the plot had already been allotted two years previously and it took 12 years in which to have the money refunded. It is recommended that since two Government agencies were involved the matter need not be pursued.

The para may be dropped.

9. Para No. 12 Page No. 11

It is proposed that the matter may be considered in detail by a Sub Committee.

III. HEALTH DEPARTMENT

(MEDICAL STORES DEPOT, LAHORE)

10. Para No. 13 Page No. 12

It is suggested that this is a case which needs to be looked into in detail by a Sub Committee.

IV. TRANSPORT DEPARTMENT

(PUNJAB ROAD TRANSPORT BOARD, LAHORE)

11. Para No. 30 Page No. 24

The para may be dropped.

12. Para No. 31 Page 24

The Department may be asked to indicate the present position regarding apportionment of the assets and liabilities of the West Pakistan Road Transport Board.

13. Para No. 32 Page 24

The Department may be asked to prepare a detailed paper regarding the loss arising from the excess expenditure on road milage over the milage income for the years 1970-71 to 1976-77. In this paper break-up of various factors should be analysed and exact reasons for this loss indicated for the consideration by the Committee.

14. Para No. 33 Page No. 24

In view of the fact that it was proved that it was cheaper to run engine manually it was wrong on the part of the Board to have purchased the Machinery. It was also irregular for the depreciation to be charged when the machinery had still not been commissioned. The Board may be asked to give full reasons for both these actions.

15. Para No. 34 Page No. 24 AND Para No. 35 Page No. 24

The Audit had drawn the attention to the fact that the figures from the District Manager's Offices did not agree with those compiled by the Head Office for the years 1970-71 to 1973-74. This objection was not pointed out in subsequent years. The Board may let the Committee know whether the difference in the balances have been reconciled and rectified.

16. Para No. 36 Page 25

The Audit had drawn attention to the fact that the Public Accounts Committee's directive of 4-6-1970 was that

even when an asset had been fully depreciated it should be shown on a nominal value in order that it remained identifiable. This directive had not been complied with by the Department and nor have they given reasons for this. The Department may be asked to explain the position.

17. Para No. 37 Page No. 25

The Department may be asked to explain why the assets taken over by Government Transport Service, Dera Ghazi Khan had not been accounted for.

18. Para No. 38 Page No. 25

The present position regarding the disposal of the obsolete and surplus shares should be indicated by the Department.

19. Para No. 39 Page No. 26

The Audit reported that the adjustment has been carried out.

The para may be dropped.

20. Para No. 40 Page No. 26

The para may be dropped.

21. Para No. 41 Page No. 26

The Audit had drawn the attention to the fact that the figures for receivables were inflated due to the sum outstanding between the units. Audit were correct in pointing out that adjustments between units should be completed preferably before the closing of the accounts or soon thereafter in order to keep down the figures of receivables. The Department may be advised to take effective steps for adjustments of the outstanding debits.

V. LIVESTOCK & DAIRY DEVELOPMENT DEPARTMENT

(LAHORE MILK BOARD, LAHORE)

22. Paras No. 52-53 Page No. 43

The Lahore Milk Board may be asked to indicate the present position in regard to the working of the plant.

23. Paras No. 54-58 Pages No. 43-44

The paras may be dropped.

24. Para No. 59 Page No. 44

The physical verification should be conducted every year by the Board and reasons for not doing so should be indicated.

25. Para No. 60 Page 44

The Board may be asked to prepare a list of the trade debtors as on 30-6-1971 indicating steps taken to reduce the figures.

26. Para No. 61 Page No. 44

The para may be dropped.

VI. FORESTRY, FISHERIES & WILD LIFE DEPARTMENT

(GOVERNMENT JULLO ROSIN AND TURPENTINE FACTORY)
LAHORE

27. Para No. 67 Page No. 60

The Audit had correctly pointed out that the factory should take steps to procure adequate quantity of the raw material in order to keep it working at greater capacity. The Department may be advised to act upon the advice of the Audit.

28. Para No. 68 Page No. 67

As suggested by the Audit the shortages should be accounted for separately so that they should be adjusted later on. Steps taken by the factory to do so may be indicated.

29. Para No. 69 Page No. 61

The para may be dropped.

VII. INDUSTRIES & MINERAL DEVELOPMENT DEPARTMENT

(PUNJAB GOVERNMENT COTTON MILLS (IN LIQUIDATIONS))
LAHORE

30. Para No. 77 Page No. 80

The mill went into liquidation over fifteen years ago and the accounts should have been finalized long ago. The Department may be directed to have this done at an early date.

(GOVERNMENT WOOL SPINNING & WEAVING TRAINING)
(DEVELOPMENT-CUM-TRAINING CENTRE, JHANG)

31. Para No. 84 Page No. 90

The para may be dropped.

32. Para No. 85 Page No. 90

The Department may ask the factory to indicate whether the provisions suggested by Audit were made in subsequent years' accounts or not. If not, why not.

33. Paras No. 86-87 Page No. 90

The Department may be asked to prepare a paper indicating why the directive of the Public Accounts Committee dated 18-1-1971 that the income and expenditure

statement be prepared instead of profit and loss account have not been complied with so far and what steps have been taken to do so.

34. Para No. 83 Page No. 90

The Department may be asked to indicate the present position of sundry debtors and steps taken in order to reduce them.

(GOVERNMENT TANNERY, SHAHDARA (IN LIQUIDATION))

35. Para No. 92 Page No. 100

The factory went into liquidation long ago. The Department should have finalised the liquidation accounts by now. The Department be directed to do so at an early date.

(GOVERNMENT DEMONSTRATION WEAVING FACTORY,
SHAHDARA ("COMMERCIAL SIDE"))

36. Para No. 97 Page No. 110

The para may be dropped.

37. Para No. 98 Page No. 110

The para may be dropped.

38. Para No. 99 Page No. 110

The Department may indicate whether the orders of the competent authority have since been obtained for the adjustments carried out.

(GOVERNMENT DEMONSTRATION WEAVING FACTORY)
(SHAHDARA (EDUCATION SIDE))

39. Para No. 109 Page No. 126

The para may be dropped.

40. Para No. 110 Page No. 126

The Department may be asked to explain whether depreciation on assets was charged in subsequent years and adjusted. If not, they should undertake remedial action.

(PUNJAB GOVERNMENT PRESS, BAHAWALPUR)

41. Para No. 114 Page No. 134

The Printing Press, Bahawalpur suffered a substantial loss of Rs. 6,66,000/-.. The Department should prepare a break-up and analyse it. In this paper they should also indicate why accounts for subsequent years have not been prepared so far.

42. Para No. 115 Page No. 134

The Department may indicate the latest position regarding sundry debtors.

43. Paras No. 116-117 Page No. 134

The Department may indicate reasons why the figures have not been reconciled with the Treasury/District Accounts Officer till today. Special efforts may be undertaken in order to have the reconciliation completed expeditiously.

44. Para No. 118 Page No. 134

The Department may be directed to have the Assets Register completed as early as possible.

(STATIONERY DEPOT, BAHAWALPUR)

45. Para No. 127 Page No. 146

The para may be dropped.

46. Para No. 128 Page 146

The Department may indicate reasons why the figures have not been reconciled with the Treasury/District Accounts Officer till today. Special efforts may be undertaken in order to have the reconciliation completed expeditiously.

47. Para No. 129 Page No. 146

The Department may indicate the latest position regarding sundry debtors.

48. Para No. 130 Page No. 146

The para may be dropped.

49. Para No. 131 Page No. 146

The Department may indicate why the reconciliation and rectification has not been carried out so far.

(PROVINCIAL STATIONERY OFFICE, PUNJAB, LAHORE)

50. Para No. 138 Page No. 156

As suggested by Audit the Department may state whether steps were taken to reduce the overheads and with what result.

51. Para No. 139 Page No. 156

The Department may indicate reasons why the figures have not been reconciled with the Treasury/District Accounts Officer till today. Special efforts may be undertaken in order to have the reconciliation completed expeditiously.

52. Para No. 140 Page 156

The Department should indicate why the Stationery Depot have been issuing stationery on credit instead of by cash in non-compliance with the Government directive.

53. Para No. 141 Page No. 156

The Stationery Depot may complete the Assets Register expeditiously.

54. Para No. 142 Page No. 156

The para may be dropped.

55. Para No. 143 Page 156

The Stationery Depot may indicate the stock position to date-yearwise. It should also be stated as to why accounts have not been prepared beyond 1972-73.

(GOVERNMENT PRINTING PRESS, PUNJAB, LAHORE)

56. Para No. 147 Page No. 164

The Press suffered a loss of Rs. 40 lac. The Department may be asked to prepare a detailed paper containing an analysis of this loss giving reasons thereof. This paper, it is suggested, may then be considered by a Sub Committee.

57. Para No. 148 Page No. 164

The Department may indicate reasons why the figures have not been reconciled with the Treasury/District Accounts Officer till today. Special efforts may be undertaken in order to have the reconciliation completed expeditiously.

58. Para No. 149 Page No. 164

The Printing Press may be directed to produce the pass book for scrutiny by the Audit.

59. Para No. 150 Page No. 164

The Department may produce the sanction for verification by Audit.

60. Para No. 151 Page No. 164

The Department may indicate reasons why the figures have not been reconciled with the Treasury/District Accounts Officer till today. Special efforts may be undertaken in order to have the reconciliation completed expeditiously.

61. Para No. 152 Page No. 165

The para may be dropped.

62. Para No. 153 Page No. 165

The Department may dispose of the obsolete forms and the residual amount should be written off and got verified by Audit.

63. Para No. 154 Page No. 165

The Department may complete the Assets Register as early as possible.

64. Para No. 155 Page No. 165

Details of the expenditure called for by Audit may be made available expeditiously for their verification.

65. Para No. 156 Page No. 165

Yearwise and up-to-date analysis may be prepared by the Press for consideration by the Adhoc Public Accounts Committee.

66. Paras No. 157-158 Page No. 165

The paras may be dropped.

VIII. EXCISE AND TAXATION DEPARTMENT

(GOVERNMENT OPIUM ALKALOID FACTORY, LAHORE)

67. Para No. 173 Page No. 182

The Department should indicate the measures adopted to minimise the expenditure so as to obtain maximum return on investment.

COMMERCIAL ACCOUNTS FOR THE YEAR 1971-72
AND AUDIT REPORT THEREON

1. Para No. 3 Page No. 4

The Committee may like to direct the respective Departments to compile the outstanding accounts and submit the latest position.

I. INDUSTRIES & MINERAL DEVELOPMENT DEPARTMENT

2. Para No. 5 Page No. 9

The Department may be requested to indicate clearly why the material was allowed to accumulate instead of being disposed off either at reduced price or to avoid locking up of funds to the extent of Rs. 8,44,000/- over 11 years. The present position of the undisposed stocks may also be indicated.

3. Para No. 6 Page No. 9

The Department may be asked to state reasons why machinery worth Rs. 88,000/- was not installed and indicate present position of that machinery.

4. Para No. 7 Page No. 9

The Department should explain the reasons for not claiming loss from the Bank. Under the terms of agreement of the Bank shortages were to be made good by it. Of the total outstanding amount pertaining to Punjab Small Industries Corporation, Rs. 51,200/- should have been claimed by them from the Bank. The Department may explain why this was not done and what is the present position of the case.

5. Para No. 8 Page No. 10

The Department may indicate the results of the inquiry

held by them into the shortages.

III. HEALTH DEPARTMENT

(GOVERNMENT MEDICAL STORES DEPOT, LAHORE)

6. Para No. 9 Page No. 10

The files of the Industries and Mineral Development Department and the Medical Stores Depot may be examined by a Sub Committee and its findings submitted to the Committee for consideration.

7. Para No. 10 Page No. 10

The Department may be asked to indicate whether an inquiry was conducted by them to fix responsibility for the loss. If not, why not.

8. Para No. 11 Page No. 11

The Department may be requested to explain why medicines of 25 mg were accepted when the indent was for 250mg. It may also be stated whether the medicine has been utilized so far and to what extent.

9. Para No. 12 Page No. 11

The Health Department may have the value of the loss written off and verified by Audit.

10. Para No. 13 Page No. 11

The Department may have the value of the loss written off and sanction verified by Audit.

11. Para No. 14 Page No. 12

Audit stated that the local agent of the Japanese Firm agreed to replace the stores as those supplied were not in accordance with the specifications. The

17

Department may state as to what steps they took to achieve this and whether the stores have been replaced as yet or not. If not, what action has been taken against the supplying firm and whether the stores supplied have been disposed of.

III. AGRICULTURE DEPARTMENT

12. Para No. 15 Page No. 12

Audit explained that an inquiry was conducted and responsibility fixed against the Store Officer. The Department may state whether the loss has been made good.

IV. TRANSPORT DEPARTMENT

(PUNJAB ROAD TRANSPORT BOARD)

13. Para No. 31 Page No. 24

The Department may be asked to prepare a detailed paper regarding the loss arising from the excess expenditure on road milage over the milage income for the years 1970-71 to 1976-77. In this paper break-up of various factors should be analysed and exact reasons for this loss indicated for the consideration by the Committee.

14. Para No. 32 Page No. 24

The Audit had drawn the attention to the fact that the figures from the District Manager's Offices did not agree with those compiled by the Head Office for the years 1970-71 to 1973-74. This objection was not pointed out in subsequent years. The Board may let the Committee know whether the differences in the balances have been reconciled and rectified.

15. Para No. 33 Page No. 24

The Department may state why depreciation was charged when /the machinery had not been installed and commissioned.

It should also be indicated whether it has since been installed.

16. Para No. 34 Page No. 24

The Audit had drawn the attention to the fact that the figures for receivables were inflated due to the sums outstanding between the units. Audit were correct in pointing out that adjustments between units should be completed preferably before the closing of the Accounts or soon thereafter in order to keep down the figure of receivables. The Department may be advised to take effective steps for adjustment of the outstanding debits.

17. Para No. 44 Page No. 41

18. Para No. 45 Page No. 41

May be dropped.

19. Para No. 46 Page No. 41

The Board may be asked to prepare a list of the Trade Debtors as on 30-6-1971 indicating steps taken to reduce the figure.

V. FORESTRY, FISHERIES & WILDLIFE DEPARTMENT

(GOVERNMENT JULLO ROSIN & TURPENTINE FACTORY)
LAHORE

20. Para No. 51 Page No. 50

The Department may prepare a detailed analysis of expenditure showing what led to the reduction in profits

by 10 lac as compared to the previous year.

21. Para No. 52 Page No. 50

The Audit explained that the shortages have been adjusted later on.

The para may be dropped.

(PUNJAB GOVERNMENT COTTON MILLS, LAHORE)
(IN LIQUIDATION)

22. Para No. 59 Page No. 64

The Board may be asked to prepare a list of the Trade Debtors as on 30-6-1971 indicating steps taken to reduce the figure.

VI. INDUSTRIES & MINERAL DEVELOPMENT DEPARTMENT

(GOVERNMENT WOOL'S SPINNING AND WEAVING)
(DEVELOPMENT-CUM-TRAINING CENTRE, JHANG)

23. Para No. 67 Page No. 76

The para may be dropped.

24. Para No. 68 Page No. 76

The para may be dropped.

25. Para No. 69 Page No. 76

The Adhoc Public Accounts Committee had directed on 18-1-1971 that the balance sheet should indicate all the assets and liabilities of the Centre and that instead of a profit and loss account the Centre should prepare an Income and Expenditure Account. This has not been done so far. Necessary amendments should be made in the rules in consultation with Audit and Finance.

26. Para No. 70 Page No. 76

The para may be dropped.

(GOVERNMENT TANNERY, SHAHDARA)
(IN LIQUIDATION)

27. Para No. 74 Page No. 86

The Factory went into liquidation long ago. The Department should have finalised the liquidation Accounts by now. The Department be directed do so at an early date.

(GOVERNMENT DEMONSTRATION WEAVING FACTORY)
(SHAHDARA)

28. Paras No. 78-79 PAGE NO. 97

The directive issued by the Public Accounts Committee in their meeting on 18th January, 1971 has not been complied with. The Department may state why this has not been done so far.

29. Para No. 80 Page No. 97

The para may be dropped.

30. Para No. 81 Page No. 98

The para may be dropped.

COMMERCIAL ACCOUNTS FOR THE YEAR 1972-73
AND AUDIT REPORT THEREON

1. Para No. 3 Page No. 4

The Committee may like to direct the respective Departments to compile the outstanding accounts and submit the latest position.

I. TRANSPORT DEPARTMENT

2. Para No. 5 Page No. 9

The para may be deleted since it has already been covered in Para No. 6 of 1970-71.

II. INDUSTRIES & MINERAL DEVELOPMENT DEPARTMENT

3. Para No. 6 Page No. 9

The Department may explain the reasons why it was not possible to utilise the machinery and for its ultimate disposal at a loss and whether action for write off has been initiated or not.

4. Para No. 7 Page No. 10

The para may be dropped.

5. Paras No. 8-9 and 10(i) Pages 10-11

The Department may be asked to intimate the action taken to make good the loss.

III. AGRICULTURE DEPARTMENT

6. Para No. 11 Page No. 11

The Department may state whether an inquiry was instituted to look into the reasons for the loss and to

fix the responsibility. If so, the results and the present position may be stated.

7. Para No. 12 Page No. 11

It is felt that the Department's plea in 1972, merely two years after the objection was raised by Audit, that the matter was very old and the staff concerned had been changed, was hardly acceptable. The Department may again look into the matter in detail and submit a report for consideration by the Committee.

8. Para No. 13 Page No. 12

Final results of the inquiry into the loss of the butter oil may be stated for the information of the Committee.

9. Para No. 14 Page No. 13

The present position of the recovery may be indicated.

IV. TRANSPORT DEPARTMENT

(PUNJAB ROAD TRANSPORT BOARD)

10. Paras No. 26, 27 and 28 Pages No. 26-27

The Department may be asked to prepare a detailed paper regarding the loss arising from the excess expenditure on road mileage over the mileage income for the years 1970-71 to 1976-77. In this paper break-up of various factors should be analysed and exact reasons for this loss indicated for the consideration by the Committee.

11. Para Nos. 29-30 Page No. 27

The Department may state whether approval of the competent authority has been obtained. If not, why not.

12. Para No. 31 Page No. 27

Present position may be indicated by the Department.

V. FORESTRY, FISHERIES & WILDLIFE DEPARTMENT

(GOVERNMENT JULLO ROSIN AND TURPENTINE FACTORY)
LAHORE.

13. Para No. 48 Page No. 60

The para may be dropped.

14. Para No. 49 Page No. 61

Lastest position of sundry debtors should be indicated.

VI. INDUSTRIES & MINERAL DEVELOPMENT DEPARTMENT

(GOVERNMENT TANNERY, SHAHDARA (IN LIQUIDATION))

15. Paras No. 55-56 Page No. 76

The Factory went into liquidation long ago. The Department should have finalised the liquidation Accounts by now. The Department be directed to do so at an early date.

16. Para No. 63 Page No. 88

The para may be dropped.

17. Paras No. 64-65 Page No. 88

The Department may explain yearwise position in detail of the shortages.

18. Para No. 66 Page No. 88

The para may be dropped.

19. Para No. 67 Page No. 88

The Department may indicate if the Audit requirement has been met.

20. Para No. 68 Page No. 89

The Department may take steps to ascertain correctness of the liabilities and to liquidate them. It should also be indicated whether the register of securities has since been completed and brought up-to-date.

21. Para No. 69 Page No. 89

The Department may be asked to indicate the present position of Sundry Debtors and steps taken in order to reduce them.

22. Para No. 70 Page No. 89

The Department may indicate whether the position has been corrected yet or not.

(PUNJAB SMALL INDUSTRIES CORPORATION)

23. Paras No. 78-79 Page No. 107

The Department may prepare a detailed statement regarding the financial position of the Corporation and indicate what steps have been taken in order to obtain the maximum return on the funds made available to them by the Government.

24. Para No. 80 Page No. 107

The latest position regarding the outstanding debts may be indicated.

25. Paras No. 81-82 Page No. 107

The Department may make realistic provision for bad

and doubtful debts and steps taken to liquidate them.

26. Para No. 83 Page No. 107

Action taken to meet the Audit objection may be indicated.

27. Para No. 84 Page No. 106

Physical verification should be conducted annually. Steps taken to do so may be indicated.

28. Para No. 85 Page No. 108

The para may be dropped.

29. Para No. 86 Page No. 108

The Department should state whether the matter had been investigated and with what result.

30. Para No. 87 Page No. 108

Unallocated amount of Rs. 1,47,845/- may be apportioned among assets under intimation to Audit.

COMMERCIAL ACCOUNTS FOR THE YEAR 1973-74
AND AUDIT REPORT THEREON

1. Para No. 3 Page No. 4

The Committee may like to ask the respective Departments to compile the outstanding accounts and submit the latest position.

I. TRANSPORT DEPARTMENT

(PUNJAB ROAD TRANSPORT BOARD)

2. Para No. 5 Page No. 9

In view of the fact that it was proved that it was cheaper to run engine manually it was wrong on the part of the Board to have purchased the machinery. It was also irregular for the depreciation to be charged when the machinery had still not been commissioned. The Board may be asked to give full reasons for both these actions.

3. Para No. 6 Page No. 9

It was wrong on the part of the Board to relieve the Officers without ascertaining from the Provincial Government as to whether it would accept them or not. The Government was also to blame in that it asked the officers to establish their claim in the court of Law. However, at this late stage nothing can be done except to say that both parties should have been very careful in exercising their function.

The Para may be dropped.

4. Para No. 7 Pages 10-12

Government awarded decree of Rs. 2,75,95,110/-. They have moved the Civil Court at Lahore for execution of this decree. The Department may indicate the latest position of the case and also what steps they have taken for the expeditious execution of the decree.

III. INDUSTRIES & MINERAL DEVELOPMENT DEPARTMENT

5. Para No. 8 Page No. 12

The Department may state when the departmental inquiry was finalized and what were the results of this inquiry.

6. Para No. 9 Page No. 12

The Department may state when the departmental inquiry was finalized and what were the results of this inquiry.

7. Para No. 10 Page No. 13

The inquiry having been finalized the defaulting official was dismissed from service. The Department may have the sanction for write off of the loss issued and got verified by Audit.

8. Para No. 11 Page No. 13

The Department may explain what action was taken against the official responsible for the loss and steps taken to effect recovery.

9. Para No. 12 Page No. 13

This para may be deleted as it is covered in Para No. 8 of 1971-72.

10. Para No. 13 Page No. 13

The Department may explain what action was taken against the official responsible for the loss and steps taken to effect recovery.

III. LIVESTOCK & DAIRY DEVELOPMENT DEPARTMENT

(LAHORE MILK PLANT)

11. Para No. 14 Page No. 13

Audit explained that this para may be deleted as it is covered in Para No. 14 of 1972-73.

12. Para No. 15 Page No. 14

The Department informed the Audit that they could not explain reasons for total shortage of Rs. 16,14,346/- and why the claim for Rs. 13,34,345/- was reduced to Rs. 5,92,267/- and also the reasons why the insurance company only accepted the claim for Rs. 6,261/- because the record was not available with them and had been retained by Milk Board. The Department should obtain the record through personal efforts from the Milk Board and finalize investigations and submit a detailed note in this regard for consideration by the Public Accounts Committee as early as possible.

IV. TRANSPORT DEPARTMENT

(PUNJAB ROAD TRANSPORT BOARD)

13. Paras No. 31-32 Page No. 26

The Department may be asked to prepare a detailed paper regarding the loss arising from the excess expenditure on road milage over the milage income for the years 1970-71 to 1976-77. In this paper break-up

of various factors should be analysed and exact reasons for this loss indicated for the consideration by the Apportionment Committee.

14. Para No. 33 Page No. 26

Approval of the Board may be obtained for write off of the loss and orders of the Apportionment Committee be obtained for its distribution among the units.

15. Para No. 34 Page No. 26

The Department should have investigated the losses and adjusted them in the same year or recovered from those at fault. This should now be done in respect of all the years in which this was not carried out and a report submitted to the Committee.

16. Para No. 35 Page No. 26

The para may be dropped.

V. LIVESTOCK & DAIRY DEVELOPMENT DEPARTMENT

(LAHORE MILK PLANT)

17. Para No. 44 Page No. 45

The Milk Plant went into loss this year. The Department may be asked to prepare a detailed report indicating the losses in regard to each year to date to analyse these losses and to state the reasons for them. This report may be considered at length by a Sub - Committee of Public Accounts Committee.

18. Para No. 45 Page No. 45

The Department should explain why physical verification of stocks and stores was not conducted

and responsibility fixed for the loss. Such verification should be carried out each year. To arrive at the ~~exact~~ correct position physical verification of the stocks and stores should be conducted now immediately, and action taken to regularise any losses found as a result of this physical verification.

19. Para No. 46 Page No. 45

Out of the total of sundry debtors of Rs. 10,31,619/- a sum of Rs. 5,50,250/- represents cash sales. An immediate inquiry should be conducted to fix responsibility for these sale proceeds not being deposited with the Board and action taken to recover the same due from the officials at fault.

20. Para No. 47 Page No. 46

A sum of Rs. 1,67,558/- was advanced to Synthetic Chemicals against which they supplied chemicals worth Rs. 1,22,395/-. This amount has still not been adjusted in the accounts. This may now be done and action taken to regularise the balance of Rs. 45,163/- since the Synthetic Chemicals went into liquidation long ago.

VI. AGRICULTURE DEPARTMENT

(PUNJAB AGRICULTURAL DEVELOPMENT & SUPPLIES CORPORATION).

21. Para No. 51 Page No. 59

The Department may indicate the present position regarding the form of the accounts. They should also state what steps are being taken in order to have the approval expedited.

22. Para No. 52 Page No. 59

The Corporation may be asked to prepare a detailed note regarding the break up of the loss being incurred annually. In the analysis, the reasons for the loss should also be indicated for consideration by a Sub - Committee.

23. Para No. 53 Page No. 60

As the figures have now been reconciled, the para may be dropped.

24. Para No. 54 Page No. 60

The para may be dropped.

25. Para No. 55 Page No. 60

The Corporation may obtain balance from the record of its predecessor in order to reconcile them.

26. Para No. 56 Page No. 60

Effective steps may be taken in order to finalize the reconciliation of sale collection account with the books of the bank as early as possible.

27. Paras No. 57-58 Page No. 60

In view of the fact that large stocks are held by the Corporation at various centres, physical verification should be conducted at least once a year in order to arrive at shortages, if any.

28. Para No. 59 Page No. 60

As no stock account of gunny bags was prepared by the Corporation the position may be rechecked and a report submitted regarding the receipt and issue of the gunny

bags and the closing balance.

29. Para No. 60 Page No. 60

The position of sundry debtors should be analysed
and the latest position indicated.

VII. INDUSTRIES & MINERAL DEVELOPMENT DEPARTMENT

(PUNJAB SMALL INDUSTRIES CORPORATION)

30. Paras No. 66-72 Pages No. 74-76

Deleted as these paras appear in the Commercial
Accounts for the year 1974-75 at Paras No. 51 to 57 on
Pages No. 66-68.

COMMERCIAL ACCOUNTS FOR THE YEAR 1974-75
AND AUDIT REPORT THEREON

1. Para No. 3 Page No. 4

The Committee may like to ask the respective Departments to compile the outstanding accounts and submit the latest position.

I. AGRICULTURE DEPARTMENT

2. Para No. 5 Page No. 5

The value of the boring material should have been recovered from the zamindars concerned. The Department may explain why this was not done and what is the present position regarding the recovery.

3. Para No. 6 Page No. 9

The reason why the Shipping Company did not accept the claim of short landing of Rs. 18,750/- may be indicated.

4. Para No. 7 Page No. 9

Disciplinary action against the officials at fault resulted in their being retired. The Department may point out the steps taken to obtain sanction for the write off of the loss.

5. Para No. 8 Page No. 9

The Department may indicate the present position regarding the finalizing of the departmental proceedings and steps taken to regularize the loss.

6. Para No. 9 Page No. 9

The Department may indicate the result of the inquiry conducted into the fact that the pump ceased to operate after a few hours of its operation.

II. TRANSPORT DEPARTMENT

(PUNJAB ROAD TRANSPORT BOARD)

7. Paras No. 20-21 Page No. 22

The Department may be asked to indicate the present position regarding apportionment of the assets and liabilities of the West Pakistan Road Transport Board.

The Department may also be asked to prepare a detailed paper regarding the loss arising from the excess expenditure on road milage over the milage income for the years 1970-71 to 1976-77. In this paper break-up of various factors should be analysed and exact reasons for this loss indicated for the consideration by the Committee.

8. Para No. 22 Page No. 22

The Board should have adjusted the excesses and shortages. They should explain what steps have been taken to adjust/write off the losses and accounts for the losses.

9. Para No. 23 Page No. 22

The Audit had drawn the attention to the fact that the figures for receivables were inflated due to the sums outstanding between the units. The Audit were correct in pointing out that adjustments between units should be completed preferably before the closing of the

Accounts or soon thereafter in order to keep down the figure of receivable. The Department may be advised to take effective steps for adjustment of the outstanding debits.

10. Para No. 24 Page No. 22

Assets totalling Rs. 6,59,22,064/- were valued on a provisional basis. Present position about the correct valuation may be indicated.

11. Para No. 25 Page No. 22

Out of 43 banks accounts report intimated that the account with 9 banks have been reconciled. Effective and immediate steps should be taken in order to reconcile the remaining accounts with the bank.

12. Paras No. 26-27 Page No. 23

The para may be dropped.

III. LIVESTOCK & DAIRY DEVELOPMENT DEPARTMENT
(LAHORE MILK PLANT)

13. Para No. 31 Page No. 35

The Milk Plant went into loss this year. The Livestock and Dairy Development Department may be requested to prepare a detailed report indicating the losses in regard to each year to-date to analyse these losses and to state the reasons for them. This report may be considered at length by a Sub Committee of the Public Accounts Committee.

14. Para No. 32 Page No. 35

Out of the total of sundry debtors of Rs. 10,31,619/-, a sum of Rs. 5,50,250/- represents cash sales. An

immediate inquiry should be conducted to fix responsibility for these male proceeds not being deposited with the Board and action taken to recover the same due from the officials at fault.

15. Para No. 33 Page No. 36

The opening balance was reduced by Rs. 6,73,078/- on the plea that the butter oil had already been consumed. The Department may produce the necessary records urgently and get this consumption verified by Audit.

IV. AGRICULTURE DEPARTMENT

(PUNJAB AGRICULTURAL DEVELOPMENT & SUPPLIES CORPORATION)

16. Para No. 41 Page No. 51

The Corporation may be asked to prepare a detailed note regarding the break-up of the loss being incurred annually. In the analysis, the reasons for the loss should also be indicated for consideration by a Sub - Committee.

17. Para No. 42 Page No. 51

Effective steps may be taken in order to finalise the reconciliation of sale collection with the books of the the Bank as early as possible.

18. Para No. 43 Page No. 51

In view of the fact that large stocks are held by the Corporation at various centres, physical verification should be conducted at least once a year in order to arrive at shortages, if any.

19. Para No. 44 Page No. 51

As no stock Account of gunny bags was prepared by the Corporation, the position may be rechecked and a report submitted regarding the receipt and issue of the gunny bags and the closing balance.

20. Para No. 45 Page No. 51

As the bank transfers were reconciled in 1979-80, this para may be dropped.

V. INDUSTRIES & MINERAL DEVELOPMENT DEPARTMENT

(PUNJAB SMALL INDUSTRIES CORPORATION)

21. Para No. 51-52 Page No. 66

The Department may prepare a detailed statement regarding the financial position of the Corporation and indicate what steps have been taken in order to obtain the maximum return on the funds made available to them by the Government.

22. Para No. 53 Page No. 67

The Corporation should take steps for the early finalisation of the accounts rules and procedure.

23. Para No. 54 Page No. 68

The liabilities have increased. The Corporation should review the position and liquidate them and submit a working paper to the Committee regard.

24. Para No. 55 Page No. 68

An up-to-date yearwise statement of the sundry debtors should be prepared by the Corporation.

detailed analysis should be conducted and recoveries effected.

25. Para No. 56 Page No. 68

As interest was not charged on funds provided by Government, this may be done now and the fact reported for the information of the Committee.

26. Para No. 57 Page No. 68

The para may be dropped.

COMMERCIAL ACCOUNTS FOR THE YEAR 1975-76
AND AUDIT REPORT THEREON

1. Para No. 3 Page No. 4

The Committee may like to ask the respective Departments to compile the outstanding accounts and submit the latest position.

I. AGRICULTURE DEPARTMENT

(PUNJAB AGRICULTURAL DEVELOPMENT & SUPPLIES CORPORATION)

2. Para No. 5 Page No. 9

The Corporation may give a detailed note explaining the circumstances under which the payment was made to the firm at the higher rate when registers with the less number of pages were received. Also how the case was taken to the High Court.

II. INDUSTRIES & MINERAL DEVELOPMENT DEPARTMENT

(PUNJAB SMALL INDUSTRIES CORPORATION)

3. Para No. 9 Page No. 22

The Department may prepare a detailed statement regarding the financial position of the Corporation and indicate what steps have been taken in order to obtain the maximum return on the funds made available to them by the Government.

4. Para No. 10 Page No. 22

The Corporation may examine the fact whether loans granted to the third party by the financial institution and guaranteed by the Corporation should appear on the

Assets and Liabilities Side of their balance sheet.

5. Para No. 11 Page No. 22

The Department may indicate the up-to-date position in regard to the recoveries of outstanding amounts against the centres.

III. AGRICULTURE DEPARTMENT

(PUNJAB AGRICULTURAL DEVELOPMENT & SUPPLIES CORPORATION)

6. Para No. 19 Page No. 33

The Corporation may be asked to prepare a detailed note regarding the break-up of the loss being incurred annually. In the analysis, the reasons for the loss should also be indicated for consideration by a Sub-Committee.

7. Para No. 20 Page No. 33

Effective steps may be taken in order to finalize the reconciliation of sale collection with the books of the Bank as early as possible.

8. Para No. 21 Page No. 33

As no stock account of gunny bags was prepared by the Corporation, the position may be rechecked and a report submitted regarding the receipt and issue of the gunny bags and the closing balance.

IV. LIVESTOCK & DAIRY DEVELOPMENT DEPARTMENT

(PUNJAB LIVESTOCK, DAIRY AND POULTRY DEVELOPMENT BOARD)

9. Para No. 24 Page No. 43

The Board may conduct a detailed analysis of causes

for the loss of Rs. 75,63,583/- and analyse the major items leading to it.

10. Para No. 25 Page No. 43

The Board should indicate how the figure of the loss of Rs. 18,77,364/- carried forward had been actually arrived at.

11. Para No. 26 Page No. 43

The value of stocks appearing in the trading account and balance sheet do not agree. The Department should reconcile these figures and arrive at the correct amount and get it verified by Audit. It may also be stated why the annual physical verification was not carried out.

12. Para No. 27 Page No. 43

The Department should prepare yearwise analysis of the Sundry Debtors and should also get the confirmation of balances obtained by them verified from Audit.

13. Para No. 28 Page No. 43

The Board may state why the fixed assets were not got physically varified at the close of the year.

(LAHORE MILK PLANT)

14. Para No. 32 Page No. 53

The Lahore Milk Board may be asked to indicate the present position in regard to the working of the Plant.

15. Para No. 33 Page No. 53

The Board may be asked to prepare a list of the Trade Debtors as on 30-6-1971 indicating steps taken to reduce the figure.

COMMERCIAL ACCOUNTS FOR THE YEAR 1976-77
AND AUDIT REPORT THEREON

1. Para No. 3 Page No. 4

The Committee may like to ask the respective Departments to compile the outstanding Accounts and submit the latest position.

I. AGRICULTURE DEPARTMENT

(PUNJAB AGRICULTURAL DEVELOPMENT AND SUPPLIES CORPORATION)

2. Para No. 5 Page No. 9

The Corporation may indicate the present position of the case and in particular elaborate why the resignation of the Supervisor was accepted when it was known that he had committed this irregularity. It should also be stated whether disciplinary action was initiated against the Officer accepting the resignation of the Supervisor.

3. Paras No. 12-13 Page No. 19

The Corporation may be asked to prepare a detailed note regarding the break-up of the loss being incurred annually. In the analysis, the reasons for the loss should also be indicated for consideration by a Sub - Committee.

4. Para No. 14 Page No. 19

The Corporation should arrange for maintenance of record in the Head Office for reconciliation of inter - unit transfers. This may be done urgently and shown to Audit for verification.

II. LIVESTOCK & DAIRY DEVELOPMENT DEPARTMENT

(LAHORE MILK PLANT)

5. Para No. 17 Page No. 29

The Lahore Milk Board may be asked to indicate the present position in regard to the working of the Plant.

6. Para No. 18 Page No. 29

The Department should prepare yearwise analysis of the Sundry Debtors and should also get the confirmation of balances obtained by them verified from Audit.

III. INDUSTRIES & MINERAL DEVELOPMENT DEPARTMENT

(PUNJAB SMALL INDUSTRIES CORPORATION)

7. Para No. 24 Page No. 43

As the figures were subsequently reconciled, the para may be dropped.

8. Para No. 25 Page No. 43

The Corporation may indicate the present position of the Letter of Credit balances.

9. Para No. 26 Page No. 43

The Corporation should indicate the up-to-date position of the suspense balances especially pointing out what steps were taken in order to clear them.

COMMERCIAL ACCOUNTS FOR THE YEARS 1977-78 TO 1979-80
AND AUDIT REPORT THEREON

1. Para No. 3 Pages 4-6

Audit stated that the proforma Accounts, as detailed in the Commercial Accounts for the years 1977-78 to 1979-80, were still outstanding. The Additional Secretary(Monitoring), Finance Department informed that the Additional Chief Secretary (Sa:GAD) had addressed a meeting of the Administrative Secretaries on the 9th February, 1983 and had requested them to have the arrears cleared as early as possible. He added that the Finance Minister had also met the Administrative Secretaries on the 17th February, 1983 and stressed the necessity of doing so. It was considered that compilation of the Accounts of the Engineering Workshops and the Punjab Seed Corporation should not prove a difficult task. With a little bit of training, for which the assistance of the Accountant General, Punjab, may be sought this task could be easily accomplished. The Secretary Agriculture should take early action on these lines. The Director General, Commercial Audit agreed to provide a set of similar Accounts prepared by the Agriculture Department, Government of Sind for consultation.

The Industries and Mineral Development and Transport Departments may also take effective steps in order to bring the arrears Accounts up-to-date as early as possible. The respective Administrative Secretaries should draw up a schedule for compilation of the arrears Accounts in such a manner that they are brought up-to-date as early as possible.

I. AGRICULTURE DEPARTMENT

(PUNJAB AGRICULTURAL DEVELOPMENT & SUPPLIES
CORPORATION)

2. Paras 5-14 Pages 11-15

The Agriculture Department may offer comments on these Audit Paras indicating the present position and in particular stating about the cases pending in the Courts of Law and the stage of Departmental Inquiries.

(AGRICULTURAL ENGINEERING WORKSHOPS, LEIAH)

3. Para No. 15 Page No. 15

Audit stated that Rs. 70,745/- had been deposited by the firm concerned. It was recommended that this paragraph be dropped subject to verification by Audit.

(AGRICULTURAL ENGINEERING WORKSHOPS,
(F.I.S/LAHABD/LEIAH))

4. Para No. 16 Page No. 16

The present position regarding state of recoveries and of the departmental inquiries may be indicated specially the reasons for delay in finalization of the inquiries.

II. LIVESTOCK & DAIRY DEVELOPMENT DEPARTMENT

(LAHORE MILK PLANT)

5. Para No. 17 Page No. 17

The latest position of the case may be indicated as also the steps taken to fix responsibility on the persons responsible for the loss of pouches valued at Rs. 53,730/- and the pilferage of Rs. 65,696/-. Remedial measures adopted in order to avoid such losses in future may also

be given.

(PUNJAB LIVESTOCK, DAIRY & POULTRY DEVELOPMENT)
(BOARD)

6. Para No. 18 Page No. 17

The latest position of the case should be outlined showing the results of the investigations and steps taken to make good the loss from the persons found responsible.

(LAHORE MILK PLANT)

7. Para No. 19 Page No. 18

The present position may be indicated in particular the name and designation of the person who was awarded punishment by the Military Court, the extent of loss and departmental action taken to make good the same.

(LIVESTOCK, DAIRY & POULTRY DEVELOPMENT BOARD)

8. Para No. 20 Page No. 18

The latest position of the Court Cases pending against the accused officials and the amount due to them may be indicated.

(LAHORE MILK PLANT)

9. Para No. 21 Page No. 19

The Committee may be informed whether responsibility has been pin-pointed and what action has been taken against the defaulters.

10. Para No. 22 Page No. 19

The Department may state whether any departmental inquiry was held and with what result. Also the present position of the case which is under investigation of the

Punjab Anti-Corruption Department may be explained.

(M.E.T. COMPLEX, SIKHIA)

11. Para No. 23 Page No. 20

The Department may furnish comments on the observations made by the Audit and as suggested by them fix responsibility for the incurrence of irregular expenditure amounting to Rs. 62,505/-.

III. SERVICES, GENERAL ADMINISTRATION AND INFORMATION DEPARTMENT

(PUNJAB ROAD TRANSPORT BOARD)

12. Para No. 24 Page No. 20

The Department may state the present position of the investigation and the steps taken to recover and adjust the advance outstanding against the Overseer.

13. Para No. 25 Page No. 20

The Department may state how the case being investigated by the Anti-Corruption Departments stands.

IV. INDUSTRIES & MINERAL DEVELOPMENT DEPARTMENT

(GOVERNMENT PRESS, LAHORE)

14. Para No. 26 Page No. 21

The Department may state the stage of the departmental inquiry and give reasons for delay in its finalization and also the remedial measures taken to avoid recurrence of such irregular expenditure in future.

(PUNJAB SMALL INDUSTRIES CORPORATION)

15. Para No. 27 Pages No. 21-22

The Department may give detailed reasons as to why the refractories could not be utilized for a period of twenty years and fix responsibility for this delay. The performance of the refractories may also be indicated and it should be pointed out if additional expenditure had to be incurred to put them into operation.

V. AGRICULTURE DEPARTMENT

(PUNJAB AGRICULTURAL DEVELOPMENT & SUPPLIES CORPORATION)

1979 - 80

16. Paras 32-35 Pages No. 30-31

It was observed that the accumulated interest paid on over-draft until 30th June, 1980, totalled Rs. 34,818/- million. This was because the corporation had not been provided any equity by the Government and it had to carry on with over-drafts totalling Rs. 383.76 million. It is suggested that in order to reduce the burden of loans and consequential payment of interest Government may consider providing the Corporation adequate equity.

The sundry debtors on 30th June, 1980, were Rs. 31,412 million. The aging of sundry debtors may be provided to Audit and the year-wise analysis be prepared so that the outstanding are settled expeditiously.

The provision for bad debts was Rs. 9,923 million being 30% of the amount recoverable. This appears to be on the high side and needs to be investigated.

The cumulative loss on 30th June, 1980, stood at Rs. 5.00562 million. The Department should analyse this loss and indicate what steps they propose to take in order to reduce it.

Provision for shortages and losses of fertilizer and seed on 30th June, 1980, totalled Rs. 55.997 million. Actual shortages and losses should be worked out by the management in order to write them off.

The management had pointed out that losses occurred because of short receipt of fertilizers from abroad as well as during transit within the country as per consignees. The steps taken by the management to reduce such losses may be indicated.

The closing balances of fertilizer on the 30th June, 1980, was Rs. 67 million and seed Rs. 23,738 million i.e. Rs. 490.905 million which is about 40% of the total turn-over some of which has been lying unsold with the Corporation since 1974-75. The balances are very much on the high side and this unnecessary accumulation is responsible for a good portion of the loss. The Corporation should investigate whether it is absolutely necessary to retain such heavy stocks and also to take urgent steps for disposal of the previous years' stocks. It is also stressed that regular physical verification should be carried out by the Management.

17. Para No. 36 Page No. 31

There is wide difference between the balances shown in final Accounts for the year 1979-80 and those in the subsidiary ledgers. Urgent steps should be taken for early reconciliation of the Accounts pointed out on Page No. 31, of the Commercial Accounts.

18. Paras No. 44 and 45 Page No. 42

Same remarks as for Paras No. 32-35 Pages No. 30-31.

19. Para No. 46 Page No. 42

Same remarks as for Para No. 36 Page No. 31.

20. Para No. 47 Page No. 43

As the amount of Rs. 3,238/- under " Suspense Accounts " has since been adjusted, the para may be dropped.

21. Para No. 48 Page No. 43

Same remarks as against Para No. 35 Pages No. 30-31.

22. Paras 57 and 58 Page No. 54

Same remarks as against Paras No. 32-35 Pages No. 30-31.

23. Para No. 59 Page No. 54

Same remarks as against Para No. 36 Page No. 31.

24. Para No. 60 Page No. 55

As the amount of Rs. 60,64,510/- has since been adjusted, the para may be dropped.

25. Para No. 61 Page No. 55

The reconciliation of the Sundry Debtors Accounts may be got verified by Audit. The Department may also intimate the progress made towards the realisation of debts.

1977 - 78

(PUNJAB SEED CORPORATION)

26. Para No. 66 Page No. 67

The Department should indicate reasons for delay in completion of the project and consequent rise in the cost by about 20 million as assessed by the management. In particular it may be stated as to why the selected consultants delayed in designing buildings and plants.

27. Para No. 67 Page No. 67

The Department may state why procedures regarding accounting, financial control, internal Audit, etc., have not been drawn up by the Corporation. Steps being taken in order to have them compiled as early as possible may be given.

28. Para No. 68 Page No. 67

No remarks.

29. Para No. 69 Page No. 68

Audit has pointed out that physical verification was carried out in the year 1980-81. The results of this verification and action taken to regularies matters should be intimated.

30. Paras No. 70-72 Pages No. 70-77

The Provincial Government had given a capital grant of Rs. 29.9 million including foreign exchange of Rs.73 million in the year 1977-78. Rs. 18 million was spent, and of this Rs. 9.2 million was retained in the Banks and Cash Balances. It is suggested that grants should be released taking into consideration funds available with the Corporation.

Another point in this case was that advances to contractors totalled Rs. 8.8 million. This seems to be very much on the high side as compared to the work done which was hardly Rs. 2 million. Reasons for giving such heavy advances may be indicated.

1976 - 77

31. Para No. 73 Page No. 80

Same remarks as against Paras No. 70-72 Pages No. 70-77 (1977-78).

1979 - 80

VI. INDUSTRIES AND MINERAL DEVELOPMENT DEPARTMENT

(PUNJAB SMALL INDUSTRIES CORPORATION)

32. Paras No. 76-77 Page No. 89

Audit had rightly pointed out that on 30th June, 1980 there was a huge cash balance of Rs. 91.639 million, whereas the manufacturing activities for that year were only Rs. 21.889 million. The objective of the Corporation was to promote Small Industries and not to retain money un-utilised. The Corporation should indicate the effective steps taken to achieve this object at a greater speed keeping in view the availability of funds.

33. Para No. 78 Face No. 90

Audit indicated that Department had explained the position. So the para may be dropped.

34. Para No. 79 Page No. 90

Audit informed that the Corporation have stated that they have fully utilised the loan of Rs. 2.48 crores.

Details of the disbursement of loans, partywise/purposewise may be furnished to Audit for verification.

35. Para No. 80 Page No. 90

A provision of Rs. 2,07,478/- had been made for non-recovery of advances, deposits and pre-payments.

The Department may indicate why such heavy amounts have been provided and conduct a detailed investigation to effect recoveries and to see whether the advances etc. have actually become irrecoverable.

36. Para No. 81 Page No. 90

The results of the physical verification have been indicated.

The para may be dropped.

37. Paras No. 82-83 Page No. 90

The differences have been verified by Audit and paras may be dropped.

38. Para No. 84 Page No. 90

Audit explained that this was a reverse entry so the para may be dropped.

39. Para No. 85 Page No. 90

The Sanction to write off may be shown to Audit.

40. Para No. 86 Page No. 90

The Directors' report after necessary approval may be provided to Audit.

41. Para No. 87 Page No. 90

The Department may investigate the shortages with a view to fixing responsibility on the persons found

at fault so that losses may be made good.

42. Paras No. 88-89 Pages No. 92-93

The profit for the year ending 30th June, 1980 has shown as Rs. 18.018 million. This was due to an amount of Rs. 26.275 million as Grant-in-Aid having been included as income. If this were subtracted there would have been a loss of Rs. 8.257 million. Grant-in-Aid should not have been taken as income for the purpose of preparing Profit and Loss Account. Detailed reasons for the above loss may be looked into and steps taken in order to reduce it for the future. The Department may also state measures adopted to improve the marketing side of the Corporation so as to make it more profitable through its operational activities.

It was observed from the balance sheet that the closing stocks totalled Rs. 12,956 million whereas the turnover was Rs. 21.889 million. This appears to be on the high side and needs to be reduced keeping the turnover in mind.

The total of debtors and other receivables stood at Rs. 26.943 million. The previous year's figure was Rs. 18.637 million. A yearwise list of these outstanding should be prepared and effective steps taken in order to secure recoveries of the outstandings.

43. Para No. 91 Page No. 98

The total of salaries, allowances and benefits was Rs. 17.385 million, of which Rs. 1.356 million were paid as stipends to trainees. When compared with the turnover of Rs. 21.889/- this appears to be very much on the high side and needs to be brought down considerably.

1978 - 79

44. Paras No. 92-95 Page No. 99

45. Paras No. 99-105 Pages No. 110-117

Same remarks as for 1979-80.

(GOVERNMENT PRINTING PRESS, LAHORE)

The Accounts had only been prepared for the period ending 30th June, 1973. The Department should take effective steps in order to draw up a programme for compiling the Accounts in arrears as early as possible.

46. Paras No. 112-114 Page 122

There was an abnormal increase in the cost of production which worked out to 21.84 percent over the previous year as against the increase in sales of 1.36 percent. Some reasons for the increase of the loss have been indicated in Para No. 111, however, this matter needs to be looked into in greater detail and steps taken so as to reduce the abnormal increase in the cost of production so as to keep down the loss. This may be done and intimated to the Committee.

47. Para No. 115 Page No. 122

Confirmations should be obtained from the treasuries and shown to Audit.

48. Para No. 116 Page No. 122

As suggested by Audit, the shortage should be properly investigated.

49. Para No. 117 Page No. 123

Reconciliation of the balance of Depreciation Reserve Fund should be carried with the Accountant General, Punjab.

50. Para No. 118 Page No. 123

A yearwise analysis of the sundry debtors should be carried out and early/effective steps taken in order to reduce the outstanding.

51. Para No. 119 Page No. 123

The action as advised by Audit may be taken and the Committee informed.

52. Para No. 120 Page No. 123

The reconciliation representing free supply from Provincial Stationery Office should be effected early.

53. Para No. 121 Page No. 123

The Department should give justification for providing a sum of Rs. 69,366/- in excess as interest on capital as pointed out by Audit and the entry should be reversed.

54. Para No. 122 Page No. 123

The Department should indicate whether the books are now being maintained on the double entry system as stressed by Audit, if not, what steps are being taken in order to do so.

1971 - 72

55. Paras No. 129-134 Pages No. 138-151

Same remarks as for the Accounts for the year 1972-73.

(PROVINCIAL STATIONERY OFFICE, LAHORE)

GENERAL

The compilation of the Accounts is in arrears since 1972-73. Effective steps should be taken by the Department in order to have arrear Accounts compiled as early as possible.

56. Para No. 146 Page No. 153

The gross profit of Rs. 2,32,093/- during the year 1971-72 was turned into a loss of Rs. 2,36,983/- due to increase in over-heads. The Department may justify the abnormal increase in over-heads which led to the above loss and indicate steps taken in order to keep them down.

57. Para No. 147 Page No. 153

Necessary reconciliation of the remittances and withdrawals from the treasuries with the figures booked by Accountant General, Punjab, and the Treasury Officers respectively should be completed at an early date.

58. Para No. 148 Page No. 153

The Department may indicate the latest position of the sundry debtors together with their yearwise analysis. As the sales are now being made against cash, there be no further accumulation.

59. Para No. 149 Page No. 153

Steps taken by the Department to maintain the Accounts strictly on Commercial lines should be indicated.

60. Para No. 150 Page No. 153

The Assets Register should be completed and maintained in a proper form.

VII. LIVESTOCK, PULTRY & DAIRY DEVELOPMENT DEPARTMENT

1978 - 79

61. Paras No. 159-161 Pages No. 177-78,

There has been a continuous deterioration in the working results which was mainly due to annual decrease in the sales and increase in the Administrative, Financial and other indirect expenses. The commulative loss as on 30th June, 1979 was Rs. 28.545 million rupees as against 45.431 million invested in the Corporation i.e. 63 percent of the total investment made by the Government. The matter needs to be looked into in depth in order to see whether at all it is necessary to retain the Board when such heavy losses are taking place from year to year, especially when out of 25 allied projects as many as 13 have either been abandoned or transferred to the Provincial Government.

62. Para No. 162 Page No. 178

As proposed by Audit, immediate action may be taken to get the matter settled with the Government alongwith the adjustment of loans received for that purpose.

63. Para No. 163 Page No. 178

The yearwise analysis of the Amounts of sundry debtors and advances should be prepared by the management indicating the aging of debts, advances and pre-payments.

64. Para No. 164 Page No. 178

The financial review may be prepared and the Accounts approved by the Board.

1977 - 78

65. Paras No. 168-169 Page No. 189

Same remarks as against Paras No. 159-161 Pages No. 177-178 of 1978-79 Accounts.

66. Para No. 170 Page No. 189

The Department may indicate reasons why physical verification of the assets and stocks has not been conducted. The needful may be done regularly before the close of each year and action taken to regularise losses, if any.

67. Para No. 171 Page No. 189

As proposed by Audit, effective steps may be taken to control the situation and a system of Internal Audit may be adopted.

1976 - 77

68. Paras No. 175-177 Page No. 201

Same remarks as for Paras No. 159-161 Pages No. 177-178 of 1978-79 Accounts.

(LAHORE MILK PLANT)

1977 - 78

69. Paras No. 181-182 Page No. 213

The Department may justify in detail the increase in

the cost of sales, administrative/selling and distribution expenses. The administrative/selling and distribution expenses almost doubled over the previous year. The steps taken to control the above expenses and to boost up the sales may also be given.

70. Para No. 183 Page No. 213

Out of turn-over of Rs. 6.192 million, the sundry debtors on 30th June, 1978 stood at Rs. 2.554 million. This was very much on the high side and needs to be investigated in detail with a view to substantially reducing the amount. The approval of the Board may also be obtained for the provision for bad and doubtful debts.

71. Para No. 184 Page No. 213

The Department may state why physical verification of the fixed assets, stocks and stores had not been carried out by an independent agency. This should be done immediately and invariably in future before the close of the financial year.

VIII. SERVICES & GENERAL ADMINISTRATION DEPARTMENT

(PUNJAB ROAD TRANSPORT BOARD)

1975 - 76

72. Paras No. 198-199 Page No. 227

The Department has already been requested to prepare a detailed paper regarding working results for the year 1970-71 to 1976-77 analysing and giving detailed reasons for this loss which has been rising from year to year for consideration by the Committee. A further paper updating the position should now be prepared in which steps taken

by the Board to improve the position, arrest leakage of income, reduce over-heads etc., with a view to making the organization self-sustaining may also be given.

73. Para No. 200 Page No. 227

The Department may report whether the stock of obsolete forms has since been disposed of and whether any loss was incurred in their disposal. Reasons for incurring their expenditure may also be stated and responsibility fixed on persons found at fault.

As already requested, the Department may examine in detail reasons for the abnormal increase from year to year on the Sundry Debtors.

74. Para No. 201 Page No. 227

The Department should also take urgent steps in order to reduce the sundry debtors and other receivables to the minimum with a view to reducing the incident of financial charges. Action taken in these respects should be indicated for the information of the Committee.

75. Para No. 202 Page No. 228

The amount of Rs. 37.001 million is appearing in the Accounts under "Advances and Forward Payments" of which Rs. 1.592 million is on account of the advance income tax, customs duty and sales tax. The Department should take urgent and effective steps to have the respective cases finalised so that refunds, if any, should be obtained. Action taken in this regard may be intimated to the Committee.

76. Para No. 203 Page No. 228

The Department should have the valuation of the various assets acquired completed at a very early date and adjusted in the Accounts so that the amount under suspense can be cleared.

77. Para No. 204 Page No. 228

The Board has given the necessary approval, so no further action is necessary.

IX. HEALTH DEPARTMENT

(GOVERNMENT MEDICAL STORES DEPOT, LAHORE)

1972 - 73

78. Para No. 211 Page No. 245

Detailed reasons for the abnormal decrease of the profit from Rs. 2,959 million to Rs. 0.69 million rupees from the previous year may be given. The factors leading to this may be analysed in detail and steps taken in order to improve the position indicated.

79. Para No. 221 Page No. 253

The amount of Rs. 0.796 million has been shown in the stock Account in respect of revaluation of the closing balance of stocks on 30th June, 1973. The basis for this revaluation may be intimated.

X. EXCISE AND TAXATION DEPARTMENT

(GOVERNMENT OPIUM ALKOLOID FACTORY, LAHORE)

1975 - 76 and 1976 - 77

80. Paras No. 228-229 Page No. 258

The Department may indicate the action taken to reduce the liabilities and to realize the receivables.

81. Paras No. 230-231 Page No. 258

Reasons for fixation of an unrealistic rate as compared to the cost of production for the Medical Opium Powder may be indicated.

1973 - 74 and 1974 - 75

82. Paras No. 242-247 Page No. 272

Same remarks as for 1975-76 and 1976-77 Accounts.

1971 - 72 and 1972 - 73

83. Paras No. 258-261 and 272-275 Pages No. 286-300

Same remarks as for 1975-76 and 1976-77 Accounts.

XI. IRRIGATION AND POWER DEPARTMENT

(IRRIGATION WORKSHIP DIVISION, MOGHALPURĀ)

1978 - 79

84. Para No. 291 Page No. 316

Steps taken for the early reconciliation of the figures with the Audit Office may be indicated.

85. Paras No. 292-293 Page No. 316

The net profit has been going down from Rs. 1,57,216/- in 1976-77, Rs. 70,34,675/- in 1977-78 and Rs. 23,63,922/- in 1978-79. Audit have stated that the reasons for this is that action has not been taken in accordance with the codal rules. Action taken to rectify the position

may be indicated by the Department.

Further examination of the Accounts for the years 1974-75 to 1978-79 has revealed that there are wide variations in respect of profit/loss. Detailed reasons for this may be indicated by the Department for examination by the Sub Committee.

86. Para No. 294 Page No. 317

The Department may investigate and prepare an year-wise statement of the Sundry Debtors with a view to effecting recovery at an early date. In regard to old outstanding debtors which are very old debits action may be taken to effect recovery or to have them written off if they prove to be Bad Debts.

87. Para No. 295 Page No. 317

The Department may restrict the purchase of stores to the actual requirements so as to avoid locking up of unnecessary capital.

88. Para No. 296 Page No. 317

The Department should maintain the general ledger properly.

89. Para No. 297 Page No. 317

The Department may follow the prescribed rules regarding re-assessment of capital cost of buildings after every five years.

90. Para No. 298 Page No. 317

Steps may be taken to have the establishment charges accounted for in the Accounts regularly each year.

1977 - 78

91. Paras No. 323-333 Pages No. 332-334

Same remarks as for the Accounts 1978-79.

1976 - 77

92. Paras No. 352-367 Pages No. 348-349

Same remarks as for the Accounts 1978-79.

1975 - 76

93. Paras No. 376-382 Page No. 363

Same remarks as for the Accounts 1978-79.

1974 - 75

94. Paras No. 391-396 Page No. 377

Same remarks as for the Accounts 1978-79.

COMMERCIAL ACCOUNTS FOR THE YEARS 1977 - 78 TO
1979 - 80 AND AUDIT REPORT THEREON

REPORT OF THE SUB COMMITTEE

The Report of the Sub Committee of the Adhoc Public Accounts Committee, constituted to conduct the Preliminary Examination of the Commercial Accounts for the years 1977-78 to 1979-80, came under discussion before the Adhoc Public Accounts Committee. It was noticed that the Commercial Accounts of different Organizations especially concerning Agriculture Department under the Administrative control of Provincial Government have not been compiled so far as a result thereof, the Director General, Commercial Audit could not Audit those Accounts. The Committee desired that the Director General, Commercial Audit/Accountant General may inform the Public Accounts Committee regarding those Accounts which have still to be received from the defaulting Departments so that the Departments could be impressed so that they may draw up a schedule for compilation of the arrears Accounts in such a manner that they are brought up-to-date as early as possible.

The Committee approved the Report of the Sub - Committee with the following directions :-

- (i) The Working Paper may be called for from the respective Departments latest by 31st May, 1983 and the Secretaries to ensure that this date is observed.
- (ii) The Adhoc Public Accounts Committee constituted two Sub Committees consisting of the following

Members to examine the Working Papers relating to the organizations noted hereunder and to submit their recommendations for the Committee's consideration :-

MIAN ABDUL RASHID AND CH. FATEH MUHAMMAD

(1) Agriculture Department

- (a) Punjab Agricultural Development and Supplies Corporation.
- (b) Agricultural Engineering Workshops.
- (c) Punjab Seed Corporation.

(2) Industries and Mineral Development Department

- (a) Punjab Small Industries Corporation.
- (b) Government Printing Presses.
- (c) Provincial Stationery Offices.

MR. M.Z. KHAN AND ALHAJ KHAWAJA HABIB-UR-RAHMAN

(1) Livestock and Dairy Development Department

- (a) Livestock, Dairy & Poultry Development Board.
- (b) Lahore Milk Plant.

(2) Services, General Administration & Information Department.

(Punjab Road Transport Board).

(3) Health Department

(MEDICAL STORES DEPT)

(4) Irrigation and Power Department

(IRRIGATION WORKSHOPS)

(5) Excise and Taxation Department

(GOVERNMENT OPIUM ALKALOID FACTORY)

The Committee thanked Albaj Khawaja Habib-ur-Rahman and Ch. Fateh Muhammad for conducting the Preliminary Examination of the Commercial Accounts for the years 1977-78 to 1979-80.

COMMERCIAL ACCOUNTS FOR THE YEAR 1980-81
AND AUDIT REPORT THEREON

AGRICULTURE DEPARTMENT

1. Para No. 5 Page No. 9

The Audit had pointed out that the Commercial Accounts of the Agricultural Engineering Workshops in the Province in respect of the years mentioned against each had not been compiled. In its meeting held on 20th February to 22nd February, 1983, the Committee had drawn attention to the fact that the Proforma Accounts as detailed in the Commercial Accounts for the years 1977-78 to 1979-80, were still outstanding. The steps taken to have the work up-dated was indicated by the Additional Secretary, (Monitoring), Finance Department. The Committee considered that compilation of the Accounts of the Engineering Workshops and the Punjab Seed Corporation should not prove difficult. Ten months have elapsed but the work is still reported to be in arrears. The schedule should be furnished to the Secretariat and Monitoring Wing of the Finance Department by the 31st January, 1984, and a monthly progress report may also be furnished.

(PUNJAB AGRICULTURAL DEVELOPMENT & SUPPLIES CORPORATION)

2. Paras No. 6-12 Pages No. 10-15

The Agriculture Department may offer comments on these paras indicating the present position of each and in particular indicate whether departmental inquiries have been conducted to inquire into the losses and point out

the present state of the disciplinary cases.

3. Paras No. 22-23 Page No. 24

The Department may indicate the measures adopted by them with a view to making the corporation self-sustaining.

4. Para No. 24 Page No. 24

The Department may indicate the steps taken by them to increase the sale of seeds and fertilizers in order to keep the losses to a minimum.

5. Para No. 25 Page No. 24

The Department may indicate in detail why losses were charged to accounts without investigating the causes for the losses and fixing responsibility therefor.

6. Para No. 26 Page No. 24

The Department may indicate the steps taken for early reconciliation of the sales collection accounts.

7. Para No. 27 Page No. 24

The present position of the recovery/adjustments of claims of the Corporation against the scheduled banks may be indicated together with the steps taken to have the claims settled without loss of time.

8. Para No. 28 Page No. 25

The present position of the outstanding debts amounting to Rs. 28.14 million together with the year-wise analysis may be indicated.

9. Para No. 29 Page No. 25

Even though the matter is under trial with the M. L. Authorities, a departmental inquiry under the Efficiency

and Discipline Rules is required to be conducted particularly because the alleged embezzlement was said to have been facilitated due to lack of supervision and financial control. If this has not been done, it may be done early and the results reported for the information of the Committee.

10. Para No. 30 Page No. 25

The Department may indicate the details of and the reasons for grant of the exgratia payments. It may also be pointed out why these amounts were included under sundry debtors.

11. Para No. 31 Page No. 25

The matter is reported to be under correspondence with Dawood Hercules. Present position of the case together with special steps taken to settle the disputed claim may be indicated.

II. SERVICES, GENERAL ADMINISTRATION AND INFORMATION DEPARTMENT.

(TRANSPORT WING)

12. Paras No. 14-15 Pages No. 16-17

The Department may offer its comments on these two paras indicating the present position and the present stage of the departmental inquiry and recovery.

13. Para No. 16 Page No. 17

The Audit has verified the issue of POL.

This para may be dropped.

III. LIVESTOCK, DAIRY & POULTRY DEVELOPMENT
DEPARTMENT

14. Para No. 13 Page No. 12

The Department may offer comments on this para stating in particular why the recoveries have not been effected so far despite the lapse of over eight years.

(LAHORE MILK PLANT)

15. Paras No. 44-45 Page No. 39

The Department may indicate the ways and means adopted by them to improve the working results of the plant by reducing its selling expenses as far as possible, and popularizing its products among public.

16. Para No. 46 Page No. 39

(a) The present position of recoveries of the short term loans and advances from the employees of the plant totalling Rs. 1.71 millions may be indicated. If the advances prove to be irrecoverable they may be written off with the sanction of the competent authority.

(b) The Department may indicate the action taken against the incharge of the chilling centres who were responsible for the misappropriation of the imprest or their non-reconciliation. The Account may be reconciled and the loss should either be recovered or written off.

17. Para No. 47 Page No. 39

As already pointed out in the previous years, the total in respect of sundry debtors is abnormally high.

The Department may give details individually year-wise of the sundry debtors.

18. Para No. 48 Page No. 39

The Department may indicate what prospects there are of recoveries against receivables in cash-sale-account and why confirmations in respect of credit sales were not obtained from the parties concerned.

19. Para No. 49 Page No. 39

The Department may state why surplus funds were not deposited in fixed deposit accounts to earn interest.

20. Para No. 50 Page No. 39

The Department should state why physical verification of the fixed assets and stores and spares were not carried out.

21. Para No. 51 Page No. 39

The Accounts for 1980-81 were reported to have not been approved by the Board of Directors. The reasons why this was not done in time should be indicated.

(PUNJAB LIVESTOCK, DAIRY & POULTRY DEVELOPMENT BOARD)

22. Para No. 71 Page No. 55

The Department may justify the increase in the Administrative, financial and other indirect expenses. Remedial steps taken by them to improve the working of the Board may also be indicated. The loss was reported to be mainly due to the heavy burden of interest charges on loans received from the Government, the incidence of which during the year under report amounted to

Rs. 6.591 million.

23. Para No. 72 Page No. 55

The Department may indicate whether the differences pointed out by Audit have since been reconciled. If not early steps in this regard may be taken.

24. Para No. 73 Page No. 55

The Department may explain why the unspent balance of the grant-in-aid was used on the purpose other than that for which it was allowed by the Government.

25. Para No. 74 Page No. 55

The Department may clarify the position with regard to the availability/existence of various moveable assets relating to certain projects which were abandoned in August, 1976. These assets were stated to be neither available in the premises of the abandoned projects nor taken in the charge of the on-going projects of the Board. This matter needs immediate investigation.

26. Para No. 75 Page No. 55

- (a) The Department may clarify as to why the cash in hand of Rs. 2,798/- was physically not available.
- (b) The Bank statements and confirmation certificates in respect of the sums totalling Rs. 63,816/- of various
- (c) abandoned projects of the Board may be produced to Audit for verification.

27. Para No. 76 Page No. 55

The Board may prepare a year-wise analysis and break-up of the sundry debtors indicating steps taken by them

for their progressive realization. Special efforts may be made to recover the outstandings.

The Department may also state reasons why the figures of sundry debtors was allowed to rise instead of being reduced.

28. Para No. 77 Page No. 56

The Department may state why surplus funds were kept in current account or short term deposits instead of in fixed deposits.

29. Para No. 78 Page No. 56

The Department may indicate the latest position with regard to the recoveries of loans amounting to Rs. 44,000/- granted to L.S.F., Kallur Kot and point out why this has not been recovered so far.

IV. INDUSTRIES & MINERAL DEVELOPMENT DEPARTMENT

(PUNJAB INDISTRIAL DEVELOPMENT BOARD)

30. Paras No. 83-84 Page No. 69

No comments.

31. Para No. 85 Page No. 69

According to Section 23 read with Section 25(i) of the Punjab Industrial Development Board Act 1973, the Board is required to maintain complete and accurate accounts i.e. income and expenditure statement and balance sheet. The reasons why this has not been done may be indicated.

32. Para No. 86 Page No. 69

An amount of Rs. 336.692 million was provided by Government as Development Fund. Audit have pointed out

that this was partly utilized by the Board for purposes other than those for which it was given by the Government and also that Rs. 94,029 million were blocked in the form of other receivables and Rs. 47.559 million have been kept in Banks. Reasons for the above action of the Board may be indicated.

33. Para No. 87 Page No. 69

Audit have stated that no interest was being charged/paid on outstanding balances in the current account of the projects. The Department may indicate the reasons for not charging the interest.

34. Para No. 88 Page No. 69

Comments on the observation contained in this para may be furnished.

35. Para No. 89 Page No. 70

Audit have stated that the LDA have refunded the sum paid to them, so this para may be dropped.

36. Para No. 90 Page No. 70

The Department may state why annual physical verification of the fixed assets was not carried out by an independent agency.

(PROVINCIAL STATIONERY OFFICE, LAHORE)

37. Para No. 112 Page No. 64

No Comments.

38. Para No. 113 Page No. 84

The Department may indicate if reconciliation work is

being properly and regularly carried out. The latest position in regard to reconciliation may also kindly be pointed out.

39. Para No. 114 Page No. 84

The Department may indicate the latest position of sundry debtors giving year-wise details thereof.

40. Para No. 115 Page No. 84

The Department may explain the circumstances under which the closing stocks were allowed to be in excessive quantity as compared to sales.

(PUNJAB GOVERNMENT PRESS, LAHORE)

41. Para No. 125 Page No. 94

The Department may explain reasons leading to colossal loss to the Press during the year under review.

42. Para No. 126 Page No. 94

- (i) The Department may carry out necessary adjustments in respect of excess and less provision of depreciation in consultation with the Audit.
- (ii) The Department may indicate whether the full depreciated assets have been replaced.

43. Para No. 127 Page No. 94

The Department may kindly reconcile the figures with those booked by the Provincial Stationery Office, Lahore.

44. Para No. 128 Page No. 94

The Department may indicate the latest position in regard to reconciliation.

45. Para No. 129 Page No. 94

The Department may indicate whether the certificate for the deposit of an amount of Rs. 4.029 million was obtained from the Accountant General, Punjab.

46. Para No. 130 Page No. 94

The Department may look into the shortages and excesses and indicate the action taken to adjust the same.

46-A. Para No. 131 Page 94

The Department may indicate the present position of the sundry debtors relating to the year under review.

47. Para No. 132 Page No. 94

The Department may please indicate whether the books of accounts are being maintained on commercial pattern.

48. Para No. 133 Page No. 95

The Department may consider the desirability of screening the old publications in stock in order to assess the factual position of the stock.

49. Para No. 134 Page No. 95

The Department may consider the desirability of fixing maximum limits of stores as pointed out by Audit.

(PUNJAB GOVERNMENT WOOL SPINNING AND WEAVING DEVELOPMENT- CUM -TRAINING CENTRE, JHANG)

50. Para No. 141 Page No. 113

The Department may indicate the steps taken by them to boost production of the Centre to its full capacity.

V. EXCISE AND TAXATION DEPARTMENT

(GOVERNMENT OPIUM ALKALOID FACTORY, LAHORE)

51. Paras No. 149-150 Page No. 124

The Department may indicate the efforts made by them

to make the factory self-sustaining.

52. Para No. 151 Page No. 124

The Department may indicate the present position of the sundry debtors relating to the year under review.

VI. HEALTH DEPARTMENT

(GOVERNMENT MEDICAL STORE DEPOT LAHORE)

53. Para No. 155 Page No. 138

The Department may explain the inaccuracies pointed out by the Audit and the circumstances under which stocks were revalued.

54. Para No. 166 Page No. 138

The Department may give break-up of the sundry creditors as shown in the balance sheet.

55. Para No. 167 Page No. 138

The Audit may kindly verify the position in regard to hiring of the premises afresh.

56. Para No. 168 Page No. 138

The Department may give reasons for inordinate delay in the investigation. The latest position of the case may also be indicated.

57. Para No. 169 Page No. 138

The Department may give break up of the sundry debtors as shown in the balance sheet. The position regarding recovery in respect of these debtors may also be indicated.

58. Para No. 170 Page No. 139

- (i) The Department may give break-up of the loss. The results of investigation into the losses may also be indicated alongwith steps taken to avoid recurrence of such losses.
- (ii) Steps taken to obtain Government sanction for maintaining reserve stocks limit may be indicated.
- (iii) No comments.

59. Para No. 171 Page No. 139

The Department may clarify the position in regard to the inaccuracies pointed out by the Audit.

60. Para No. 172 Page No. 139

The Department may explain the inaccuracies pointed out by the Audit and the circumstances under which stocks were revalued.

61. Para No. 173 Page No. 139

- (i) The Department may clarify position regarding &
- (ii) issuance of medicines to the staff.

(PUNJAB PHARMACY COUNCIL, LAHORE)

62. Para No. 178 Page No. 150

No comments.

63. Paras No. 179, 180 and 181 Page No. 150

Steps taken to meet the Audit objections may be indicated.

VII. IRRIGATION AND POWER DEPARTMENT

(IRRIGATION WORKSHOP DIVISION, M.GHALPURA,
LAHORE)

64. Para No. 185 Page No. 158

The Department may reconcile the figures with the Audit.

65. Para No. 186 Page No. 158

The Department may explain the circumstances leading to abnormal increase in loss as compared to the preceding year and indicate measures adopted to minimise the same.

66. Para No. 187 Page No. 158

The Department may indicate if the requirements of rules, as pointed by Audit, are being followed.

67. Para No. 188 Page No. 158

The Department may explain why the expenditure on account of establishment of the Chief Engineer were not accounted for on prorata basis as required under the rules.

68. Para No. 189 Page No. 158

- (i) The Department may explain why the codal provisions, as pointed out by Audit, could not be followed.
- (ii) The discrepancy pointed out by Audit may be explained.

69. Paras No. 190-191 Page No. 158.

The Department may explain why the codal provisions, as pointed out by Audit, could not be followed.

70. Para No. 192 Page No. 158

The present position of the debtors relating to the year under review may be indicated and sanction of the competent authority may be obtained for write-off of such amounts as are really irrecoverable.

71. Para No. 193 Page No. 159

The Department may indicate the latest position of the unadjusted balances giving reasons why the necessary adjustment of the completed jobs could not be made in time and why these balances were allowed to linger on in the workshop suspense account.

72. Para No. 194 Page No. 159

The Department may give details of the closing stocks as on 30th June, 1981 and indicate reasons for retention of such huge stores in stock.

73. Para No. 195 Page No. 159

The Department may indicate if the requirements of Para No. 9 of the Workshop Rules, as pointed out by the Audit, are being followed.

74. Para No. 196 Page No. 159

The Department may explain why reassessment of the cost of the building was not done in accordance with the provisions of rules as repeatedly pointed out by Audit from year to year.

8. Para No. 197 Page No. 159

The cost of regular establishment may be accounted for on Pro-rata-basis in order to arrive at correct financial results of the workshop.

COMMERCIAL ACCOUNTS FOR THE YEAR 1980-81
AND AUDIT REPORT THEREON

(REPORT OF THE SUB COMMITTEE)

1. The Report of the Sub Committee of the Adhoc Public Accounts Committee, constituted to conduct the Preliminary Examination of the Commercial Accounts for the year 1980-81 came under discussion before the Adhoc Public Accounts Committee. It was noticed that the Commercial Accounts of different Organizations especially concerning Agriculture Department under the Administrative control of Provincial Government, have not been compiled so far as a result thereof, the Director General, Commercial Audit could not Audit those Accounts. The Committee desired that the Director General, Commercial Audit/Accountant General may inform the Public Accounts Committee regarding those Accounts which have still to be received from the defaulting Departments so that the Departments could be impressed so that they may draw up a schedule for compilation of the arrears Accounts in such a manner that they are brought upto date as early as possible.
2. The Committee approved the Report of the Sub Committee with the following directions :-
 - (i) The Working Paper may be called for from the respective Departments latest by 30-4-1984 and the Secretaries to ensure that this date is observed.
 - (ii) The Adhoc Public Accounts Committee already constituted in its meeting held on 2-4-1983, two Sub Committees consisting of the following Members to examine the Working Papers relating to the Organizations noted

hereunder and to submit their recommendations for the Committee's consideration :-

MIAN ABDUL RASHID AND CH. FATEH MUHAMMAD

(1) AGRICULTURE DEPARTMENT

- (a) Punjab Agricultural Development and Supplies Corporation;
- (b) Agricultural Engineering Workshops;
- (c) Punjab Seed Corporation;

(2) INDUSTRIES AND MINERAL DEVELOPMENT DEPARTMENT

- (a) Punjab Small Industries Corporation;
- (b) Government Printing Presses ;
- (c) Provincial Stationery Offices ;

MR. M.Z. KHAN AND ALHAJ KHAWAJAH BIBURAHMAN

(1) LIVESTOCK AND DAIRY DEVELOPMENT DEPARTMENT

- (a) Livestock, Dairy and Poultry Development Board;
- (b) Lahore Milk Plant ;

(2) SERVICES, GENERAL ADMINISTRATION AND INFORMATION DEPARTMENT - - - - -

- (Punjab Road Transport Board).

(3) HEALTH DEPARTMENT

- (Medical Stores Depot).

(4) IRRIGATION AND POWER DEPARTMENT

- (Irrigation Workshops).

(5) EXCISE AND TAXATION DEPARTMENT

- (Government Opium Alkaloid Factory).

(6) FORESTRY, FISHERIES AND WILD LIFE DEPARTMENT.

The Committee thanked Alhaj Khawaja Habib-ur-Rahman and Ch. Fateh Muhammad for conducting the Preliminary Examination of the Commercial Accounts for the year 1980-81.

CHAPTER - IAGRICULTURE DEPARTMENT(AGRICULTURAL ENGINEERING WORKSHOPS)

The Committee examined the Accounts of the Agricultural Engineering Workshops in the meeting held on 27.3.1984.

1. Para 3 Page 4 of Audit Report On Commercial Accounts for the year 1970-71 - Non-inclusion of the Accounts in the Compilation.

27.3.84

The Administrative Department had been asked to prepare a schedule for compilation of the arrear accounts and take effective steps to complete them urgently. They have only prepared accounts for the year 1981-82 in respect of all the Nine Divisions and Accounts are in respect of previous years are still pending. According to Government directions all accounts had to be prepared. The Department was requested to take urgent steps to have the arrear accounts compiled as early as possible. Their attention was drawn to the fact that other Departments had been able to compile arrear accounts by now. Accordingly the schedule asked for should be prepared now and steps taken to pull up the arrears.

The para was kept pending.

1971 - 72

2. Para 3 Page 4 of Audit Report On Commercial Accounts for the year 1971-72 - Non-inclusion of Accounts in the Compilation.

27.3.84

The Adminisistrative Department had been asked to prepare a schedule for compilation of the arrear accounts and take effective steps to complete them urgently. They have only prepared accounts for the year 1981-82 in respect of all the Nine Divisions and accounts are in respect of previous years are still pending. According to Government directions all accounts had to be prepared. The Department was requested to take urgent steps to have the arrear accounts compiled as early as possible. Their attention was drawn to the fact that other Departments had been able to compile arrear accounts by now. Accordingly the schedule asked for should be prepared now and steps taken to pull up the arrears.

The para was kept pending.

3. Para 15 Page 12 of Audit Report On Commercial Accounts for the year 1971-72 - Short receipt of B.S. Pipes.

27.3.84

The recovery of Rs. 13,683/32 may be got verified from Audit. It should also be ensured that the recovery effected through the Accountant General, Pakistan Revenue is passed on to the Accountant General, Punjab for credit to the Punjab Government.

As regards the balance of Rs. 25,396/68, the Department may explain the position to the satisfaction of Audit. The inquiry report in this connection may be shown to Audit.

The para was kept pending.

1972 - 73

4. Para 3 Page 4 of Audit Report On Commercial Accounts for the year 1972-73 - Non-inclusion of Accounts in the Compilation.

27.3.84

The Administrative Department had been asked to prepare a schedule for compilation of the arrear accounts and take effective steps to complete them urgently. They have only prepared accounts for the year 1981-82 in respect of all the Nine Divisions and accounts are in respect of previous years are still pending. According to Government directions all accounts had to be prepared. The Department was requested to take urgent steps to have the arrear accounts compiled as early as possible. Their attention was drawn to the fact that other Departments had been able to compile arrear accounts by now. Accordingly the schedule asked for should be prepared now and steps taken to pull up the arrears.

The para was kept pending.

5. Para 11 Page 11 of Audit Report On Commercial Accounts for the year 1972-73 - Loss due to Short receipt of Pipe worth Rs. 5,30,674/-.

27.3.84

The confusion arose because the stock verifier conducted the check while the consignment was still in the process of transportation and indicated a short receipt of pipe worth Rs. 5,30,674/-. After accounting for the excess quantity and short receipts the net shortage was determined as Rs. 64,872/16. This position may be verified by Audit. The Department stated that this amount was being written off.

The para was kept pending.

1973 - 74

6. Para 3 Page 4 of Audit Report On Commercial Accounts for the year 1973-74 - Non-inclusion of Accounts in the Compilation
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27.3.84

The Administrative Department had been asked to prepare a schedule for compilation of the arrear accounts and take effective steps to complete them urgently. They have only prepared accounts for the year 1981-82 in respect of all the Nine Divisions and accounts are in respect of previous years are still pending. According to Government directions all accounts had to be prepared. The Department was requested to take urgent steps to have the arrear accounts compiled as early as possible. Their attention was drawn to the fact that other Departments had been able to compile arrear accounts by now. Accordingly the schedule asked for should be prepared now and steps taken to pull up the arrears.

The para was kept pending.

1974 - 75

7. Para 3 Page 4 of Audit Report On Commercial Accounts for the year 1974-75 - Non-inclusion of Accounts in the Compilation
-

27.3.84

The Administrative Department had been asked to prepare a schedule for compilation of the arrear accounts and take effective steps to complete them urgently. They have only prepared accounts for the year 1981-82 in respect of all the Nine Divisions and accounts are in respect of previous years are still pending. According to Government directions all accounts had to be prepared. The Department was requested to take urgent steps to have the arrear accounts compiled as early as possible. Their attention was drawn to the fact that other Departments had been able to compile arrear accounts by now. Accordingly the schedule asked for should be prepared now and steps taken to pull up the arrears.

The para was kept pending.

8. Para 5 Page 9 of Audit Report On Commercial Accounts for the year 1974-75 - Theft of Boring Material worth Rs. 26,936/-
-

27-3-84

- a. Theft of 15 Nos 8" dia casing Pipes:

Recovery orders have been issued against M/s Altaf Hussain, Drilling Supervisor and Alif Din, ex-mechanic borer.

This item was kept pending.

b. Theft of 3 Nos 8" dia 51'-8" Casing Pipes:

This item is verified and settled.

c. Theft of 2 Nos Mechanical Jacks 20 Tons:

This item is verified and settled.

d. Theft of 1 Triped and One 8" dia Casing Pipe Measuring 15'-3" worth Rs. 5,899/50.

The case is Sub Judice, therefore, this item was kept pending.

9. Para 6 Page 9 of Audit Report On Commercial Accounts for the year 1974-75 - Non-recovery of Transit Shortages of Rs. 18,750/-.

27.3.84

The Department's explanation that the contract was amended in order to provide for the supplies actually made and paid for may be verified by Audit.

Subject to verification the para was settled.

10. Para 7 Page 9 of Audit Report On Commercial Accounts for the year 1974-75 - Losses of Revenue of Rs. 8,730/- due to misuse of Bulldozer.

27.3.84

The recovery of Rs. 8,730/- having been effected, the para was settled.

11. Para 8 Page 9 of Audit Report On Commercial Accounts for the year 1974-75 - Shortages of Stores Rs. 6,902/-.

27.3.84

The recovery of Rs. 6,902/16 has to be effected from Mr. Abdullah Shah, Works Munshi. Subject to the recovery being verified by Audit, the para was settled.

12. Para 9 Page 9 of Audit Report On Commercial Accounts for the year 1974-75 - Loss on Purchase of Defective Hydraulic Pumps (Rs. 7,120/-).

27.3.84

The Department stated the Accountant General, Punjab, had been requested to effect recovery from the firm. The Department

was requested to expedite recovery.

The para was kept pending.

13. Para 3 Page 4 of Audit Report On Commercial Accounts for the year 1975-76 - Non-inclusion of Accounts in the Compilation.
14. Para 3 Page 4 of Audit Report On Commercial Accounts for the year 1976-77 - Non-inclusion of Accounts in the Compilation.
15. Para 3 Page 4 of Audit Report On Commercial Accounts for years 1977-78 to 1979-80 - Non-inclusion of Accounts in the Compilation.

27.3.84

The Administrative Department had been asked to prepare a schedule for compilation of the arrear accounts and take effective steps to complete them urgently. They have only prepared accounts for the year 1981-82 in respect of all the Nine Divisions and accounts are in respect of previous years are still pending. According to Government directions all accounts had to be prepared. The Department was requested to take urgent steps to have the arrear accounts compiled as early as possible. Their attention was drawn to the fact that other Departments had been able to compile arrear accounts by now. Accordingly the schedule asked for should be prepared now and steps taken to pull up the arrears.

The paras were kept pending.

1977 - 78 to 1979 - 80

16. Para 15 Page 15 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Payment of Rs. 99,465/- for defective Batteries.

27.3.84

The recovery of Rs. 70,745/79 had been effected.

The para was settled, subject to verification by Audit.

17. Para 16 Page 16 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Shortages of Stores worth Rs. 2,79,236/-.

27.3.84

Item (i) The recovery of Rs. 12,315/- may be got verified by Audit.

Item (ii) This was kept pending. The Department was requested to make personal efforts to pursue the matter at the Headquarters of the Railway Board, Islamabad in order to settle the matter as quickly as possible.

PUNJAB AGRICULTURAL DEVELOPMENT AND SUPPLIES
CORPORATION

The Committee examined the accounts of the Punjab Agricultural Development and Supplies Corporation in its meetings held on 28.2.1983, 1.3.1983, 2.5.1983, 12.9.1983, 13.9.1983, 2.2.1984, 28.3.1984, 6.8.1984, 30.9.1984, 1.10.1984, and 16.12.1984.

1. Para 51 Page 59 of Audit Report On Commercial Accounts for the year 1973-74 - Preparation of Proforma Accounts etc.
-

28.3.84

The form of Accounts had been devised, the Accounts prepared accordingly and Audited, but the approval has still to be sought from the Government of the Punjab in consultation with the Auditor General of Pakistan. This formality should be complied with as soon as possible.

The para was kept pending.

2. Para 52 Pages 59-60 of Audit Report On Commercial Accounts for the year 1973-74 - Net Loss of Rs. 80,75,413/-

28.2.83

The representative of the Pakistan Agricultural Development and Supplies Corporation explained that the loss sustained by the PAD & SC during the year 1973-74 and 1974-75 was entirely due to the fixation of incidentals at a very low rate by the Central Government. A statement indicating the actual expenditure incurred on various items of incidentals and the amount calculated on the basis of the sanctioned incidentals was placed before the Committee. The Sub Committee was of the view that this information was not sufficient for a detailed study of the reasons which led to the loss. For this purpose the representative of the Corporation was requested to supply the following information :-

- a. A comparative statement indicating the break up of incidentals as sanctioned and actually incurred on per ton basis.
- b. A copy of the incidentals sanctioned by the Punjab Government for the years in question for procurement and distribution of wheat, atta and sugar etc.

On items of incidentals expenditure the Sub Committee

desired that the following information should be collected :-

a. Administrative Charges

The expenditure should be classified under Pay and Allowances, T.A. etc and a chart indicating the board structure of the organization should also be furnished.

- b. The representative of the PAD & SC stated that in lieu of the commission some additional staff was employed and the expenditure on this item includes this amount as well. The representative of the department was requested to indicate this expenditure separately.

c. Carriage/Handling Bulk

The representative of the PAD & SC stated that this includes expenditure on rebagging of fertilizer at destination. He was requested to indicate the exact quantity bagged and the cost of this operation per bag.

d. Carriage/Handling to Sale Point

The manner in which the work of transporting fertilizer to the sale point was awarded should be indicated in detail.

e. Storage

Quantity Stored, the average period of storage and the storage cost of per square foot of accommodation should be worked out and intimated to the Sub Committee.

f. Unforeseen

The break up of this expenditure on actual items should be indicated.

g. Interest cost

The average period of storage, the quantity indented and the quantity actually supplied by the Central Government and other sources should be intimated.

It should also be brought out whether the supplies were in accordance with the indent and if

not what steps were taken to ensure a balanced management of the operation.

28.3.84

This para is under active consideration of the Public Accounts Committee and a special meeting will be arranged shortly to consider it and similar paras of later years.

The para was kept pending.

3. Para 53 Page 60 of Audit Report On Commercial Accounts for the year 1973-74 = Non-reconciliation of Accounts

28.3.84

The para was settled.

4. Para 54 Page 60 of Audit Report On Commercial Accounts for the year 1973-74 - Provision of Incidentals.

28.3.84

The para was settled.

5. Para 55 Page 60 of Audit Report On Commercial Accounts for the year 1973-74 - Assets and Liabilities.

28.3.84

The Committee reiterated its feeling that unless the matter is taken up at personal level and urgent energetic efforts are made the present uncertain position will continue which is not in the interest of the PAD & SC or any body-else. The Managing Director stated that he would himself pursue this matter personally.

The para was kept pending.

6. Para 56 Page 60 of Audit Report On Commercial Accounts for the year 1973-74 - Reconciliation of Sale Collection Accounts.

28.3.84

The Department reiterated their written reply that reconciliation of sales collection account is in progress and substantial results have been achieved. They estimated that reconciliation would be completed for all the previous years by the end of 1984. The question of interest due from the banks for the amounts in respect of sales by them was discussed at length and the Department stated that negotiations had been

concluded with the banks and it was agreed that they would provide for this interest by helping to effect the sales of fertilizers to farmers, who would be given credit by the banks. Some Members of the Committee were skeptical whether the interest due would be liquidated in a reasonable time. The Department was of the opinion that a trial should be given to the arrangement and results watched till the end of the next Kharif Season to see whether the arrangement was satisfactory or not. The Committee agreed with this and desired that a report on its effectiveness should be submitted for consideration by the Committee.

The para was kept pending.

7. Para 57 Page 60 of Audit Report On Commercial Accounts for the year 1973-74 - Fixed Assets.

8. Para 58 Page 60 of Audit Report On Commercial Accounts for the year 1973-74 - Stocks of Fertilizers and Seeds.

9. Para 59 Page 60 of Audit Report On Commercial Accounts for the year 1973-74 - Unconsumed Stocks of Empty Gunny Bags etc.

28.3.84

The Department will produce to a Sub Committee of the Public Accounts Committee consisting of Ch. Fateh Muhammad all records to show that fixed assets and stocks whose physical verification has not been carried out during previous years were in fact in existence in the 1977-78 onwards.

The date to be fixed by the Secretary of the Public Accounts Committee. Audit and Finance would send representatives to attend the meeting. These three paras would be considered on receipt of report of the Sub Committee.

The paras were kept pending.

10. Para 60 Page 60 of Audit Report On Commercial Accounts for the year 1973-74 - Sundry Debtors.

28.3.84

The Committee expressed its appreciation of the large recoveries which have been effected from sundry debtors through active follow up by the concerned officials of the Corporation. From a total outstanding of Rs. 16,34,00,000/-, a recovery of Rs. 13,60,00,000/- has been stated to have been made leaving a balance of Rs. 2,74,00,000/- only. The Department stated that strenuous efforts at a personal level would continue and also be made at the Managing Director's level in order to reduce this amount still further. They were asked to prepare the list of outstanding by aging and the list together with its analysis should be verified by Audit.

The para was kept pending.

1974 - 75

11. Para 41 Page 51 of Audit Report On Commercial Accounts
for the year 1974-75 - Excess Expenditure.

1.3.83

Audit have listed three reasons for the heavy interest charges paid on over draft. The Sub-Committee desired the Corporation to indicate if these reasons were acceptable and if so they should give a break up of the amount relating to each item. Alternatively they should indicate which reasons were not acceptable and if there were any additional reasons, these together with the amounts involved should also be mentioned. A statement indicating - (a) defalcations or embezzlements (b) storage transit losses (c) business write off/during the years under review may also be placed before the Sub Committee.

28.3.84

This para is under active consideration of the Public Accounts Committee and a special meeting will be arranged shortly to consider it and similar paras of later years.

The para was kept pending.

12. Para 42 Page 51 of Audit Report On Commercial Accounts
for the year 1974-75 - Reconciliation of Sale Collection Accounts

28.3.84

The Department reiterated their written reply that reconciliation of sales collection account is in progress and substantial results have been achieved. They estimated that reconciliation would be completed for all the previous years by the end of 1984. The question of interest due from the banks for the amounts in respect of sales by them was discussed at length and the Department stated that negotiations had been concluded with the banks and it was agreed that they would provide for this interest by helping to effect the sales of fertilizers to farmers, who would be given credit by the banks. Some Members of the Committee were skeptical whether the interest due would be liquidated in a reasonable time. The Department was of the opinion that a trial should be given to the arrangement and results watched till the end of the next Kharif Season to see whether the arrangement was satisfactory or not. The Committee agreed with this and desired that a report on its effectiveness should be submitted for consideration by the Committee.

The para was kept pending.

13. Para 43 Page 51 of Audit Report On Commercial Accounts for the year 1974-75 - Stocks of Fertilizers and Seeds.

14. Para 44 Page 51 of Audit Report On Commercial Accounts for the year 1974-75 - Unconsumed Stock of Empty Cloth/Gunny Bags etc.

28.3.84

The Department will produce to a Sub Committee of the Public Accounts Committee consisting of Ch. Fateh Muhammad all records to show that fixed assets and stocks whose physical verification has not been carried out during previous years were in fact in existence in the 1977-78 onwards.

The date to be fixed by the Secretary of the Public Accounts Committee. Audit and Finance would send representatives to attend the meeting. These three paras would be considered on receipt of report of the Sub Committee.

The paras were kept pending.

15. Para 45 Page 51 of Audit Report On Commercial Accounts for the year 1974-75 - Reconciliation and Adjustment of the Amount.

28.3.84

The para was settled.

1975 - 76

16. Para 3 Page 9 of Audit Report On Commercial Accounts for the year 1975-76 - Overpayment to Printers.

28.3.84

The case is Sub Judice in the High Court.

The para was kept pending.

17. Para 19 Page 33 of Audit Report On Commercial Accounts for the year 1975-76 - Working Results.

1.3.83

A detailed note regarding working results as advised to to the departmental representatives may be prepared for further examination by the Sub Committee.

28.3.84

This para is under active consideration of the Public

Accounts Committee and a special meeting will be arranged shortly to consider it and similar paras of later years.

The para was kept pending.

18. Para 20 Page 33 of Audit Report On Commercial Accounts for the year 1975-76 - Reconciliation of Sale Collection Account.
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28.3.84

The Department reiterated their written reply that reconciliation of sales collection account is in progress and substantial results have been achieved. They estimated that reconciliation would be completed for all the previous years by the end of 1984. The question of interest due from the banks for the amounts in respect of sales by them was discussed at length and the Department stated that negotiations had been concluded with the banks and it was agreed that they would provide for this interest by helping to effect the sales of fertilizers to farmers, who would be given credit by the banks. Some Members of the Committee were skeptical whether the interest due would be liquidated in a reasonable time. The Department was of the opinion that a trial should be given to the arrangement and results watched till the end of the next Kharif Season to see whether the arrangement was satisfactory or not. The Committee agreed with this and desired that a report on its effectiveness should be submitted for consideration by the Committee.

The para was kept pending.

19. Para 21 Page 33 of Audit Report On Commercial Accounts for the year 1975-76 - Unutilized Stock of Empty Cloth/ Gunny Bags etc.
-

28.3.84

The Department will produce to a Sub Committee of the Public Accounts Committee consisting of Ch. Fateh Muhammad all records to show that fixed assets and stocks whose physical verification has not been carried out during previous years were in fact in existence in the 1977-78 onwards.

1976 - 77

20. Para 5 Page 9 of Audit Report On Commercial Accounts for the year 1976-77 - Misappropriation of Seed worth Rs. 10,550/-
-

28.3.84

The Committee recommended that in addition to the Departmental action criminal cases should also be filed

as this has a good deterrent value.

The para was kept pending.

21. Para 12 Page 19 of Audit Report On Commercial Accounts
for the year 1976-77 - Working Results. -----
22. Para 13 Page 19 of Audit Report On Commercial Accounts
for the year 1976-77 - Working Results. -----

1.3.83

A detailed note regarding working results as advised to the departmental representatives may be prepared for further examination by the Sub Committee.

28.3.84

The Department reiterated their written reply that reconciliation of sales collection account is in progress and substantial results have been achieved. They estimated that reconciliation would be completed for all the previous years by the end of 1984. The question of interest due from the banks for the amounts in respect of sales by them was discussed at length and the Department stated that negotiations had been concluded with the banks and it was agreed that they would provide for this interest by helping to effect the sales of fertilizers to farmers, who would be given credit by the banks. Some Members of the Committee were skeptical whether the interest due would be liquidated in a reasonable time. The Department was of the opinion that a trial should be given to the arrangement and results watched till the end of the next Kharif Season to see whether the arrangement was satisfactory or not. The Committee agreed with this and desired that a report on its effectiveness should be submitted for consideration by the Committee.

The paras were kept pending.

23. Para 14 Page 19 of Audit Report On Commercial Accounts
for the year 1976-77 - Maintenance of Proper Record
at Headquarter Level. -----

28.3.84

The para was settled.

GENERAL DIRECTIVE

28.3.84

Consideration of the Working Paper in respect of the years 1977-78 to 1979-80 was deferred as all paras were still under the consideration of the Sub Committee. They would be taken up on receipt of the Report of the Sub Committee.

1977 - 78 to 1979 - 80

24. Para 3 Page 4 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Non-inclusion of the Accounts in the Compilation.

13.9.83

The Administrative Department has raised the point whether they should prepare Commercial Accounts at all. This matter has already been decided by the Finance Department as also by the Department itself by preparing Commercial Accounts for at least one year. The Committee would, however, like to emphasize that no further time should be lost in preparing the Accounts and sending the same to Audit. The progress of the compilation will be examined after three months.

25. Para 5 Page 11 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Loss of Rs. 16,62,165/- due to Shortage/Wastage of Seeds.

12.9.83

The starting point in this case is the examination of the specifications of certified seed, commercial seed and the seed actually purchased. The Corporation was requested to collect and supply this information at the next meeting. The rules about the relaxation and the authority competent to allow the same should also be produced.

The Corporation stated that the entire seed has now been sold out and although some loss has occurred they are not in a position to indicate the exact amount. This information should also be brought at the next meeting.

It was stated by the Corporation that out of the total loss of Rs. 7,16,612/-, they have already agreed to write off an amount of Rs. 93,500/- relating to 141 individual cases. The sanction of the write off should be brought at the next meeting. About the remaining loss it was stated that the cases have been referred back by the competent authority to the field units for further elucidation. The genesis of the loss was discussed and the Corporation was requested to produce all the relevant rules relating to storage losses and the authority competent to write them off. In order to facilitate the examination of the cases, the Corporation were given a proforma in which they were required to classify the cases relating to total losses. This proforma is to be prepared commodity-wise, crop-wise and cause-wise. In other words losses relating to a particular cause for a particular season should be grouped together in respect of each commodity.

30.9.84 and 1.10.84

- (a) The Department stated that there was no loss. Out of the total purchased quantity of wheat seed, nearly 46,576 maunds Wheat Seed were sold as seed at

control price. The left-over quantity of 3105.20 maunds was later on auctioned at Rs. 52.50 per maund. There was an over-all gain of Rs. 48,135/- in the auction. Subject to the verification by the Audit, this part of the para was recommended for settlement by the Public Accounts Committee.

(b) (i) Paddy:

The Corporation explained that the shortage was mainly due to dryage of paddy and to a very small extent due to cleaning, seiving, grading, rebagging and rains. The Corporation further stated that the amount involved have since been written off by the competent authority.

It may, however, be pointed out that in one case the competent authority remarked the dryage losses in the case of paddy should in no case exceed six percent. In other case, the authority allowed dryage of 11% as a special case. In the later case it was further ordered that the loss exceeding 6% should be recovered from the party concerned.

The Corporation produced instructions about the seed processing. These instructions required the procurement staff to dry paddy so that its moisture contents came below 12%. In view of this, the Sub Committee was of the view that the dryage loss was within permissible limits.

(ii) Wheat:

The wheat shortage relates to cleaning, seiving, grading, rebagging and to a very small extent to rains. The amounts under these items are not large (Rs. 5,907/50) and have been written off by the competent authority.

26. Para 6 Page 11 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Shortage of Fertilizer Worth Rs. 19,939/-

12.9.83

In this case the departmental inquiry held the accused official innocent. A second inquiry was ordered but this was quashed by the Labour Court. An attempt was made with the police for the registration of the case, but this also failed. The Corporation has, therefore, decided to place the matter before the Board for a write off or other action. The decision of the Board may be expedited.

30.9.84 and 1.10.84

The Department stated that they have referred back the Departmental Inquiry Report for elucidation of certain points. The Sub Committee heard the Corporation.

The relevant portion of the file was also examined. The Inquiry Officer held that "None of the allegations have been proved against the official. Either the allegations are baseless or the prosecution have failed to put them in a proper way". The later part of this finding provides justification for re-opening the case. The Corporation has already stated de novo proceedings. The Corporation is requested to complete the inquiry within three months' time.

The para was kept pending.

27. Para 7 Page 11 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Loss of Seeds Valuing Rs. 69,911/-

12.9.83

This para was discussed at length and it was found that the reasons for striking off the quantity of seed from the stock register are not clear. Secondly the Department was not in a position to state as to why the Inquiry Officer had taken 7 years to complete the inquiry. They requested for more time to answer those queries. The case will be discussed at the next meeting. The Corporation were requested to have complete information about this case collected.

30.9.84 and 1.10.84

The Department stated that there were two inquiries about the losses of wheat relating to Gujranwala District. In one case a truck loaded with wheat was set on fire by a mob at Kamoke. In the other the Assistant Manager had charged off wheat without assigning any reasons. The inquiry about the former was completed but for some unexplained reasons the Head Office thought that this inquiry related to the present case. When true facts came to light, a fresh inquiry was held in which Mr. Shah Shafahat, the then Manager, has been found responsible for wrongfully striking of wheat valued Rs. 69,911/- from the stock ledger. Since he has left service, a criminal case is being lodged against him. The Sub Committee examined the Corporation file on this subject. The following position emerged from this file :-

The loss was brought to the notice of the Corporation by Audit in November, 1977. According to the record, this loss was in the notice of the Management even before the Audit objection.

The loss was communicated to the Corporation in the shape of Draft Para in July, 1981. The inquiry in this case was, however, started in March, 1983, and was completed in January, 1984.

The lag between the time when loss came to the notice of the Corporation and start of the inquiry is about six years. The Corporation explained that there was a mix-up about the two inquiries mentioned above and the instant case escaped notice. The official responsible in this case namely, Mr. Shah Shafahat left service in

February, 1979. This means that he was till available for inquiry and recovery of dues for about a year and three months from the time the loss came to the notice of the Corporation.

The Sub Committee is of the view that the responsibility for (i) not taking action for seven years and (ii) for not taking action within the time the delinquent was available should be fixed by the Corporation. The contemplated criminal case against Shah Shafahat should be expedited. The Sub Committee further desired that the Corporation should also move for the recovery of the loss from Shah Shafahat as arrears of land revenue.

The para was kept pending.

28. Para 8 Page 12 of Audit Report on Commercial Accounts for the years 1977-78 to 1979-80 – (i) Non-recovery of Rs. 17,29,083/- from Sales/Clearing Agents and (ii) Loss of Interest Amounting to Rs. 8,98,802/-

12.9.83

This para was partly discussed by the Cub Committee. Further discussion was deferred till tomorrow.

13.9.83

The Corporation and the Audit agreed about the final figure of the advance amount due from the Clearing Agent. This figure is Rs. 9,02,000/- which consists of two parts i.e. Rs. 1,98,668/- as double payment to the Clearing Agent and Rs. 7,03,340/- being the octroi refund which the Agent obtained from the Municipal Corporation but did not pass on to the Punjab Agricultural Development and Supplies Corporation.

The representatives of the Corporation were not definite as to whether the Municipal Corporation actually gave the refund or not. They were requested to make a detailed inquiry in this matter, in particular how the Agent was able to obtain the refund which normally is given by a crossed account payee cheque in favour of the consignee. About the double payment, the Corporation should check their accounts and intimate as to how and under what circumstances the double payment was made and who was responsible for this irregularity. The matter is urgent and the above information should be supplied within a fortnight. Some litigation is going on between the Agent and the Punjab Agricultural Development and Supplies Corporation. Copies of the plaint/application and the reply thereto should be supplied to the Secretariat well before the next meeting.

As regards the amount of Rs. 32,000/- claimed on account of short receipt of spares, the representative of the Punjab Agricultural Development and Supplies Corporation stated that the amount has been included in the over all claim against the Agent.

The amount of Rs. 91,735/- outstands against 17 dealers on account of price hike of fertilizer. Representatives of

the Corporation stated that they were making efforts for recovering these amounts as arrears of land revenue. They were requested to redouble their efforts and particularly concentrate on dealers from whom large amounts were due.

30.9.84 and 1.10.84

Paras 8 and 12 were considered together. The Corporation stated that the total claim against M/s Firdaus Trading Corporation is of the order of Rs. 9,02,008/- . Of this Rs. 1,98,668/- is on account of demurrage due to negligence of the Clearing Agent, Rs. 7,03,340/- is the advance given to the Clearing Agent for clearing the consignment of 62 boxes, Rs. 37,813/- is on account of loss of spare parts. The Corporation made a move for Arbitration in 1977 and requested the Arbitrator namely the Secretary Agriculture to decide the issue relating to the claims of the Corporation. The Secretary Agriculture appointed Mr. Sukhera, Deputy Secretary as Arbitrator. Mr. Sukhera wanted to hear the case at Lahore, but the Clearing Agent was not agreeable to this forum and insisted that the case should be heard at Karachi. On refusal of the Arbitrator, the Clearing Agent filed a Civil Suit at Karachi which was dismissed as also the appeal. He then moved the Sind High Court for liquidation of his firm in forma paupris. These proceedings are still pending.

This case raises a number of issues of importance, these being :-

- (1) When an amount of Rs. 1,98,668/- was due from the contractor why was he handed over another amount of Rs. 7,03,340/- ?
- (2) What were the circumstances under which he was able to obtain the refund from the Municipal Corporation, Karachi and to misappropriate the same ?
- (3) The Civil proceedings are dragging for many years. What steps can be taken to bring them to completion ?
- (4) Is there a possibility of lodging criminal proceedings against the Clearing Agent ?

The complexities of the case required in-depth study. The Corporation was requested that they should submit this file alongwith detailed Working Paper indicating their views on the four points mentioned above to the Assembly Secretariat. After study these documents the case will be discussed further.

29. Para 9 Page 13 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Loss of Rs. 3,51,390/- due to Sole of Fertilizer below the revised Selling Price.

13.9.83

The Sub Committee was not satisfied with the explanation of the Department. In the first place even if there was strike for a single day on the 15th April, 1974, the Departmental transport could have been utilized for this important purpose. Secondly the meeting at which decision was discussed was

attended by District Manager as well as the Assistant Manager. In this connection the distance of the sale points from the Headquarters of the District Manager/Assistant Manager would also be relevant. The representative of the Corporation stated that they would re-examine the case in the light of these observations and would submit a revised Working Paper.

30.9.84 and 1.10.84

The Sub Committee has separately submitted a detailed report to the Adhoc Public Accounts Committee for their consideration.

The para was kept pending.

30. Para 10 Page 13 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Cost of Seeds Amounting to Rs. 6,35,480/- Doubtful of Recovery.

13.9.84

The second ship arrived at Karachi on 17.11.1975. The date of arrival at destination, however, could not be given by the Corporation. The Provincial Government issued a directive on the 28th of December, 1975, laying down various methods by which the seed should be disposed of. Obviously seed could not have been utilized for sowing in that year. The Corporation, however, was not in a position to state the exact amount of loss. The para was, therefore, deferred with the request that they should calculate and point out at the next meeting the loss actually suffered.

30.9.84 and 1.10.84

In this case the Corporation, with the approval of their Board, have approached the Central Government for the re - reimbursement of trading losses which, in their opinion, occurred was due to the circumstances beyond the control of the Corporation. The Sub Committee was inclined to agree with this view. The Corporation were asked to pursue the case vigorously with the Federal Government.

The para was kept pending.

31. Para 11 Page 14 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Avoidable Loss of Rs. 43,200/-.

13.9.83

Initially the Corporation had taken the stand that they had issued notice to the firm for the recovery of Rs. 43,200/-. In the latest explanation the position stands changed. The

Corporation was requested to produce the relevant file at the next meeting.

30.9.84 and 1.10.84

The Sub Committee heard the Corporation and also went through the file. It was noticed that in all the three firms offered tenders for the supply of steel Almirahs. M/s Bukhari Brothers offer was rejected because they did not purchase the tender inquiry and no deposit-at-call was received with their offer. M/s Roomi Associate refused and did not agree to supply the goods within the stipulated period inspite of deliberations with them. Under the circumstances M/s Bukhari and Co., alone were left in the field. They supplied the goods in accordance with the wishes of the Department, according to the specifications, and the accordance with the negotiated rates. A few defects were noticed by the Field Staff about the Almirahs which were removed by the Firm. The Field Staff ultimately certified that the Almirahs were in order. Under the circumstances there does not appear to be any irregularity in the deal.

The para was, therefore, recommended for settlement.

32. Para 12 Page 14 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Loss of Rs. 37,813/- due to delay in Preferring Claims. - - - - -

13.9.83

This para will be considered with earlier para relating to Firdaus Trading Corporation at the next meeting.

30.9.84 and 1.10.84

Paras 8 and 12 were considered together. The Corporation stated that the total claim against M/s Firdaus Trading Corporation is of the order of Rs. 9,02,008/- Of this Rs. 1,98,668/- is on account of demurrage due to negligence of the Clearing Agent, clearing the consignment of 62 boxes, Rs. 37,813/- is on account of loss of spare parts. The Corporation made a move for Arbitration in 1977 and requested the Arbitrator namely the Secretary Agriculture to decide the issue relating to the claims of the Corporation. The Secretary Agriculture appointed Mr. Sukhera, Deputy Secretary as Arbitrator, Mr. Sukhera wanted to hear the case at Lahore, but the Clearing Agent was not agreeable to this forum and insisted that the case should be heard at Karachi. On refusal of the Arbitrator, the Clearing Agent filed a Civil Suit at Karachi which was dismissed as also the appeal. He then moved the Sind High Court for liquidation of his firm in forma paupris.

These proceedings are still pending.

This case raises a number of issues of importance, these being :-

- (1) When an amount of Rs. 1,98,668/- was due from the contractor why was he handed over another amount of Rs. 7,03,340/- ?

- (2) What were the circumstances under which he was able to obtain the refund from the Municipal Corporation, Karachi and to misappropriate the same ?
- (3) The Civil proceedings are dragging for many years. What steps can be taken to bring them to completion ?
- (4) Is there a possibility of lodging criminal proceedings against the Clearing Agent ?

The complexities of the case required in-depth study. The Corporation was requested that they should submit this file alongwith detailed Working Paper indicating their views on the four points mentioned above to the Assembly Secretariat. After study these documents the case will be discussed further.

33. Para 13 Page 15 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Loss of Rs. 39,571/- due to Supply to Damaged Spares.

13.9.83

The stand taken originally has been changed. In this para there is a contradiction as the certificate given originally was different from the one given subsequently. The Sub Committee would like to have a look at the relevant file.

30.9.84 and 1.10.84

The Sub Committee went through the file. The following dates are relevant for deciding this issue :-

- (a) Date of arrival of the spare-parts in Karachi - January, 1975.
- (b) Date of arrival of the consignment in Rawalpindi - May, 1975.
- (c) Opening of Boxes of spare-parts - October, 1975.

The Corporation in the first instance, held the suppliers responsible and asked them to make good the loss. The position taken by the suppliers was that the consignment should have been opened immediately after arrival in accordance with the terms of the contract and that this was not done and the boxes remained exposed to monsoon and adverse climatic condition for about 10 months. They are, therefore, not responsible for the rusting and in case there was some damage then that should be placed at the doors of the Railways. It appears that the Corporation later on did not pursue the matter with the suppliers, but instead started laying responsibility on the Agricultural Engineer, who did not open boxes for a long time. He has asked to give reasons for this delay. No reply is on the file. Meanwhile the Corporation enquired from the Agricultural Engineer, whether the spare-parts have been consumed. The reply was in the affirmative. However, on the file there is a note that all the spare-parts, which consisted of pistons and head-gear, were not consumed. The position

therefore, needs investigation. The other point needing investigation is whether the spares have been consumed in an appropriate manner. Audit was asked to examine these two points that is the firstly whether all the spare-parts have been consumed and secondly whether after being fitted into the machines they have served their normal life. The para will be considered further on receipt of report from Audit on these two points.

The para was kept pending.

34. Para 14 Page 15 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Penalty and Demurrage Charges of Rs. 1,44,372/-

13.9.83

In this case the official who included the banned items in the report list or in the indent may be pointed out.

It was stated that originally the penalty was Rs. 3 lacs which was reduced to Rs. 50,000/- through an appeal with the Ministry of Commerce. The date on which the decision was taken by the Ministry and the date on which the clearance was effected may be given.

30.9.84 and 1.10.84

The Sub Committee heard the views of the Corporation. They felt that the case required examination from a number of angles of which the more important are :-

- (a) The agency or the person responsible for including all banned items in the indent ;
- (b) Whether, after the arrival of the consignment in Pakistan, the release of goods was processed with due diligence ;

The Corporation was not in a position to provide ready answers to these questions. The Sub Committee desired that the file of the case should be produced for scrutiny a day before the next meeting.

The para was kept pending.

35. Para 15 Page 15 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Payment of Rs. 99,465/- for defective Batteries

13.9.83

Recovery verified . The para was recommended for being settled.

30.9.84 and 1.10.84

Recovery has been made and verified by Audit.

The para was recommended for settlement by the Public Accounts Committee.

36. Para 16 Page 16 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Shortages of Stores worth Rs. 2,79,236.

13.9.83

It was noticed that four Inquiry Officers one after the other expressed their inability to conduct the inquiry. The representative of the Department was unable to state the reasons for which they expressed their inability to do so. The letters of the four Inquiry Officers by which they declined to hold the inquiry should be produced before the Sub Committee. Meanwhile the efforts to recover the amount through the Collector (as arrears of land revenue) should be pursued vigorously.

The Department stated that a sum of Rs. 2,600/- has been recovered. The recovery should be got verified by Audit.

The Department stated that they have been writing to the Railway Department for the settlement of the case but no reply has so far been received. A personal effort should be made by a responsible official of the Department. The decision may be intimated at the next meeting.

37. Para 32 Page 30 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Working Results.

13.9.83

This matter has been examined in detail by the Sub - Committee and the findings have been concurred to by the Adhoc Public Accounts Committee. A copy of the final report may be sent to the concerned authority for final discussion.

30.9.84 and 1.10.89

This para is covered by the detailed report already submitted by the Sub Committee on the trading activities of the Corporation for the year 1974-75 to 1976-77.

38. Para 33 Page 30 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Provision for Shortages and Losses Rs. 55,997/Million.

13.9.83

As absorbed in the report referred to above, the

Commercial Audit should prepare individual Draft Paras relating to defaulcation, misappropriations and shortages etc. It is only then the losses can be considered.

30.9.84 and 1.10.84

The Sub Committee had suggested that losses should be broken down into individual cases and separate Draft Paras prepared for consideration. The Audit stated that this has been done and the Draft Paras concerned appear in the Report of the Accounts for the year 1981-82. These will be considered when that report comes up for consideration. As regards the action on the afore-mentioned Draft Paras is concerned, it was requested to take up the matter with the Corporation for investigations and follow-up of the case.

Subject to the above recommendations, the para is deleted from here.

39. Para 34 Page 30 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Sundry Debtors.

13.9.83

The representatives of the Corporation stated that out of a total amount of Rs. 77 million, Rs. 50 million have already been recovered. As observed in the report mentioned above, strenuous efforts should be made by the Corporation to effect the remaining recoveries.

30.9.84 and 1.10.84

This subject has already been dealt with exhaustively by the Sub Committee as well as by the Public Accounts Committee. The Corporation should make all its efforts to effect recovery on the basis agreed upon.

The para was kept pending.

40. Para 35 Page 30 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Closing Stocks Rs. 490.906 Millions.

13.9.83

The Audit objection was that no physical verification of the stocks had been carried out. The Corporation stated that this has been done regularly on annual basis. The Corporation should prepare a statement and the result of the verification supplied to the Audit.

About the old stock of 9262 tons, the Corporation wanted time to ascertain and intimate the position.

30.9.84 and 1.10.84

The reply of the Corporation needed further elucidation.

They were asked to submit a revised detailed Working Paper for the consideration of the Sub Committee.

The para was kept pending.

41. Para 36 Page 31 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Reconciliation of Accounts.

13.9.83

The Department stated that the reconciliation has been provided. Audit should verify the same.

30.9.84 and 1.10.84

The reconciliation of the discrepancies has been verified.

This para was recommended for settlement.

42. Para 44 Page 42 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Working Results.

43. Para 45 Page 42 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Sustenance of Nett Loss of Rs. 94,01,239/- by the Corporation.

30.9.84 and 1.10.84

These paras are covered by the detail report already submitted by the Sub Committee on the trading activities of the Corporation for the year 1974-75 to 1976-77.

44. Para 46 Page 42 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Reconciliation of Accounts.

30.9.84 and 1.10.84

Reconciliation has been done and verified by Audit.

The para was recommended for settlement.

45. Para 48 Page 43 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Closing Stocks
Rs. 45,91,467/-

30.9.84 and 1.10.84

The reconciliation of the discrepancies has been verified.

This para was recommended for settlement.

46. Para 57 Page 54 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Working Results.

47. Para 58 Page 54 of Audit Report On Commercial Accounts for the year 1977-78 to 1979-80 - Sustenance of a Nett Loss of Rs. 8,92,02,456/- by the Corporation.

30.9.84 and 1.10.84

These paras are covered by a detailed report already submitted by the Sub Committee on the trading activities of the Corporation for the years 1974-75 to 1976-77.

48. Para 59 Pages 54-55 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Corrections/Adjustments.

30.9.84 and 1.10.84

Reconciliation has been done and verified by Audit.

The para was recommended for settlement.

49. Para 61 Page 55 of Audit Report On Commercial Accounts for the year 1977-78 to 1979-80 - Sundry Debtors Rs. 14,43,74,015/-.

30.9.84 and 1.10.84

Reconciliation has been done and verified by Audit.

The para was recommended for settlement.

1980 - 81

50. Para 6 Page 10 of Audit Report On Commercial Accounts for the year 1980-81 - Loss of 34,995 Millions.

30.9.84 and 1.10.84

This para involves a huge loss to the tune of Rs.3.5 crores. The major issue requiring consideration is whether timely action was taken by the Corporation to dispose of Powder Uria once it was known that it cannot withstand long storage and was prone to clogging. The Corporation was requested to furnish the information in the sub-joined table to enable the Sub Committee to examine the matter further.

T A B L E

Lot No.	Quantity Purchased	Date of Purchase	Quantity sold at normal rate	Date of Sale	Quantity sold at discount or destroyed	Date of sale/destruction	Loss	Remarks

The para was kept pending.

51. Para 7 Page 11 of Audit Report On Commercial Accounts for the year 1980-81 - Loss of Rs. 79,15,820/- due to Spoilage of Seeds and Fertilizer by Rain and Floods.

30.9.84 and 1.10.84

The Audit has not furnished comments on the explanation of the Corporation. They shculd do it now.

The para was kept pending.

52. Para 8 Page 11 of Audit Report On Commercial Accounts for the year 1980-81 - Shortage/misappropriation of Stock worth Rs. 5,390/- Million at the Sale Points of PAD & SC.

30.9.84 and 1.10.84

This para relates to the losses on account of defalcations/misappropriation to the tune of 5,390 million. Audit has classified the losses in various categories e.g. due to cases with Police, cases in the Courts and so on. This, however, will not suffice. It will be necessary for the Sub Committee to examine each individual case and discuss it with the Corporation, Audit and Finance Department. It is only then that the adequacy of the action taken can be guaged and further line of action determined. The Corporation was asked to prepare summaries of individual cases giving facts, the action taken so far and action proposed for the future. The Summarries so prepared should be sent to Audit before 10.11.1984 for their comments.

The para was kept pending.

53. Para 9 Page 12 of Audit Report On Commercial Accounts for the year 1980-81 - Avoidable Expenditure of Rs. "7,00,560/-.

30.9.84

The comments of Audit are not available.

The para was deferred.

54. Para 10 Page 13 of Audit Report On Commercial Accounts for the year 1980-81 - Loss of Rs. 1,21,381/- due to Misappropriation/Embezzlement. - - - - -
55. Para 11 Page 14 of Audit Report On Commercial Accounts for the year 1980-81 - Loss of Rs. 74,015/- due to Misappropriation and Shortage of Fertilizer. - - - - -
56. Para 12 Page 15 of Audit Report On Commercial Accounts for the year 1980-81 - Misappropriation of Stock worth Rs. 34,322/- and Cash Rs. 3,000/-

30.9.84 and 1.10.84

These paras relate to the losses on account of defalcations/misappropriation to the tune of 5.390 million Rupees. Audit has classified the losses in varicus categories e.g. due to cases with Police, in the Courts and so on. This, however, will not suffice. It will be necessary for the Sub - Committee to examine each individual case and discuss it with the Corporation, Audit and Finance Department. It is only then that the adequacy of the action taken can be guaged and further line of action determined. The Corporation was asked to prepare summarries of individual cases giving facts, the action taken so far and action proposed for the future. The summarries so prepared should be sent to Audit before 10.11.1984 for their comments.

The paras were kept pending.

57. Para 22 Page 24 of Audit Report On Commercial Accounts for the year 1980-81 - Sustenance of losses. - - - - -
58. Para 23 Page 24 of Audit Report On Commercial Accounts for the year 1980-81 - Revision of Incidentals and Re - imbursement of Past Losses. - - - - -

30.9.84 and 1.10.84

These paras are covered by the Report of the Public Accounts Committee.

These paras are deleted from here.

59. Para 24 Page 24 of Audit Report On Commercial Accounts for the year 1980-81 - Interest Charges on Borrowed Funds. - - - - -
60. Para 25 Page 24 of Audit Report On Commercial Accounts for the year 1980-81 - Losses Charged to Accounts without Investigating the Causes. - - - - -
61. Para 26 Page 24 of Audit Report On Commercial Accounts for the year 1980-81 - Reconciliation of Sales Collection Accounts. - - - - -

62. Para 27 Pages 24-25 of Audit Report On Commercial Accounts for the year 1980-81 - Recovery/Adjustments of Claims of the Corporation against the Scheduled Banks.
63. Para 28 Page 25 of Audit Report On Commercial Accounts for the year 1980-81 - Outstanding Debts amounting to Rs. 28.14 Million as on 30.5.1981 and Sundry Debtors.
64. Para 29 Page 25 of Audit Report On Commercial Accounts for the year 1980-81 - Embezzlement of about 1.0 Million during July, 1973 to August, 1980.
65. Para 30 Page 25 of Audit Report On Commercial Accounts for the year 1980-81 - Ex-gratia Payment of Rs. 2,277 Million.
66. Para 31 Page 25 of Audit Report On Commercial Accounts for the year 1980-81 - Forfeiture of An Amount of Rs. 1.42 Million by Dawood Hercules Ltd.

30.9.84 and 1.10.84

The Corporation was asked that revised Working Paper showing the latest position of the cases may be submitted and after obtaining Audit Comments, these should be sent to the Assembly Secretariat.

The paras were kept pending.

GENERAL DIRECTIVE

2.2.1984

As the comments of the Punjab Agricultural Development and Supplies Corporation have been received these should be taken up in full meeting of the Adhoc Public Accounts Committee As this is very important matter, the presence of the Secretary, Finance Department in the meeting is desired. Similarly the presence of the Secretary Agriculture is also desired.

REPORT OF THE ADHOC PUBLIC ACCOUNTS COMMITTEE
ON THE TRADING ACCOUNTS
FOR THE YEARS
1973-74, 1974-75, 1975-76 and 1976-77

6.8.84

The Adhoc Public Accounts Committee heard the Secretary Agriculture, the Secretary Finance and Managing Director, PAD & SC at length.

2. The cumulative losses amounting to over Rs. 54 crores referred to in the Report fall in two categories :-

- (a) Losses attributable to unrealistically low incidentals fixed by the Federal Government to defray organizational transport, labour, storage and handling charges ;
- (b) Losses on account of high overheads, lack of stock control, defalcations and improper storage conditions.

3. The Committee expressed full sympathy with the position taken by the Punjab Agricultural Development and Supplies Corporation regarding (a) above. It requested Finance Department to lend its full support to get the matter settled with the Federal Government expeditiously. The Committee further suggested that in future efforts should be made to get realistic incidentals approved by the Federal Government in advance for each year of operation.

4. Regarding (b) above, the Committee accepted the assurance of the Secretary Agriculture and Managing Director, PAD & SC that all the points made in the Report on this issue were under rectification. The Committee took note of the point made by the Managing Director that the defalcations etc., have already been reduced from .4% to .09%. The Committee expressed the hope that similar progress would also be made in effecting recoveries of Corporation's dues from various institutions and individuals.

5. The Committee showed concern over the continuing losses being incurred by the Corporation. This position has to be examined in the light of the new situation; this being that a part of its activities has been taken over by the

Seed Corporation; and it no longer enjoys a monopoly in the distribution of fertilizer. In fact in this field it is now exposed to hard private competition resulting in sharp reduction in sales. The new activities started by the Corporation, namely procurement and distribution of gypsum, pesticides, and small tractors are welcome but the question is whether all this justifies incurring of administrative expenditure at the old level. Already there were 1000 surplus hands with the Corporation. The Committee agreed with the suggestion of the Finance Secretary that this staff should be transferred to the " Surplus Pool " maintained by Government.

6. Apart from matters concerning accounts the Committee would like to bring to the notice of the higher authorities some basic problems which the Committee feels require urgent consideration.

- (a) There is a need for much closer co-ordination between the three Department of Agriculture, Food and Co-operation. Ideally it would be a good thing if the activities of these Departments are brought under one umbrella. One way to do this could be to place them under a Secretary-General responsible for ensuring the desired co-ordination and progress. Such a set-up already exists in the Federal Government and in most other countries.
- (b) Within the present/administrative structure there is strong case for the devetailing of the PAD & SC and the Punjab Seed Corporation in one way or the other. The new organization can have two wings, one responsible for distribution operations and the other for procurement and production. The infrastructure already established by PAD & SC could be made available to Punjab Seed Corporation, for distribution, which would be economical and avoid duplication. The Committee noted the views of the Secretary Agriculture that the proposal would result in combining a viable with a non-viable organization. The subject is to create an efficient organization which should not be a burden on public funds and also serves the interests of agriculture. In the opinion of the Public Accounts Committee this can be achieved.

by a process of integration and rationalisation.

(c) The possibility of getting distribution rights of agriculture inputs manufactured by semi-public sector organizations like Fauji Foundation, N.F.C. also needs to be explored. This will strengthen the financial base of the PAD & SC besides reducing un-healthy competition and avoiding duplication of sales organization.

7. Finally the Committee noted with satisfaction the start of gypsum operation by the PAD and SC. In its opinion this is a very progressive step and would prove beneficial to the farming community both in the short and long run. The same remarks apply also to the Punjab Agricultural Development and Supplies Corporation's scheme of distributing small tractors and their appliances.

REPORTS OF THE SUB COMMITTEE

16.12.84

The Reports of the Sub Committee of the Adhoc Public Accounts Committee was approved by the Adhoc Public Accounts Committee relating to the following Departments in its meeting held on 16th December, 1984 :-

1. Paras No. 57 to 59, 43 - 44 and 21 of the Commercial Accounts for the years 1973-74, 1974-75 and 1975-76 relating to the Punjab Agricultural Development and Supplies Corporation.
2. Para No. 9 of the Commercial Accounts for the year 1980-81 relating to the Punjab Agricultural Development and Supplies Corporation.
3. Para No. 141 of the Commercial Accounts for the year 1980-81 relating to Government Spinning and Weaving Development-cum-Training Centre, Jhang.

The Committee approved these Reports and directed its Secretariat to circulate them to the quarters concerned for necessary action in the light thereof.

16-12-84

In Paras 57 to 59, 43 to 44 and 21 of the Audit Reports on the Commercial Accounts for the years 1973-74, 1974-75 and 1975-76 respectively, the Commercial Audit made the following observations relating to the Punjab Agricultural Development and Supplies Corporation :-

- i) Physical verification of the fixed assets of the book value of Rs. 25,06,134/- held by the Corporation on 30-6-1974 was not carried out and the consequential shortages, if any, were not depicted in the Accounts for the year 1973-74. Moreover, no depreciation was charged on the above assets and also no register was maintained to keep record of the fixed assets. (Para 57 of the Report for the year 1973-74).
 - ii) The closing stocks of Fertilizer and Seed of the book value of Rs. 63,91,49,175/- and Rs. 1,16,19,754/- respectively at the close of the year 1973-74 and of the collective value of Rs. 76,79,27,703/- at the close of the year 1974-75 were not subjected to physical verification to identify the excesses or shortages, if any, with the result that such excesses or shortages were not exhibited in the Accounts of the said years separately. (Paras 58 and 43 of the Report for the years 1973-74 and 1974-75 respectively).
 - iii) The un-consumed stocks of empty gunny bags and miscellaneous supplies such as stationery, medicines, pesticides etc., were not valued and shown in the Balance Sheets for the years 1973-74 to 1975-76. As such the Accounts of the Corporation for the said years could not be termed as realistic. (Paras 59, 44 and 21 of the Reports for the year 1973-74, 1974-75 and 1975-76 respectively).
2. In reply to these observations, the Punjab Agricultural Development and Supplies Corporation remarked, in the Working Paper submitted by it in connection with the Public Accounts Committee on 28-3-1984, that physical verification of the fixed assets as also of the stocks of Fertilizer, Seed and Empty Gunny Bags held by it was carried out in the subsequent years and the resultant differences were duly adjusted in the Accounts.

3. While discussing these Paras in its meeting held on 28-3-1984, it was decided by the Public Accounts Committee that a Sub Committee consisting of Ch. Fateh Muhammad, Member, Public Accounts Committee should examine the relevant record of the

Punjab Agricultural Development and Supplies Corporation with a view to seeing that the fixed assets and other stocks, whose verification was not conducted during the years 1973-74 to 1975-76, were, in fact, in existence in 1977-78 onwards.

4. In pursuance of the directive of the Public Accounts Committee, the Sub Committee held meetings on the 26th, 27th and 29th September, 1984 in the Committee Room of the Punjab Agricultural Development and Supplies Corporation. Re - presentatives of the Finance Department, Commercial Audit and Agriculture Department also attended the meetings.

5. In going through the record, during the course of the meetings, it was noticed that the opening and closing balances of the fixed assets owned and of the stocks of Fertilizer, Seed and Gunny Bags held by the Corporation during the period from 1973-74 to 1975-76 had been correctly Accounted for in the subsequent years. It was also observed that physical verification of the fixed assets as also of the stocks of Fertilizer, Seed and Empty Gunny Bags was carried out by the Corporation from 1978-79 onwards, annually but the results of the verification were not prepared in a consolidated form on Province basis. It was in 1981-82 that such results were consolidated on Province basis, for the first time.

Examination of these results and other connected record revealed that :-

- a. (i) The fixed assets owned by the Corporation during the period from 1973-74 to 1981-82 were actually in existence at the close of 1981-82 and there was no case of shortage in this respect.
(ii) Depreciation on the fixed assets which was not charged in 1973-74 was taken into account in 1974-75 and thereafter.
(iii) The fixed Assets Register was maintained with effect from 1.7.1981 and all the assets owned by the Corporation from 1973-74 onwards had found place therein.
- b. Physical verification of Fertilizer carried out at the close of 1981-82 brought to light shortage of 62,196 M.T. Fertilizer of book value of

Rs. 8,32,60,417/- . The break-up of this shortage (loss) was given by the Corporation as under :-

1. Rain Losses	Rs. 82,16,088/-
2. Flood Losses	Rs. 43,93,902/-
3. Transit Losses	Rs. 68,43,759/-
4. Re-bagging Losses	Rs. 4,23,32,290/-
5. Theft Losses	Rs. 8,55,068/-
6. Storage Losses	Rs. 53,48,866/-
7. Miscellaneous	Rs. 1,10,380/-
9. Defalcations, Embezzlements, Misappropriations.	Rs. 1,51,60,064/-

Rs. 8,32,60,417/-

These shortages were accounted for in the Annual Accounts of the Corporation for the year 1983-84 vide J.V. No. 57 of May, 1984.

- c. Physical verification of Seed carried out in 1981-82 registered a shortage of stocks valuing Rs. 2.610 million and that conducted in 1982-83 brought to light shortage of Seed weighing 2,83,569 maunds of the value of Rs. 1,94,60,541/95. Necessary adjustment in this respect was made in the accounts for the year 1983-84 vide J.V. No. 58 of May, 1984.
- d. (i) Physical verification of empty gunny and cotton bags carried out in 1982-83 recorded the following shortages :-

	No.	(Rupees)
1. Empty Gunny Bags	2,18,451	26,21,412/-
2. Empty Cotton Bags	61,341	3,09,205/-
		<u>29,30,617/-</u>

These shortages were accounted for by the Corporation in the accounts for the year 1983-84 vide J.V. No. 58 of May, 1984.

- (ii) The closing stock of gunny bags was shown in the Balance Sheet for the year 1976-77 and the Audit requirement met. Similar action in respect of the un-consumed balances of miscellaneous supplies such as Stationery, Medicines, Pesticides etc., was, however, still awaited. In this regard, the Corporation contended that they make purchases of Stationery, Medicines etc., on quarterly and at times on monthly basis for immediate consumption and that the value of the goods that remain un-consumed at the close of each year is so small

as compared to the huge financial transactions involved in the accounts of the Corporation as to be negligible for the purpose of inclusion in the Balance Sheet. Audit, on the other hand, maintained that, however small the value of the un-consumed supplies might be, unless their value was reflected in the Balance Sheet, the Corporation Accounts could not be said to be depicting a true state of financial affairs.

At the request of the Sub Committee, the Corporation worked out the value of the un-consumed stock of the supplies in question at the close of the years from 1981-82 to 1983-84 as under :--

	<u>1981-82</u> (Rupees)	<u>1982-33</u> (Rupees)	<u>1983-84</u> (Rupees)
Stationery	29,256/29	34,910/57	15,842/17
Medicines	-	41,783/48	64,430/77
Pesticides	-	-	-

Audit insisted that, at least for the future, the Corporation must capitalize the closing stocks of all sorts of supplies and incorporate them in the Balance Sheet to meet the ends of Commercial Accounting.

The above Report of the Sub Committee, is submitted to the Public Accounts Committee with the following recommendations:-

- i) The Audit requirements in respect of Para 57 of the Report for 1973-74 having been met, the para may be considered as settled.
- ii) Physical verification of the stocks of Fertilizer, Seed and Empty Gunny Bags having been carried out in 1981-82 and adjustment of the shortages, made, Paras 58 and 59 of the Report for the year 1973-74, Paras 43 and 44 of the Report for the year 1974-75 and Para 21 of the Report for the year 1975-76 may be considered as settled in so far as they relate to non-carrying out of physical verification of these stocks and non-adjustment of their shortages.
- iii) The Corporation should investigate the shortages of Fertilizer, Seed and Empty Gunny Bags mentioned in Paragraphs 5(b), 5(c) and 5(d)(i) above and submit a detailed Report to the Public Accounts Committee in this respect after fixing responsibility on those at fault. In the cases which call for write off, action may be initiated accordingly.
- iv) Whatever their size or value, the un-consumed closing stocks of miscellaneous supplies such as Stationery, Medicines, Pesticides etc., should invariably be accounted for by the Corporation in the Balance Sheet, every year, in future.

(PUNJAB SEED CORPORATION)

The Committee examined the Accounts of the Punjab Seed Corporation in its meetings held on 20.2.1983, 13.9.1983 and 27.3.1984.

1977 - 78 To 1979 - 80

1. Para 66 Page 67 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80.- Overall Development.

20.2.83

The Department should indicate reasons for delay in completion of the project and consequent rise in the cost by about 20 million as assessed by the management. In particular it may be stated as to why the selected consultants delayed in designing buildings and plants.

13.9.83

The arbitration proceedings are pending before the Arbitrator and before the Senior Civil Judge, Rawalpindi. Their result may be awaited.

The Corporation stated that they have appointed a consultant Firm for preparing the format of the Accounts. When ready, these may also be shown to Audit.

27.3.84

The Administrative Department stated that the case regarding the arbitration is before the High Court on a preliminary point and until this is settled, arbitration proceedings cannot go forward.

The para was kept pending.

2. Para 67 Page 67 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Systems . . .

20.2.83

The Department may state why procedures regarding accounting, financial control, internal Audit, etc., have not been drawn up by the Corporation. Steps being taken in order to have them compiled as early as possible, may be given.

13.9.83

The Corporation stated that the assets have been

verified. The Audit accepted this position.

The para may be dropped.

27.3.84

The Administrative Department stated that a firm of Consultants Amin Wasir and Company, Chartered Accountants had been engaged to draw up a system of accounts. Their final report is expected in the near future and it would be introduced by the beginning of the next financial year.

The para was kept pending.

3. Para 68 Page 67 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80. - - - - -

20.2.83

No remarks.

4. Para 69 Page 68 of Audit Report On Commercial Accounts for the year 1977-78 to 1979-80 - Assets. - - - - -

20.2.83

Audit has pointed out that physical verification was carried out in the year 1980-81. The results of this verification and action taken to regularise matters should be intimated.

13.9.83

The para may be dropped.

27.3.84

As the assets had been verified, the para was settled.

5. Para 70 Page 70 of Audit Report On Commercial Accounts for the year 1977-78 to 1979-80 - Balance Sheet as at 30-6-1978. - - - - -

20.2.83

The Provincial Government had given a capital grant of Rs. 29.9 million including foreign exchange of Rs. 73 million in the year 1977-78. Rs. 18 million was spent, and of this Rs. 9.2 million was retained in the Banks and Cash Balances. It is suggested that grants should be released taking into consideration funds available with the Corporation.

Another point in this case was that advances to contractors totalled Rs. 8.8 million. This seems to be very much on the high side as compared to the work done which was hardly Rs. 2 million. Reasons for giving such heavy advances may be indicated.

13.9.83

The main point in this case is whether the payment to the contractor was made in accordance with the terms of the contract. This point may be examined by Audit.

27.3.84

The point raised by the Committee whether payments have been made to the contractor in accordance with the terms of the contract and has been verified by Audit. Audit have expressed their satisfaction, the para was, therefore, settled.

6. Para 71 Page 71 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Profit and Loss Account for the year Ending June 30, 1978.

29.3.84

The point raised by the Committee whether payments have been made to the contractor in accordance with the terms of the contract and has been verified by Audit. Audit have expressed their satisfaction, the para was, therefore, settled.

7. Para 72 Page 72 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Significant Accounting Policies.

20.2.83

The Provincial Government had given a capital grant of Rs. 29.9 million including foreign exchange of Rs. 73 million in the year 1977-78. Rs. 18 million was spent, and this Rs. 9.2 million was retained in the Banks and Cash Balances. It is suggested that grants should be released taking into consideration funds available with the Corporation.

Another point in this case was that advances to contractors totalled Rs. 8.8 million. This seems to be very much on the high side as compared to the work done which was hardly Rs. 2 million. Reasons for giving such heavy advances may be indicated.

27.3.84

The point raised by the Committee whether payments have been made to the contractor in accordance with the terms of the contract and has been verified by Audit. Audit have expressed their satisfaction, the para was, therefore, settled.

8. Para 73 Page 80 of Audit Report On Commercial Accounts
for the years 1977-78 to 1979-80. -----

20.2.83

The Provincial Government had given a capital grant of 29.9 million including foreign exchange of Rs. 73 million in the year 1977-78. Rs. 18 million was spent, and of this 9.2 million was retained in the Banks and Cash Balances. It is suggested that grants should be released taking into consideration funds available with the Corporation.

Another point in this case was that advances to contractors totalled Rs. 8.8 million. This seems to be very much on the high side as compared to the work done which was hardly Rs. 2 million. Reasons for giving such heavy advances may be indicated.

CHAPTER - IIEXCISE AND TAXATION DEPARTMENT(GOVERNMENT OPIUM ALKALOID FACTORY, LAHORE)

The Committee examined the Accounts of the Government Opium Alkaloid Factory, Lahore, in its meetings held on 22.2.1983, 31.3.1983, 8.9.1983 and 24.3.1984.

1970 - 71

1. Para 173 Page 182 of Audit Report On Commercial Accounts for the year 1970-71 - Working Results of the Factory.

31.3.83

The explanation of the Administrative Department was accepted.

The para was dropped.

1977 - 78 to 1979 - 80

2. Para 227 Page 258 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Net Profit of Rs. 79,005/-

8.9.83

All these paras were taken up together as they related to the financial results of the Opium Factory. It was observed that there had been profit for all the years except in 1973-74 when there was a loss of Rs. 2,29,495/-. In case of this year it was explained that the prevailing purchase price at the time when the cultivation was undertaken was Rs. 100/-. The cultivators, however, stated that they would not make the opium available at this price as it was too low and asked for an increase which was as much as Rs. 250/-. However, after negotiations the price was fixed at Rs. 200/- but this was after June, 1973, when the contract for the following year had already been signed with the vendors. So the loss could not be avoided.

The paras may be dropped.

3. Para 228 Page 258 of Audit Report On Commercial Accounts
for the years 1977-78 to 1979-80 - Sundry Debtors.

22.2.83

The Department may indicate the action taken to reduce the liabilities and to realize the receivables.

8-9-83

The Administrative Department indicated that the amount recoverable pertain to over payments made to cultivators before enforcement of the Hadd Ordinance, 1979. Formerly such amounts were adjusted in the subsequent years which however, could not be done now due to the stoppage of opium cultivation. The matter has been discussed with the representative of the N.W.F.P. Government. He was requested to have the amounts over-paid recovered through the revenue authorities.

Further that the liability of Rs. 31,208/- had been written back during the year 1981-82 as it had been verified that no liability existed on account of the pay and allowances. Audit wanted that the sanction of the competent authority may be obtained regarding the write back of the liability of Rs. 31,208/-.

The para may be kept pending.

24.3.84

The Administrative Department stated that they need at least two months' time to have the accounts for the period 1970-71 to 1979-80 reconciled with Audit. Time was allowed upto 31st May, 1984.

The para was kept pending.

4. Para 229 Page 258 of Audit Report On Commercial Accounts
for the years 1977-78 to 1979-80 - Sundry Debtors.

22.2.83

The Department may indicate the action taken to reduce the liabilities and to realize the receivables.

8.9.83

It was stated that the amounts included under sundry debtors represent the cases of confiscated opium received from the N.W.F.P. Government. The point was discussed with their representative and the question is under consideration.

The para may be kept pending.

24.3.84

The Administrative Department stated that they need at least two months' time to have the accounts for the period 1970-71 to 1979-80 reconciled with Audit. Time was allowed upto 31st May, 1984.

The para was kept pending.

5. Para 230 Page 258 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Cost of Production and the Selling Rates of Medical Opium Powder during 1976-77.
-

22.2.83

Reasons for fixation of an unrealistic rate as compared to the cost of production for the Medical Opium Powder may be indicated.

9.9.83

The selling price of medicinal opium was fixed and the expenditure incurred was then recouped from sales during the ensuing year. It was fixed much before, the actual position regarding the opium was available, about 15 months earlier. Accordingly there were variations between the purchase price and the selling price. However, except for one year there were profits.

So the para may be dropped.

6. Para 231 Page 258 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Selling Price fixed by the Government.
-

22.2.83

Reasons for fixation of an unrealistic rate as compared to the cost of production for the Medical Opium Powder may be indicated.

8.9.83

The selling price of medicinal opium was fixed and the expenditure incurred was then recouped from sales during the ensuing year. It was fixed much before, the actual position regarding the opium was available, about 15 months earlier. Accordingly there were variations between the purchase price and the selling price. However, except for one year there were profits.

So the para may be dropped.

7. Para 232 Page 258 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Maintenance of the Accounts.

8.9.83

No remarks.

The para may be dropped.

8. Para 242 Page 272 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Loss Sustained by the Factory.

22.2.83

The Department may indicate the action taken to reduce the liabilities and to realize the receivables.

8.9.83

All these paras were taken up together as they related to the financial results of the Opium Factory. It was observed that there had been profit for all the years except in 1973-74 when there was a loss of Rs. 2,29,495/- . In case of this year it was explained that the prevailing purchase price at the time when the cultivation was undertaken was Rs. 100/- . The cultivators, however, stated that they would not make the opium available at this price as it was too low and asked for an increase which was as much as Rs. 250/- . However, after negotiations the price was fixed at Rs. 200/- but this was after June, 1973, when the contract for the following year had already been signed with the vendors. So the loss could not be avoided,

The para may be dropped.

9. Para 243 Page 272 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Sundry Creditors (Opium).

8.9.83

The Administrative Department indicated that the amounts recoverable pertain to over payments made to cultivators before enforcement of the Hadd Ordinance, 1979. Formerly such amounts were adjusted in the subsequent years which however, could not be done now due to the stoppage of opium cultivation. The matter has been discussed with the representative of the N.W.F.P. Government. He was requested to have the amounts overpaid recovered through the revenue authorities.

Further that the liability of Rs. 31,208/- had been written back during the year 1981-82 as it had been verified that no liability existed on account of the pay and allowances. Audit wanted that the sanction of the competent authority may be

obtained regarding the write back of the liability of Rs. 31,208/-.

The para may be kept pending.

24.3.84

The Administrative Department stated that they need at least two months' time to have the accounts for the period 1970-71 to 1979-80 reconciled with Audit. Time was allowed upto 31st May, 1984.

The para was kept pending.

10. Para 244 Page 272 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Sundry Debtors.

8.9.83

It was stated that the amounts included under sundry debtors represent the cases of confiscated opium received from the N.W.F.P. Government etc. This amount too has to be settled with the N.W.F.P. Government. The point was discussed with their representative and the question is under consideration.

The para may be kept pending.

24.3.84

The Administrative Department stated that they need at least two months' time to have the accounts for the period 1970-71 to 1979-80 reconciled with Audit. Time was allowed upto 31st May, 1984.

The para was kept pending.

11. Para 245 Page 272 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Cost of Production and the Selling Rates of Medical Opium Powder during 1973-74.

8.9.83

The selling price of medicinal opium was fixed and the expenditure incurred was then recouped from sales during the ensuing year. It was fixed much before, the actual position regarding the opium was available, about 15 months earlier. Accordingly there were variations between the purchase price and the selling price. However, except for one year there were profits.

So the para may be dropped.

12. Para 246 Page 272 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Selling Price Fixed by the Government.

8.9.83

The selling price of medicinal opium was fixed and the expenditure incurred was then recouped from sales during the ensuing year. It was fixed much before, the actual position regarding the opium was available, about 15 months earlier. Accordingly there were variations between the purchase price and the selling price. However except for one year there were profits.

So the para may be dropped.

13. Para 247 Page 272 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Fixation of Un-realistic Selling Rates of Medical Opium Powder.

22.2.83

Reasons for fixation of an unrealistic rate as compared to the cost of production for the Medical Opium Powder may be indicated.

8.9.83

The selling price of medicinal opium was fixed and the expenditure incurred was then recouped from sales during the ensuing year. It was fixed much before, the actual position regarding the opium was available, about 15 months earlier. Accordingly there were variations between the purchase price and the selling price. However except for one year there were profits.

So the para may be dropped.

14. Para 258 Page 286 Of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Net Profit of Rs. 3,35,809/- earned by the Factory during 1972-73.

22.2.83

The Department may indicate the action taken to reduce the liabilities and to realize the receivables.

8.9.83

All these paras were taken up together as they related to the financial results of the Opium Factory. It was observed that there had been profit for all the years except in 1973-74 when there was a loss of Rs. 2,29,495/-. In case of this year it was explained that the prevailing purchase price at the time when the cultivation was undertaken was Rs. 100/-. The cultivators, however, stated that they would not make the opium

available at this price as it was too low and asked for an increase which was as much as Rs. 250/-. However, after negotiations the price was fixed at Rs. 200/- but this was after June, 1973, when the contract for the following year had already been signed with the vendors. So the loss could not be avoided.

The para may be dropped.

15. Para 259 Page 286 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Efforts to make the Maximum Profit for the Benefit of the Government.

8.9.83

The selling price of medicinal opium was fixed and the expenditure incurred was then recouped from sales during the ensuing year. It was fixed much before, the actual position regarding the opium was available, about 15 months earlier. Accordingly there were variations between the purchase price and the selling price. However, except for one year there were profits.

So the para may be dropped.

16. Para 260 Page 286 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Timely Clearance of Outstanding Liabilities.

8.9.83

The Administrative Department indicated that the amounts recoverable pertain to over payments made to cultivators before enforcement of the Hadd Ordinance, 1979. Formerly such amounts were adjusted in the subsequent years which, however, could not be done now due to the stoppage of opium cultivation. The matter has been discussed with the representative of the N.W.F.P. Government. He was requested to have the amounts over-paid recovered through the revenue authorities.

Further, that the liability of Rs. 31,203/- had been written back during the year 1981-82 as it had been verified that no liability existed on account of the pay and allowances. Audit wanted that the sanction of the competent authority may be obtained regarding the write back of the liability of Rs. 31,203/-.

The para may be kept pending.

24.3.84

The Administrative Department stated that they need at least two months' time to have the accounts for the period 1970-71 to 1979-80 reconciled with Audit. Time was allowed upto 31st May, 1984.

The para was kept pending.

17. Para 261 Page 286 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Sundry Debtors.

22.2.83

Reasons for fixation of an unrealistic rate as compared to the cost of production for the Medical Opium Powder may be indicated.

8.9.83

It was stated that the amounts included under sundry debtors represent the cases of confiscated opium received from the N.W.F.P. Government etc. This amount too has to be settled with the N.W.F.P. Government. The point was discussed with their representative and the question is under consideration.

The para may be kept pending.

24.3.84

The Administrative Department stated that they need at least two months' time to have the accounts for the period 1970-71 to 1979-80 reconciled with Audit. Time was allowed upto 31st May, 1984.

The para was kept pending.

18. Para 262 Page 286 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Maintenance of Accounts.

8.9.83

No, remarks.

The para may be dropped.

19. Para 272 Page 300 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Net Profit of Rs. 1,53,131/- Earned by the Factory during 1971-72.

22.2.83

The Department may indicate the action taken to reduce the liabilities and to realize the receivables.

All these paras were taken up together as they related to the financial result of the Opium Factory. It was observed that there had been profit for all the years except in 1973-74 when there was a loss of Rs. 2,29,495/-. In case of this year it was explained that the prevailing purchase price at the time when the cultivation was undertaken was Rs. 100/-. The cultivators, however, stated that they would not make the opium available at this price as it was too low and asked for an increase which was as much as Rs. 250/-. However, after negotiations the price was fixed at Rs. 200/- but this was after

June, 1973, when the contract for the following year had already been signed with the vendors. So the loss could not be avoided.

The para may be dropped.

20. Para 273 Page 300 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Maximum Profit for the Benefit of the Government.

22.2.83

The selling price of medicinal opium was fixed and the expenditure incurred was then recouped from sales during the ensuing year. It was fixed much before, the actual position regarding the opium was available, about 15 months earlier. Accordingly there were variations between the purchase price and the selling price. However, except for one year there were profits.

So the para may be dropped.

21. Para 274 Page 300 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Timely Clearance of Outstanding Liabilities.

8.9.83

The Administrative Department indicated that the amounts recoverable pertain to over payments made to cultivators before enforcement of the Hadd Ordinance, 1979. Formerly such amounts were adjusted in the subsequent years which however, could not be done now due to the stoppage of opium cultivation. The matter has been discussed with the representative of the N.W.F.P. Government. He was requested to have the amounts over-paid recovered through the revenue authorities.

Further that the liability of Rs. 31,203/- had been written back during the year 1981-82 as it had been verified that no liability existed on account of the pay and allowances. Audit wanted that the sanction of the competent authority may be obtained regarding the write back of the liability of Rs. 31,203/-.

The para may be kept pending.

24.3.84

The Administrative Department stated that they need at least two months' time to have the accounts for the period 1970-71 to 1979-80 reconciled with Audit. Time was allowed upto 31st May, 1984.

The para was kept pending.

22. Para 275 Page 300 of Audit Report On Commercial Accounts
for the years 1977-78 to 1979-80 - Sundry Debtors.

22.2.83

Reasons for fixation of an unrealistic rate as compared to the cost of production for the Medical Opium Powder may be indicated.

8.9.83

It was stated that the amount included under sundry debtors represent the cases of confiscated opium received from the N.W.F.P. Government etc. This amount too has to be settled with the N.W.F.P. Government. The point was discussed with their representative and the question is under consideration.

The para may be kept pending.

24.3.84

The Administrative Department stated that they need at least two months' time to have the accounts for the period 1970-71 to 1979-80 reconciled with Audit. Time was allowed upto 31st May, 1984.

The para was kept pending.

23. Para 276 Page 300 of Audit Report On Commercial Accounts
for the years 1977-78 to 1979-80 - Maintenance of the Accounts.

8.9.83

No remarks.

The para may be dropped.

CHAPTER - IIIFORESTRY, FISHERIES AND WILD LIFE DEPARTMENT

(GOVERNMENT JALLO, ROSIN AND TURPENTINE FACTORY, LAHORE)

The Committee examined the Accounts of the Government Jallo Rosin and Turpentine Factory, Lahore, in the meetings held on 31.3.1983.

1970 - 71

1. Para 67 Page 60 of Audit Report On Commercial Accounts for the year 1970-71 - Working Results.

31.3.83

The explanation of the Administrative Department that the decrease in profits was due to less quantity of raw material received and also drop in prices because of competition with synthetic rosin imported from abroad was found acceptable. The Committee also noted that efforts to increase production of rosin were being made and also that a very tight control was being exercised on expenditure. The Committee suggested to the Administrative Department that it would be worth while to discover in advance alternative uses of rosin and the Department may consult P.C.S.I.R. Laboratories for expert advice.

The para was dropped.

2. Para 68 Page 60 of Audit Report On Commercial Accounts for the year 1970-71 - Shortages of Rosin.

31.3.83

The para was dropped.

3. Para 69 Page 61 of Audit Report On Commercial Accounts for the year 1970-71 - Rates of Depreciation.

31.3.83

The para stood already dropped.

1971 - 72

4. Para 51 Page 50 of Audit Report On Commercial Accounts
for the year 1971-72 - Working Results.

31.3.83

The explanation of the Administrative Department was found satisfactory that the drop in profit of Rs. 10 lac was mainly and largely due to reduction in the market price.

The para was dropped.

1972 - 73

5. Para 52 Page 61 of Audit Report On Commercial Accounts
for the year 1972-73 - Sundry Debtors.

31.3.83

The recoveries and write off having been verified by Audit, the para was dropped.

CHAPTER - IVHEALTH DEPARTMENT(MEDICAL STORES DEPOT)

The Committee examined the Accounts of the Medical Stores Depot in its meetings held on 23.2.1983, 28.3.1983, 31.3.1983, 3.9.1983, 10.12.1983, 2.2.1984 and 24.3.1984.

1970 - 71

1. Para 3 Page 4 of Audit Report On Commercial Accounts for the year 1970-71 to 1976-77 - Scope of the Compilation.

24.3.84

The para was settled.

2. Para 13 Page 12 of Audit Report On Commercial Accounts for the year 1970-71 - Blocking up of Capital of Rs. 12,637/- due to Unnecessary Purchase of Inferior Quality Gamaxime.

23.2.83

The Sub Committee observed that this para required further consideration of all the necessary facts had not been stated by the Administrative Department in its explanation, nor was the purchase file of the Industries Department made available to the Sub Committee. It was accordingly decided that this case may be taken up again with special reference to a self contained note prepared by the Department showing details of the case with copies of the intend, tender inquiry issued, quotations received, comparative statement, A/T, Letter of Credit and Inspection Note. As the store was found to be sub - standard it should be indicated what action was taken by the Health/Industries Department in the light of the guarantee which the supplier were required to give in accordance with provisions of A/T and Letter of Credit.

The Health Department should also indicate in this note what steps have been taken by them in order to dispose of the store costing of Rs. 12,637/- which had been lying with the Medical Store Depot since 1965.

The Health Department may also state whether regular periodical surveys are being carried out and orders of competent authority obtained to dispose of stores considered as unserviceable.

The above note should reach the Committee's Secretariat by March 15, 1983 and this para would be reconsidered on Wednesday, the 28th March, 1983 at 10.00 a.m.

28.3.83

Copies of the indent, tender inquiry issued quotations received, comparative statement, letter of credit and inspection note called for were not available now, because the Industries Department stated that the purchase file had been weeded out so it was not possible to scrutinize them. The Administrative Department was requested to ensure that even these files, whose life had expired, should not be weeded out until the Audit objection raised had been settled.

It was seen from the A.T. that the inspection was to be carried out by the Officer Incharge, Medical Stores Depot. As the supplies were sub-standard it was required that he should state that the Gamaxine was sub-standard in order that the guarantee could have been invoked. This was not done. Reasons for this should be indicated. It may also be stated whether any inquiry was conducted. If so with what result.

The representative of the Health Department stated that the disposal committee had been set up and were looking into the case regarding disposal of the Gamaxine in order to submit the recommendations for its disposal.

The Health Department was further directed that they should ensure that regular periodical surveys are undertaken in order to ensure that stores on the shelf which were no longer serviceable may be promptly disposed of. In this case the Gamaxine had been lying in the stores since 1965 and had not yet been disposed of.

The paragraph may be kept pending until receipt of the information called for.

31.3.83

The para was under consideration with the Sub Committee of the Adhoc Public Accounts Committee.

The para was kept pending.

10.12.83

The Sub Committee in its meeting held on 28.3.1983 had inter alia asked for the papers relating to the Inspection Report. The Department now stated that the stores were not inspected because the Health Department had ordered that they should be taken on stock. A copy of the Health Department Orders may be shown to the Sub Committee. Further that the stores which had been lying since 1965 should be disposed of urgently. This has not yet been done because the recommendations of the disposal Committee are awaited. The question of disposal may be finalized at a very early date. In addition the Sub Committee had asked that the Officer-in-Charge should

conduct regular periodical surveys to ensure that the stores which are no longer serviceable were disposed of promptly. A copy of the orders of the Health Department in this respect may be furnished together with a copy of the latest survey carried out in the Medical Stores Depot.

2.2.84

The Report of the Sub Committee dated 10.12.1983 was endorsed and the para will be brought before the Public Accounts Committee.

24.3.84

After considerable discussion it was decided that a revised Working Paper embodying upto date position should be submitted for consideration before the Public Accounts Committee.

The para was kept pending.

1971 - 72

3. Para 9 Page 10 of Audit Report On Commercial Accounts for the year 1971-72 - Loss of Rs. 52,500/- due to Acceptance of a Medicine of Lesser Potency.

23.2.83

The file of the Industries Department was seen by the Committee. It was observed that the file did not contain quotations from the four firms. Comparative Statement was also not available. The Sub Committee requested the Administrative Department to provide the Committee's Secretariat copies of the four original quotations, the indent and Comparative Statement by 15.3.1983 for further consideration of the case by the Sub Committee on 29.3.1983.

The Departmental file was made available from which it was seen that an amendment to the A/T had been issued to regularize the position. The Sub Committee, however, wished to be assured that all four quotations were in accordance with the indent, tender inquiry and amendment.

28.3.83

The contract had been amended with the concurrence of the Finance Department and the Administrative Department stated that all four quotations were based on this. So the Audit objection may be dropped.

31.3.83.

On the recommendation made by the Sub Committee, the para was dropped.

4. Para 10 Page 10 of Audit Report On Commercial Accounts for the year 1971-72 - Loss of Rs. 45,075/- due to Theft of 25 Drums of Sulphadiazine Powder.

31.3.83

The Sub Committee, consisting of Mr. M.Z. Khan and Alhaj Khawaja Habib-ur-Rahman, Members of the Adhoc Public Accounts Committee, which is examining Para 13 for they year 1970-71, should also look into this paragraph and report back to the Public Accounts Committee.

The para was kept pending.

10.12.83

It was pointed out to the Department that the rules require that even though a loss has been reported to the Police a Departmental Inquiry must be conducted into the loss giving reasons why this was not done and the explanation of the Supervisory Officers may be furnished for information of the Sub Committee particularly as the case is stated to have been reported to Government by Audit in May, 1974. The relevant file may be put up to the Sub Committee with a detailed self contained note duly referenced.

2.2.84

The Report of the Sub Committee dated 10.12.1983 was endorsed and the paras will be brought before the Public Accounts Committee.

24.3.84

After considerable discussion, it was decided that a revised Working Paper embodying upto date position should be submitted to the Public Accounts Committee for consideration.

The para was kept pending.

5. Para 11 Page 11 of Audit Report On Commercial Accounts for the year 1971-72 - Loss of Rs. 36,908/- due to Purchase of Substandard Medicines.

31.3.83

It was reported by the Administrative Department that it had already approached to the Finance Department for the write off. Subject to its sanction and verification by Audit, the para was dropped.

24.3.84

The case for the write off of the loss was reportedly under consideration with the Finance Department. The Administrative Department stated that a reminder was issued to the Finance Department on 15.3.1983. The Finance Department desired that the Department should supply full particulars to them. The Committee requested the Department to pursue the case vigorously so that the write off is finalized quickly.

The para was kept pending.

6. Para 12 Page 11 of Audit Report On Commercial Accounts for the year 1971-72 - Loss of Rs. 24,832/- being the cost of Stores Burnt by Fire. -----

31.3.83

The write off was reportedly under consideration by the Finance Department.

The para was kept pending.

24.3.84

The Administrative Department stated that the write off has been agreed by the Finance Department. The para was settled subject to verification of the write off by Audit.

7. Para 13 Page 11 of Audit Report On Commercial Accounts for the year 1971-72 - Loss of Rs. 18,456/- due to Expiry of Life of Medicines. -----

31.3.83

The Administrative Department had reportedly approached the Finance Department to write off the loss. The Committee suggested to the Department that they should have a quarterly exercise of stock control so that those drugs which were slow moving or whose life was about to expire could be suitably disposed of so that there was no loss of public funds.

The para was kept pending.

24.3.84

The Administrative Department stated that sanction for the write off to the extent of Rs. 2,000/- had been received. The Committee desired that the Department should take steps to have the balance of Rs. 16,456/- also written off. The Committee directed that a general circular order should be issued for the quarterly inspection of the stores, so that medicines are utilized before their life expire.

The para was settled subject to verification of the recovery by Audit.

8. Para 14 Page 12 of Audit Report On Commercial Accounts for the year 1971-72 - Purchase of Stores of Incorrect Specifications.

31.3.83

The Committee advised the Administrative Department to supply to the Industries Department copies of correspondence which were in their possession relating to those stores and make a request to them to take up the matter with the supplier.

The para was kept pending.

24.3.84

The para was settled subject to verification of the recovery by Audit.

1976 - 77

9. Para 3 Page 4 of Audit Report On Commercial Accounts for the year 1976-77 - Compilation of Accounts for the years 1970-71 to 1976-77.

31.3.83

The Committee directed the Administrative Department to up-to-date the Accounts as early as possible and to send the same to Audit which should expedite the examination.

The para was kept pending.

1977 - 78 to 1979 - 80

10. Para 3 Pages 4-6 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Scope of the Compilation.

3.9.83

It was stated by the Administrative Department that proforma accounts for the years 1978-79, 1979-80 and 1980-81 had been Audited by the Accountant General, Punjab in August, 1983. They have now to be forwarded to the Director General, Commercial Audit for inclusion in the Compilation. The Accountant General, Punjab may be requested to forward them to the Director General as soon as possible so that they can be included in the Compilation for 1981-82, finalization of which will be done within the next fortnight or so.

As regards the accounts for 1981-82 and 1982-83 they may also be completed urgently and the Audit carried out by the Accountant General, Punjab, at an early date so that the arrears can be wiped out.

10.12.83

The Audit stated that the Proforma Accounts in respect of 1978-79; 1979-80 and 1980-81 had been received by them and they would be included in the compilation for 1982-83. The Department said that the Proforma Accounts for 1981-82 are under compilation. They were asked to have the Accounts finalised and submitted to the Director General, Commercial Audit, positively by the end of January, 1984. Also that after consulting the Accountant General they should finalise the Proforma Accounts for 1982-83 as early as possible.

Ans: Para 211 Page 245 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Regarding Financial Review of the Government Medical Store Depot, Lahore for the year 1972-73. - - - - -

3.9.83

The Administrative Department had been requested to give detailed reasons for the abnormal decrease in profit from Rs. 29,59,165/- in the previous year to Rs. 0.69 million, to also indicate the factors leading to this and the steps taken in order to improve the position. This was not done. The Administrative Department was requested to comply with the directives of the Sub Committee and to submit a revised Working Paper.

10.12.83

The Department was requested to have an upto date analysis of the financial position of the Medical Stores Depot for the period ending 30.6.1980 in which they may indicate detailed reasons relating to the variations in the profit.

2.2.84

The Report of the Sub Committee dated 10.12.1983 was endorsed and the paras will be brought before the Public Accounts Committee.

12. Para 221 Pages 252-253 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80

3.9.83

The Administrative Department was asked to produce authority in support of the practice adopted by them with

regard to the revaluation of the closing balances. It was explained that this practice had been followed by the Department even before independence. The observation was accordingly dropped.

The Administrative Department was requested that when the next meeting of the Sub Committee is held they may prepare a compliance report indicating the upto date position in respect of the observations relating to 1971-72 to 1976-77.

CHAPTER - VINDUSTRIES AND MINERAL DEVELOPMENT DEPARTMENT(GOVERNMENT TANNERY, SHAHADARA (IN LIQUIDATION))

The Committee examined the Accounts of the Government Tannery, Shahadara (in liquidation) meeting held on 3.4.1983.

1970 - 71

1. Para 92 Page 100 of Audit Report On Commercial Accounts for the year 1970-71 - Accumulated Loss of Rs. 7,22,158/-.

3.4.83

The explanation of the Administrative Department was accepted and the para was dropped.

1971 - 72

2. Para 74 Page 86 of Audit Report On Commercial Accounts for the year 1971-72 - Accumulated Loss of Rs. 7,31,681/-.

3.4.83

It was a repetition of Para 92 of 1970-71 Accounts, and was dropped.

1972 - 73

3. Para 55 Page 76 of Audit Report On Commercial Accounts for the year 1972-73 - Accumulated Loss of Rs. 7,41,186/-.

3.4.83

The explanation of the Administrative Department was accepted and the para was dropped.

4. Para 56 Page 76 of Audit Report On Commercial Accounts for the year 1972-73 - Write off losses Sustained by the Tannery.

3.4.83

The explanation of the Administrative Department was

accepted and the para was dropped.

1973 - 74

5. Para 3 Page 4 of Audit Report On Commercial Accounts for the year 1973-74 - Compilation of Accounts.

3.4.83

Item No. 14

The explanation of the Administrative Department was accepted and the item was dropped.

1974 - 75

6. Para 3 Page 4 of Audit Report On Commercial Accounts for the year 1974-75 - Compilation of the Accounts.

3.4.83

Items No. 11, 12, 13 and
14.

The explanation of the Administrative Department was accepted and the items was dropped.

1976 - 77

7. Para 3 Page 4 of Audit Report On Commercial Accounts for the year 1976-77 - Compilation of Accounts.

3.4.83

The explanation of the Administrative Department was accepted and the para was dropped.

(GOVERNMENT WEAVING AND FINISHING CENTRE, SHAHADARA)

The Committee examined the Accounts of the Government Weaving and Finishing Centre, in its meetings held on 3.4.1983 and 29.3.1984.

1970 - 71

1. Para 99 Page 110 of Audit Report On Commercial Accounts for the year 1970-71 - Physical verification of Stocks and Stores.

3.4.83

The excess had reportedly been taken in the stock and the shortage got written off.

Subject to their verification by Audit, the para was dropped.

2. Para 110 Page 126 of Audit Report On Commercial Accounts for the year 1970-71 - Depreciation on Assets.

3.4.83

The explanation of the Administrative Department was accepted and the para was dropped.

1971 - 72

3. Para 3 Page 4 of Audit Report On Commercial Accounts for the year 1971-72 - Compilation of Accounts.

3.4.83

The Accounts, having been compiled, the para was dropped.

4. Para 5 Page 9 of Audit Report On Commercial Accounts for the year 1971-72 - Blocking of Stock worth Rs. 8,44,000/-.

3.4.83

The Committee directed the Administrative Department to resubmit the para outlining the latest position.

The para was kept pending.

29.3.84

The Committee directed that the Administrative Department should, after consultation with the Audit, resubmit this para outlining the latest and agreed position.

The para was kept pending.

5. Para 78 Page 97 of Audit Report On Commercial Accounts for the year 1971-72 - Consolidated Balance Sheet.

3.4.83

The explanation of the Administrative Department was accepted and the para was dropped.

6. Para 79 Page 97 of Audit Report On Commercial Accounts for the year 1971-72 - Excess Expenditure of Rs. 1,33,857/- Over Income.

3.4.83

The explanation of the Administrative Department was accepted and the para was dropped.

1972 - 73

7. Para 64 Page 88 of Audit Report On Commercial Accounts for the year 1972-73 - Shortages and Excesses.

3.4.83

The Committee observed that the shortages were remarkably small and the excesses were understandable, therefore, the position was quite healthy and necessary adjustments should be made in accordance with the procedure.

The para was dropped.

8. Para 65 Page 88 of Audit Report On Commercial Accounts for the year 1972-73 - Shortages.

3.4.83

The Committee observed that the shortages were remarkably small and the excesses were understandable, therefore, the position was quite healthy and necessary adjustments should be made in accordance with the procedure.

The para was dropped.

9. Para 67 Page 88 of Audit Report On Commercial Accounts
for the year 1972-73 = Payment to Retiring Workers.

3.4.83

Subject to verification by Audit, the para was dropped.

10. Para 68 Page 89 of Audit Report On Commercial Accounts
for the year 1972-73 = Particulars of Liabilities.

3.4.83

Subject to verification by Audit, the para was dropped.

11. Para 69 Page 89 of Audit Report On Commercial Accounts
for the year 1972-73 = Sundry Debtors.

3.4.83

The Committee observed that there was little prospect of recovery being made. The Committee directed the Administrative Department to proceed with the write off of Rs. 7,788/-.

The para was kept pending.

29.3.84

This recovery has to be effected from the Sind Government who are stated to have already asked Sind Road Transport Department to make the necessary payment. The Committee suggested that the Department may obtain payment expedited through personal efforts of their local liaison officer in Karachi.

The para was kept pending.

12. Para 70 Page 89 of Audit Report On Commercial Accounts
for the year 1972-73 = Value of Fixed Assets.

3.4.83

The explanation of the Administrative Department was accepted and the para was dropped.

1973 - 74

13. Para 3 Page 4 of Audit Report On Commercial Accounts for
the year 1973-74 = Compilation of Accounts.

3.4.83

Item No. 11: The Committee observed that the Audit

comments on this para were pertinent to Draft Para No. 59 Page No. 64 of the Audit Report for the year 1971-72 and will be taken under that para. The loss of Rs. 15,38,021/- as on 30-6-1970, stood written off leaving a balance of Rs. 104/-, being Audit fee, which was negligible.

The item was dropped.

Item No. 12: The item was dropped.

Item No. 13: The item was dropped.

Item No. 14: The explanation of the Administrative Department was accepted and the item was dropped.

1974 - 75

14. Para 3 Page 4 of Audit Report On Commercial Accounts for the year 1974-75 - Compilation of the Accounts.

3.4.83

Item No. 11: The Committee observed that the Audit comments on this para were pertinent to Draft Para No. 59 Page 64 of the Audit Report for the year 1971-72 and will be taken under that para. The loss of Rs. 15,38,021/- as on 30.6.1970, stood written off leaving a balance of Rs. 104/-, being Audit fee, which was negligible.

The item was dropped.

Item No. 12: The item was dropped.

Item No. 13: The item was dropped.

Item No. 14: The explanation of the Administrative Department was accepted and the item was dropped.

1975 - 76

15. Para 3 Page 4 of Audit Report On Commercial Accounts for the year 1975-76 - Compilation of Accounts.

3.4.83

Item No. 11: The Committee observed that the Audit

comments on this para were pertinent to Draft Para No. 59 Page No. 64 of the Audit Report for the year 1971-72 and will be taken under that para. The loss of Rs. 15,38,021/- as on 30.6.1970, stood written off leaving a balance of Rs. 104/- being Audit fee, which was negligible.

The item was dropped.

Item No. 12: The item was dropped.

Item No. 13: The item was dropped.

Item No. 14: The explanation of the Administrative Department was accepted and the item was dropped.

1976 - 77

16. Para 3 Page 4 of Audit Report On Commercial Accounts for the year 1976-77 = Compilation of Accounts.

3.4.83

Item No. 11: The Committee observed that the Audit Comments on this para were pertinent to Draft Para No. 59 Page No. 64 of the Audit Report for the year 1971-72 and will be taken under that para. The loss of Rs. 15,38,021/- as on 30.6.1970, stood written off leaving a balance of Rs. 104/-, being Audit fee, which was negligible.

The item was dropped.

Item No. 12: The item was dropped.

Item No. 13: The item was dropped.

Item No. 14: The explanation of the Administrative Department was accepted and the item was dropped.

(GOVERNMENT WOOL SPINNING AND WEAVING DEVELOPMENT -)
CUM-TRAINING CENTRE, JHANG

The Committee examined the Accounts of the Government Wool Spinning and Weaving Development-Cum-Training Centre, Jhang, its meetings held on 3.4.1983, 5.4.1983, 29.3.1984 and 4.10.1984.

1970 - 71

1. Para 85 Page 90 of Audit Report On Commercial Accounts for the year 1970-71 - Disposal of Stocks.

3.4.83

Item (ii) regarding " Provision of Audit Fee and Interest on Government capital may be got verified from Audit.

Subject to verification by Audit, the para was dropped.

2. Para 86 Page 90 of Audit Report On Commercial Accounts for the year 1970-71 - Dis-regard of the Directive of Previous Public Accounts Committee regarding Preparation of Income and Expenditure Accounts.

3.4.83

The consideration of the para was deferred.

5.4.83

As in accordance with the labour laws, it is obligatory on the part of the Centre to pay 30% of the annual profit within three months to the workmen so it would be more appropriate to prepare a profit and loss account rather than an income and expenditure account.

In view of this fact, the Department's reply may be accepted and the paragraph dropped.

3. Para 87 Page 90 of Audit Report On Commercial Accounts for the year 1970-71 - Value of Fixed Assets.

3.4.83

Subject to verification by Audit, the para was dropped.

4. Para 88 Page 90 of Audit Report On Commercial Accounts for the year 1970-71 - Sundry Debtors Amounting to Rs. 6,750/-

3.4.83

The Committee directed the Administrative Department to get the amount written off from the competent authority and verified by Audit.

The para was kept pending.

29.3.84

Although this para has come after almost a year of its last consideration by the Public Accounts Committee. The Department has still been unable to recover the amount of Rs. 6,400/- from the Administrator, Lady Reading Hospital, Peshawar. This matter should be pursued at a personal level and finalised early.

The para was kept pending.

1971 - 72

5. Para 69 Page 76 of Audit Report On Commercial Accounts for the year 1971-72 - Value of Fixed Assets.

3.4.83

It was a repetition of Para No. 87 for the year 1970-71.

The para was dropped.

1973 - 74

6. Para 3 Page 4 of Audit Report On Commercial Accounts for the year 1973-74 - Compilation of Accounts.

3.4.83

Item No. 11: The Committee observed that the Audit comments on this para were pertinent to Draft Para No. 59 Page 64 of the Audit Report for the year 1971-72 and will be taken under that para. The loss of Rs. 15,38,021/- as on 30.6.1970, stood written off leaving a balance of Rs. 104/-, being Audit fee, which was negligible.

The item was dropped.

Item No. 12: The item was dropped.

Item No. 13: The item was dropped.

Item No. 14: The explanation of the Administrative Department was accepted and the item was dropped.

1974 - 75

7. Para 3 Page 4 of Audit Report On Commercial Accounts for the year 1974-75 - Compilation of the Accounts.

3.4.83

Items No. 11, 12, 13 and 14: The Committee observed that the Audit comments on this para were pertinent to Draft Para No. 59 Page 64 of the Audit Report for the year 1971-72 and will be taken under that para. The loss of Rs. 15,38,021/- as on 30.6.1970, stood written off leaving a balance of Rs. 104/-, being Audit fee, which was negligible.

The items was dropped.

1976 - 77

8. Para 3 Page 4 of Audit Report On Commercial Accounts for the year 1976-77 - Compilation of Accounts.

3.4.83.

The Committee observed that the Audit Comments on this para were pertinent to Draft Para No. 59 Page 64 of the Audit Report for the year 1971-72 and will be taken under that para. The loss of Rs. 15,38,021/- as on 30.6.1970, stood written off leaving a balance of Rs. 104/-, being Audit fee, which was negligible.

The para was dropped.

1980 - 81

9. Para 111 Page 113 of Audit Report On Commercial Accounts for the year 1980-81 - Profit to the Tune of Rs. 1,47,269/- Earned by the Centre as against Loss of Rs. 4,88,764/- for the year 1978-79.

4.10.84

The Sub Committee heard the representative of the

Government Wool Spinning and Weaving Development-Cum-Training Centre, Jhang, on the points raised by Audit. The Sub - Committee desired that the following documents may first be sent to the Assembly Secretariat whereafter detailed minutes will be prepared :-

- (i) Copy of the scheme regarding renovation/reorganization of the unit.
- (ii) The aging of the balance stock i.e. when were the left over articles actually manufactured.

The para was kept pending.

REPORT OF THE SUB COMMITTEE OF THE ADHOC
PUBLIC ACCOUNTS COMMITTEE ON PARA NO. 141
OF THE COMMERCIAL ACCOUNTS FOR THE YEAR
1980 - 81

The Sub Committee consisting of Messrs M.A. Rashid and Ch. Fateh Muhammad considered the Para in its meeting held on 4.10.1984.

The views of the representative of the Government Wool Spinning and Weaving Development-Cum-Training Centre, Jhang, were heard by the Sub Committee.

It was stated by him that a scheme for balancing and modernizing the Wool Spinning plant had been approved and better financial results would be shown on its implementation.

The Sub Committee noted that the Centre had a stock of finished goods valued at Rs. 4.764 million on 30.6.1983. It directed the Agency to take effective steps for their early disposal.

(PUNJAB GOVERNMENT COTTON MILLS, LAHORE (IN LIQUIDATION))

The Committee examined the Accounts of the Punjab Government Cotton Mills, Lahore (in liquidation) in its meetings held on 3.4.1983 and 29.3.1984.

1970 - 71

1. Para 77 Page 80 of Audit Report On Commercial Accounts for the year 1970-71 = Loss of Rs. 15,38,125/-

3.4.83

The Committee observed that the Audit Comments on this para were pertinent to Draft Para No. 59 Page 64 of the Audit Report for the year 1971-72 and will be taken under that para. The loss of Rs. 15,38,021/- as on 30.6.1970, stood written off leaving a balance of Rs. 104/-, being Audit fee, which was negligible.

The para was dropped.

1971 - 72

2. Para 59 Page 64 of Audit Report On Commercial Accounts for the year 1971-72 - Sundry Debtors for Rs. 6,02,252/-

3.4.83

- (i) The Administrative Department explained that so far as the amount of Rs. 4,13,655/- recoverable from Messrs Rashid Ghani and Malli was concerned, the record had been misplaced as the Court was abolished. The Committee directed that efforts should be made to trace out the record. In case these efforts failed, then an application should be made to reconstitute the record. Since the amount of Rs. 4,13,655/- was fairly a substantial amount, genuine efforts will have to be made to recover the amount.
- (ii) The amount of Rs. 1,27,272/- had reportedly been written off which should be got verified by Audit.
- (iii) The amount of Rs. 61,325/- had been adjusted and verified.

The para was kept pending in respect of Item (i) only.

29.3.84

The case was sub judice. The Administrative Department

has informally learnt that the relevant file is available. Next date of hearing is 4.4.1984. The Department may follow up closely for an early conclusion.

The para was kept pending.

1972 - 73

3. Para 3 Page 4 of Audit Report On Commercial Accounts for the year 1972-73 = Compilation of Accounts.

3.4.83

The explanation of the Administrative Department was accepted and the para was dropped.

1973 - 74

4. Para 3 Page 4 of Audit Report On Commercial Accounts for the year 1973-74 = Compilation of Accounts.

3.4.83

Item No. 12: The item was dropped.

1974 - 75

5. Para 3 Page 4 of Audit Report On Commercial Accounts for the year 1974-75 = Compilation of the Accounts.

3.4.83

Item No. 11: The Committee observed that the Audit comments on this para were pertinent to Draft Para No. 59 Page No. 64 of the Audit Report for the year 1971-72 and will be taken under that para. The loss of Rs. 15,38,021/- as on 30.6.1970, stood written off leaving a balance of Rs. 104/-, being Audit Fee, which was negligible.

The item was dropped.

Item No. 12: The item was dropped.

Item No. 13: The item was dropped.

Item No. 14: The explanation of the Administrative Department was accepted and the item was dropped.

1976 - 77

6. Para 3 Page 4 of Audit Report On Commercial Accounts
for the year 1976-77 - Compilation of Accounts.

3.4.83

- Item No. 11: The Committee observed that the Audit comments on this para were pertinent to Draft Para No. 59 Page No. 64 of the Audit Report for the year 1971-72 and will be taken under that para. The loss of Rs. 15,38,021/- as on 30.6.1970, stood written off leaving a balance of Rs. 104/-, being Audit fee, which was negligible.
The item was dropped.
- Item No. 12: The item was dropped.
- Item No. 13: The item was dropped.
- Item No. 14: The explanation of the Administrative Department was accepted and the item was dropped.

(PUNJAB GOVERNMENT PRINTING PRESS, LAHORE)

The Committee examined the Accounts of the Punjab Government Press, Lahore, in its meetings held on 27.2.1983, 3.4.1983, 15.9.1983, 29.3.1984, 6.4.1984 and 2.10.1984.

1970 - 71

1. Para 147 Page 164 of Audit Report On Commercial Accounts for the year 1970-71 - Working Results.

27.2.83

The Administrative Department gave five broad reasons leading to the loss of about Rs. 40 lacs. The Sub Committee requested the Administrative Department to quantify the loss on each item and also indicate detailed reasons therefor. For this purpose the Department requested two months' time. The Committee postponed further consideration of this para-graph to the end of April, 1983. The Department promised to send a detailed Working Paper as indicated above by 20.4.1983.

3.4.83

The para would be examined in detail by the Sub Committee of the Adhoc Public Accounts Committee consisting of Mian Abdul Rashid and Ch. Fateh Muhammad, Members of the Adhoc Public Accounts Committee.

2. Para 148 Page 164 of Audit Report On Commercial Accounts for the year 1970-71 - Cash Sales of Publications etc., Amounting to Rs. 10,18,163/-

3.4.83

The Committee directed the Administrative Department to finalize the required action and then resubmit the para. The Committee deferred consideration of the remaining paras till 6.4.1983.

29.3.84

The Accountant General, Punjab has stated that the reconciliation of figures for 1970-71 to 1981-82 cannot be reconciled as the accounts were closed long ago. The Committee, however, directed the Department to carry out the reconciliation with the treasuries concerned through personal efforts. For the future, the Committee directed the Department to ensure that timely action is taken to have the figures booked by the Accountant General, Punjab, and by the treasuries reconciled.

The para was kept pending.

3. Para 149 Page 164 of Audit Report On Commercial Accounts for the year 1970-71 - Security Deposits.

29.3.84

The Bank Statements, Pass Books etc., having been obtained, they should be verified by Audit and completed by the time this para comes to the Committee for consideration.

The para was kept pending.

4. Para 150 Page 164 of Audit Report On Commercial Accounts for the year 1970-71 - Shortage of Stores.

29.3.84

(i) Shortage of Text Books:

This item will be dealt with in a separate para.

(ii) Shortage of Rs. 1,084/-:

This has been verified and settled.

(iii) Shortage of Rs. 1,834/-:

Verified and settled.

(iv) Shortage of Rs. 17,791/-:

In accordance with the advice of the Finance Department, this amount is being carried forward as excesses and shortages.

The item was settled.

The para was settled.

5. Para 151 Page 164 of Audit Report On Commercial Accounts for the year 1970-71 - Non-reconciliation of Accounts.

29.3.84

The figures have been confirmed by the Accountant General, Punjab, in letter No. Integ/1-6/S&P/1639, dated 2.5.1983. The Department was directed to make special efforts to get the reconciliation for the years 1971-72 to 1975-76 completed as early as possible. The Accountant General, Punjab, agreed to extend necessary help to complete this task. The Committee suggested to the Department that whole-time person should be deputed to complete this work and an appropriate work schedule should be prepared in consultation with the Accountant General, Punjab, so that the work is completed at a very early date.

This para should be resubmitted in six months' time. The Committee expressed its hope that by that time, substantial progress would be reported.

The para was kept pending.

6. Para 153 Page 165 of Audit Report On Commercial Accounts for the year 1970-71 - Obsolete Forms. -----

29.3.84

The para was settled as the conciliation court forms are now no longer obsolete as Government has directed the Department to start issuing them again as conciliation courts have started functioning again.

7. Para 154 Page 165 of Audit Report On Commercial Accounts for the year 1970-71 - Assets Register. -----

29.3.84

Verified and settled as the assets register is now being maintained properly.

8. Para 155 Page 165 of Audit Report On Commercial Accounts for the year 1970-71 - Metal. -----

29.3.84

Audit may expedite verification. The para may be resubmitted when this has been done.

The para was kept pending.

9. Para 156 Page 165 of Audit Report On Commercial Accounts for the year 1970-71 - Sundry Debtors. -----

29.3.84

This para has been deferred for examination by the Sub - Committee to whom full facts may be supplied.

The para was kept pending.

2.10.84

Out of the total outstanding amount of over 19 lacs rupees relating to the year 1970-71, only a balance of Rs. 667 lac is left to be recovered. Out of this, an amount of Rs. 663 lac has to be recovered from the Election Commission of Pakistan and the balance from the Provincial Road Transport Corporation. Efforts are being made to recover these amounts. For the future, the Controller stated that advance payment is

insisted upon. He also assured the Sub Committee that the balance will be recovered by the end of the current year. Subject to the recovery or write off and verification by Audit, the para is recommended for settlement by the Adhoc Public Accounts Committee.

1971 - 72

10. Para 3 Page 4 of Audit Report On Commercial Accounts for the year 1971-72 - - - - -

3.4.83

The Printing and Stationery Department stated that the Commercial Accounts for the years 1971-72 to 1976-77 would be prepared before June, 1983 and by that time these would be ready for examination by Audit.

11. Para 8 Page 10 of Audit Report On Commercial Accounts for the year 1971-72 - Shortage of Forms valuing Rs. 17,616/-. - - - - -

6.4.83

The para was referred to Alhaq Khawaja Habib-ur-Rahman, Member, Adhoc Public Accounts Committee for detailed examination and report back to the Committee. The Administrative Department was directed to make available original file relating to this para.

The consideration of the para was deferred.

29.3.84

The Sub Committee's recommendation having been accepted, the para was settled.

1972 - 73

12. Para 3 Page 4 of Audit Report On Commercial Accounts for the years 1972-73 to 1976-77 - - - - -

3.4.83

The Printing and Stationery Department stated that the Commercial Accounts for the years 1971-72 to 1976-77 would be prepared before June, 1983 and by that time these would be ready for examination by Audit.

13. Para 8 Page 10 of Audit Report On Commercial Accounts for the year 1972-73 - Loss due to Shortage of Text Books valuing Rs. 42,404/-
-

6.4.83

The case was reportedly sub judice. The Committee directed the Administrative Department to effect recovery from pension and gratuity of the official concerned. Efforts to recover the amount as arrears of land revenue should also be pursued. In view of the case being sub judice, the para was kept pending.

29.3.84

The case was sub judice. The person concerned is in custody. The consideration of the para would be taken up when the decision of the Court has been received.

The para was kept pending.

14. Para 9 Page 10 of Audit Report On Commercial Accounts for the year 1972-73 - Loss of Rs. 35,005/- as Result of Shortage of Books.
-

6.4.83

The Committee directed the Administrative Department to examine the possibility of taking legal action against the officials concerned.

The para was kept pending.

29.3.84

The case was sub judice. The person concerned is in custody. The consideration of the para would be taken up when the decision of the Court has been received.

The para was kept pending.

15. Para 10 Page 11 of Audit Report On Commercial Accounts for the year 1972-73 - Misappropriation of Metal worth Rs. 31,435/-
-

6.4.83

Out of the total amount of Rs. 31,435/-, an amount of Rs. 4,000/- had been awarded by the Court as fine to be paid to the Government Press, Lahore, by the official concerned, leaving a balance of Rs. 27,435/-. The Committee directed the Administrative Department that the balance of Rs. 26,435/- should be got written off by the competent authority. As regards the payment of Rs. 4,000/-, action should be taken after the decision of the Court.

Subject to verification of the write off and recovery by Audit, the para was dropped.

29.3.84

The para was kept pending as the write off is under process. The Committee directed that the write off be expedited.

1973 - 74

16. Para 8 Page 12 of Audit Report On Commercial Accounts for the year 1973-74 - Non-accounting of Rs. 9,23,106/- Loss Forms worth Rs. 46,822/-

6.4.83

As the matter was reportedly under investigation with the Anti-Corruption Department, the para was kept pending.

29.3.84

The Administrative Department stated that investigations by the Anti-Corruption Department are almost complete.

The para was kept pending.

17. Para 9 Page 12 of Audit Report On Commercial Accounts for the year 1973-74 - Shortages of Printed Forms worth Rs. 2,40,571/-

6.4.83

As the matter was reportedly under investigation with the Anti-Corruption Department, the para was kept pending.

29.3.84

The Administrative Department stated that investigations by the Anti-Corruption Department are almost complete.

The para was kept pending.

18. Para 10 Page 13 of Audit Report On Commercial Accounts for the year 1973-74 - Loss due to Irregular Drawal of Service Books valuing Rs. 31,347/- by an Employee.

6.4.83

The Committee directed the Administrative Department to review the stock checking procedure and ensure its implementation so as to prevent recurrences of such misappropriations.

in future.

The para was kept pending till recovery of Rs. 31,347/- and its verification by Audit.

29.3.84

Rs. 31,247/- had been got deposited in the State Bank vide Challan No. 0/83 dated 25.4.1983, by the father of the delinquent official. The directions of the Committee to review the stock checking procedures and ensure its implementation so as to prevent misappropriations, was noted.

The para was settled.

19. Para 11 Page 13 of Audit Report On Commercial Accounts for the year 1973-74 - Shortage of Service Books valuing Rs. 6,965/- - - - - -

6.4.83

The Committee observed that the inquiry was instituted quite late as a result of which the official concerned retired without making good the loss. The Committee directed the Administrative Department to ensure that such lapses of delayed action should not recur. The Committee further directed the Administrative Department that efforts should be made to recover that amount by instituting a Criminal case against the official concerned.

Subject to these comments, the para was kept pending.

29.3.84

As Rs. 6,965/- have been recovered from the official at fault, the para was settled.

20. Para 13 Page 13 of Audit Report On Commercial Accounts for the year 1973-74 - Shortage of Forms worth Rs. 1,51,374/-.

6.4.83

The case was reportedly under investigation with Anti - Corruption Establishment. The Committee observed that the question of Departmental Inquiry was also important and the Administrative Department should institute a Departmental Inquiry against the accused. Pending receipt of the Report from Anti-Corruption Establishment, the para was kept pending.

29.3.84

The para was kept pending as the Department was pursuing the matter with the Anti-Corruption Establishment. The Department was advised to obtain photostat of the relevant

record and to proceed with the departmental inquiry.

The para was kept pending.

1975 - 76

21. Para 3 Page 4 of Audit Report On Commercial Accounts for the years 1975-76 - Compilation of Accounts.

3.4.83

The Committee observed that the Audit comments on this para were pertinent to Draft Para No. 59 Page No. 64 of the Audit Report for the year 1971-72 and will be taken under that para. The loss of Rs. 15,38,021/- as on 30.6.1970, stood written off leaving a balance of Rs. 104/-, being Audit fee, which was negligible.

The para was dropped.

1977 - 78 to 1979 - 80

22. Para 26 Page 21 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Shortage of Stores valuing Rs. 62,380/-.

15.9.83

The Administrative Department have intimated that they still require more time for investigating the case as voluminous record is involved. The Controller Printing was requested to obtain photo copies of the record from the Anti - Corruption Department and take urgent steps to start the departmental inquiry.

29.3.84

The para was kept pending as the Department was pursuing the matter with the Anti-Corruption Establishment. The Department was advised to obtain photostat of the relevant record and to proceed with the departmental inquiry.

The para was kept pending.

23. Para 112 Page 122 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Working Results.

15.9.83

The Controller Printing has intimated that various steps have been taken to minimise expenses on production. He also stated that the question of revision of rates of printing was

under correspondence with the Finance Department. The para was kept pending. The decision in this behalf may be expedited.

29.3.84

The matter is being considered by the Sub Committee and will be taken up by the Public Accounts Committee when their Report is received.

The para was kept pending.

2.10.84

These para was covered by the comprehensive report prepared by the Sub Committee and approved by the Adhoc Public Accounts Committee.

24. Para 113 Page 122 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Sales Increased - Gross and net Loss to Sale.

15.9.83

The Controller Printing has intimated that various steps have been taken to minimise expenses on production. He also stated that the question of revision of rates of printing was under correspondence with the Finance Department. The para is kept pending. The decision in this behalf may be expedited.

29.3.84

The matter is being considered by the Sub Committee and will be taken up by the Public Accounts Committee when their Report is received.

The para was kept pending.

25. Para 114 Page 122 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Ways and Means to be adopted to review the Sales Policy.

15.9.83

The Controller Printing has intimated that various steps have been taken to minimise expenses on production. He also stated that question of revision of rates of printing was under correspondence with the Finance Department. The para is kept pending. The decision in this behalf may be expedited.

29.3.84

The matter is being considered by the Sub Committee and will be taken up by the Public Accounts Committee when their

Report is received.

The para was kept pending.

26. Para 115 Page 122 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Cash Sale of Publication, Forms and Text Books etc. - - - - -

15.9.83

This para will be discussed in the presence of the representative of the Accountant General, who should be called to attend the next meeting of the Sub Committee.

29.3.84

The matter is being considered by the Sub Committee and will be taken up by the Public Accounts Committee when their Report is received.

The para was kept pending.

2.10.84

Since the record for this period has been destroyed, there is no option but to drop this para. In future, however, from 1972 onwards, the reconciliation should be done as soon as the record is made available by the Treasury. In case of reconciliation with Accountant General, Punjab, this will start from 1.7.1982, as the position taken by the Accountant General, Punjab is that as the accounts before this date have been printed no useful purpose will be served in reconciliation at this stage.

27. Para 116 Page 122 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Shortages of Stores and other Publications valuing Rs. 45,540/- and Rs. 12,596/-.

15.9.83

The Controller Printing and Stationery stated that he has already written off some shortages within his competence and referred the balance to Government in the Industries Department for write off.

29.3.84

Two amount of Rs. 5,188/- and Rs. 1,968/- had been written off under the powers of the Department. Recovery of Rs. 5,680/- is due. As regards the balance under advice from the Finance Department, this will be carried forward as excesses and shortages.

Subject to verification of the recovery and the write off, the para was settled.

28. Para 117 Page 123 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Depreciation reserves Fund Amounting to Rs. 34,58,152/-

15.9.83

This para will also be discussed in the presence of the representative of the Accountant General, who should be called to attend the next meeting of the Sub Committee.

29.3.84

This para is under consideration of the Sub Committee. The para was kept pending till the final report of the Sub Committee.

2.10.84

The Department is in contact with the Accountant General, Punjab. The reconciliation should be expedited.

29. Para 118 Page 123 of Audit Report On Commercial Accounts for the year 1977-78 to 1979-80 - Sundry Debtors.

15.9.83

The Controller Printing and Stationery stated that he is pursuing the matter for recovery and reconciliation with the Department concerned. The Department required more time for this purpose. This para will be considered in January, 1984. Meanwhile strenuous efforts should be made for the recovery and reconciliation.

29.3.84

The para was kept pending until a legible copy is supplied to the Committee.

30. Para 119 Page 123 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Depreciation Reserve on Plant and Machinery Amounting to Rs. 32,67,955/-

15.9.83

A Technical Committee has been constituted which will undertake the re-evaluation work after the elections of local bodies.

29.3.84

The para was kept pending until a legible copy is supplied to the Committee.

31. Para 120 Page 123 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Reconciliation of Accounts.
-

15.9.83

The para is recommended to be dropped subject to verification by Audit.

29.3.84

The amount of Rs. 27,17,730/- representing free supply of stationery having been reconciled.

The para was settled.

32. Para 121 Page 123 of Audit Report On Commercial Accounts for the year 1977-78 to 1979-80 - Provision of Rs. 69,366/- in Excess as Interest on Capital.
-

15.9.83

Dropped subject to verification by Audit.

29.3.84

As Audit have verified, the para was settled.

33. Para 122 Page 123 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Maintenance of Books of Accounts on the Double-entry System of Book Keeping.
-

15.9.83

The Controller Printing and Stationery stated that he has moved the Finance Department for creation of the posts required for the maintenance of Accounts on commercial lines. The Sub Committee is of the view that the matter should be brought before the Public Accounts Committee for the consideration of the basic issue whether press be treated as service department or as a commercial organization.

29.3.84

There is Government decision which the Department should implement. If they are facing any difficulties of manpower they should approach the appropriate authorities.

The para was kept pending.

34. Para 146 Page 153 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Gross Profit of Rs. 2,32,093/- Earned by the Stationery Office.

2.10.84

The Sub Committee observed that as the representative of the Industries Department is not present, the para has to be deferred.

35. Para 147 Page 153 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Reconciliation of Accounts.

2.10.84

Since the record for this period has been destroyed, there is no option but to drop this para. In future, however, from 1972 onwards, the reconciliation should be done as soon as the record is made available by the Treasury. In case of reconciliation with Accountant General, Punjab, this will start from 1.7.1982, as the position taken by the Accountant General, Punjab, is that as the accounts before this date have been printed no useful purpose will be served in reconciliation at this stage.

1980 - 81

36. Para 125 Page 94 of Audit Report On Commercial Accounts for the year 1980-81 - Net Loss of Rs. 7,321 Million sustained by the Government Press.

2.10.84

The para was covered by the comprehensive report prepared by the Sub Committee and approved by the Adhoc Public Accounts Committee.

37. Para 126 Page 94 of Audit Report On Commercial Accounts for the year 1980-81 - Depreciation Charged on Plant and Machinery/Transport.

2.10.84

As per directive of the Adhoc Public Accounts Committee a Technical Committee was formed and on the basis of its report the stock has been revalued. The plant and machinery have been revalued and the assets register has been recast accordingly. The excess depreciation has been written back during the year 1983-84.

Subject to verification by Audit, the para was recommended for settlement.

38. Para 127 Page 94 of Audit Report On Commercial Accounts for the year 1980-81 - Figures of Rs. 53,60,101 Million Booked during the year 1973-74.

2.10.84

The reconciliation has been done.

The para was recommended for settlement.

39. Para 128 Page 94 of Audit Report On Commercial Accounts for the year 1980-81 - Expenditure Amounting to Rs. 6,589 Million Booked during the year 1973-74.

2.10.84

The reconciliation of the departmental expenditure and receipts figures should be carried out from 1.7.1982 as desired by the Accountant General, Punjab.

Subject to the verification, the para was recommended for settlement.

40. Para 129 Page 94 of Audit Report On Commercial Accounts for the year 1980-81 - Remittance into Treasury Amounting to Rs. 4,029 Million during the year 1973-74.

2.10.84

The reconciliation may be made with the Treasury from 1.7.1972 as the previous record has been destroyed.

41. Para 130 Page 94 of Audit Report On Commercial Accounts for the year 1980-81 - Shortages and Excesses.

2.10.84

In this case some of the losses have been written off by the Controller and the Administrative Department being within their competence and the balance was referred to the Finance Department. The Finance Department, however, advised that as the Government Press is a commercial organization, the losses be carried forward in the accounts. This view was not acceptable to Audit. Accordingly, the Controller was advised to take up the matter again with the Finance Department after obtaining comments of Audit.

42. Para 131 Page 94 of Audit Report On Commercial Accounts for the year 1980-81 - Sundry Debtors.

2.10.84

A substantial sum of Rs. 24 lac was still recoverable.

The Controller was requested to make strenuous efforts to recover the amount.

43. Para 132 Page 95 of Audit Report On Commercial Accounts for the year 1980-81 - Assets Register not maintained.

2.10.84

The Controller stated that he has taken up this matter with the Finance Department. He was requested to pursue it at personal level.

The para was kept pending.

44. Para 133 Page 95 of Audit Report On Commercial Accounts for the year 1980-81 - Stock of Government Publications.

2.10.84

The Controller stated that Secretary Industries Department has been requested to call a meeting of all concerned including the Finance Department, so that the matter may be settled.

The para was kept pending.

45. Para 134 Page 95 of Audit Report On Commercial Accounts for the year 1980-81 - Closing Balance of Stores and Material as at 30th June, 1974.

2.10.84

The Controller of stores agreed with the suggestion of Audit that the indent should be placed 6/7 months before hand so that the stocks become available in the beginning of the financial year.

The para was recommended for settlement.

REPORT OF THE SUB COMMITTEE FOR THE YEAR 1971-72

The Audit had pointed out in the Audit Inspection Report for the year 1970-71 shortage of Rs. 17,616/- and excess of Rs. 114/- on the basis of stock taking lists of the Government Printing Press, Lahore. Later-on Audit revised the position and stated that :-

- | | |
|--|----------------------------|
| 1. Total shortage of Register/Forms as per stock taking list for 1971-72. | Rs. 20,146 -12 |
| 2. Value of Forms/Registers declared unserviceable by the Controller, Printing and Stationery Department vide Memo No. 3464 CPS/8, dated 5.8.1968 but wrongly accounted for in the stocks from year to year. | Rs. 11,455 -78 |
| 3. The cost of 755 Burnt/unserviceable Registers (still lying in stock and wrongly accounted for in these stocks.) | Rs. 8,682 -50 |
| | <hr/> Rs. 20,138 -28 <hr/> |

2. The actual shortage as the Audit stated was of Rs. 20,146/12 - Rs. 20,138/28 = Rs. 7/84.

3. On receipt of the Inspection Report for the year 1970-71, Superintendent, Government Press ordered in his Memo of 6.1.1972, Mr. Ghulam Muhammad Butt, Works Manager, Government Printing Press, Lahore to conduct a preliminary inquiry. He did so and submitted his report on the 11th March, 1972. In this report, Mr. Butt inter alia stated that the Burnt/Damaged Registers/Forms had been lying in stock for many years and were being shown in the annual stock taking every year. However, no papers were produced regarding them. Whereas the Burnt/Damaged Registers/Forms should have declared unserviceable with the sanction of the competent authority and the difference in cost between the sale proceeds and the book value written off with the sanction of the competent authority. He suggested that physical verification be conducted. He also doubted that the annual stock verification considered it as suspect and advised that it should be conducted properly. He recommended a regular inquiry. On the 14th of March, 1972, on receipt of Mr. Butt's Report, the Superintendent, Government Printing Press asked the Officer on Special Duty to examine it and submit his comments.

4. On 7.4.1972, Officer on Special Duty wrote to Mr. Muhammad Ramzan Khan, Manager, Sales Depot No.2, to furnish full details of the Burnt/Damaged Registers/Forms and to intimate the current balance stock after physical checking of the Forms and Registers. Mr. Ramzan Submitted his report on 2.4.1974 (copy attached.).

He reported that he had gone through the record of the Union Council which was burnt in 1962 and the total Registers which were traced out as burnt/unserviceable were 755 with a value of Rs. 8,682/50. He further stated that after consulting the Controller's files, he found that the Controller has issued sanction declaring as unserviceable/obsolete forms/registers valued at Rs. 11,455/78 vide his Memo No. CPP/Sty/3-12/292/93, dated 20.10.1968.

5. Both these amounts had not been reduced in the stock balances, and this is what had led to the shortage year after year. On receipt of Mr. Ramzan's report after nearly three years, the Superintendent, Government Printing Press ordered on 3.2.1977 that a regular inquiry be conducted by Mr. A.R. Javed Ali, Manager Works-II. He was asked to complete his inquiry within two months. Due to various reasons one of which was that the Inquiry Officers were changed from time to time and also as stated by the Department that there were too many inquiries and no Officer was available to hold them. The Department added that they requested SGA & ID to appoint a regular Inquiry Officer but this was not done. The Report was only finalised on 1st June, 1982, after a lapse of over five years and the position as outlined in Mr. Ramzan's report accepted on 19.2.1983, Superintendent, Government Printing wrote to the Controller to declare forms/registers valued at Rs. 8,682/50 as unserviceable/obsolete. The Controller accorded sanction on 2.4.1983. On the 2nd April, 1983, also Mr. Ghulam Mustafa deposited Rs. 7.84 the actual shortage. Both the sanction and the recovery have also verified by Audit.

6. The Controller in his sanction dated 26.10.1968 had asked that the forms/registers declared obsolete/surplus should be auctioned as waste paper and the difference between the sale proceeds and the book value should be got written off. But this was not done. The plea given by the Department that they also wanted to get the sanction for Rs. 8,682/- so that the auction could be in one lot. This plea does not hold and to me appears a sheer omission. The obsolete stores worth Rs. 11,455/78 could have been disposed of long ago and those valuing Rs. 8,682/50 when they had been declared surplus, the sanction having now been accorded, it is proposed to auction the obsolete/unserviceable material as waste paper in one lot and then to obtain necessary sanction for the write off. This may be done urgently.

7. As pointed out the loss was only Rs. 7.84. This has been recovered and verified by Audit. Unserviceable/obsolete forms/registers totalling Rs. 20,146.12 have been declared surplus and are now to be auctioned. So the paragraph may be dropped subject to verification of write off. The Department may, however, be asked to deal with such matters promptly. Also that annual physical stock verification may be conducted properly and the shortages and excesses revealed should be regularised as quickly as possible.

OFFICE OF THE SUPERINTENDENT
PUNJAB GOVERNMENT PRESS, LAHORE
(SALES DEPOT SECTION)

To

The Superintendent,
Government Printing
Punjab, Lahore.

Memo No. 165/SDIL. dated 2.4.1974.

Subject: PRELIMINARY ENQUIRY REGARDING SHORTAGE OF Rs. 17,616/- AGAINST EXCESS OF Rs. 114/- WHILE TAKING OVER THE CHARGE OF THE POST OF STORE KEEPER UNION COUNCIL FROM MR. GHULAM MUSTAFA, SENIOR CLERK.

Kindly refer to your Memo No.126-GC/OS(G) dated 7.4.1972, and subsequent reminders on the subject cited above.

I have gone through the record of the Union Council which was burnt/unserviceable due to fire in the year 1962. Total Registers (U.C.19) which have been traced out as burnt/unserviceable are 755 in number. The total cost of this material is Rs. 11.50 each comes to Rs. 8,682/50.

In this connection, I have also consulted the Controller, Printing and Stationery's office and from the record it has been noticed that the Forms/Registers amounting to Rs. 11,455/78 were declared absolutely unserviceable and sanction accorded to dispose off as waste paper as is evident from the Accountant General, Punjab, Lahore's letter No.EPS/Sty/3-12/292-93, dated 26.10.1968 addressed to the Controller, Printing and Stationery, Punjab, Lahore.

From the above, it is evident that sanction to declare the unserviceable stock which was burnt during 1962 to the extent of Rs. 11,455/78 was accorded. After that 755 number of U.C. 19 which were also burnt and were to be declared as waste paper were counted by the Stock Taker from year to year which were not required to be done so. The amount which written off was not accounted for in the Accounts Books, hence this resulted the shortage by counting the material and its cost into shortage which continued until now.

It may, however, be submitted that on verification it has been noticed that there are actually 755 registers burnt instead of 620 as reported by the Stock Taker while conducting the stock taking for the year 1971-72. The cost of these 755 burnt registers were continued to be accounted for from 1968 to 1971-72 which was not to be done so, because of the fact that necessary sanction to write off the material since received as stated above.

While handing over the charge by Mr. Ghulam Mustafa, total shortage was detected for Rs. 17,616/- whereas on annual

stock taking, it was Rs. 20,146/12. Thus position ascertained is as under :-

(1)	Total shortage in the annual stock taking list for 1971-72. (This also includes the shortage against Mr. Ghulam Mustafa viz: Rs. 17,616/-).	Rs. 20,146 -12
(2)	Amount which was written off by the Government as unserviceable material but wrongly accounted from year to year.	Rs. 11,455 -78
(3)	The cost of 755 registers. (Burnt/ unserviceable) which were lying in the store and accounted for wrongly.	Rs. 8,682 -50
(4)	Shortage. (Sanction accorded from competent authority to disposed of as waste paper). (Cost of 755 number of unserviceable registers).	Rs. 11,455 -78
		Rs. 8,682 -50
	Total:-	Rs. 20,138 -28

(Shortage pointed out by the Stock Taker on annual stock taking).

Rs. 20,146 -12

Rs. 20,138 -28

Total Shortage :- Rs. 7 -84

Rs. 7 -84

In view of the above factual position, there is only a shortage of Rs. 7/84 in the stock taking list for the year 1971-72. The case for write off is being submitted separately.

Under the circumstances, it is requested that this case may please be dropped.

Sd/-

(MANAGER SALES DEPOT-II)
Government Press, Punjab, Lahore.

REPORT OF THE SUB COMMITTEE ON THE WORKING
RESULTS OF THE GOVERNMENT PRINTING PRESSES
AT LAHORE AND BAHAWALPUR FOR THE YEAR 1970-71.

The Public Accounts Committee expressed its appreciation on the very good report prepared by the Sub Committee of the Adhoc Public Accounts Committee with the active co-operation of the Controller, Printing and Stationery, Punjab, Lahore.

1. Expenditure on Surplus Staff during the year 1970-71

The Controller, Government Printing Press, Lahore stated that this is no longer a serious problem as some of the staff have been reduced and others have voluntarily left their jobs.

2. Loss on Account of Difference between the cost of Production and Sale Price of Gazette/Pakistan Law Reports

The second cause listed was the wide difference between the cost of production and sale price. The Department informed that it had been rectified by increasing the sale price of Gazette/Pakistan Law Reports. The position is, therefore, satisfactory.

3. Loss on Account of Electricity Break-down for 18½ days in a year of 255 Working Days.

The Department stated that they were examining some alternatives. One was to have electricity an alternate connection from WAPDA and the other was to instal their own small stand-by generator. The second alternative seems to be more productive. By installation of generator the loss would diminish.

4. Loss on Account of 4 Old and Worn out Printing Machines which remained Idle throughout the year.

5. Loss on Account of Idleness of Two Printing Machines for Four Months due to Non-availability of Paper in Reels.

6. Loss on Account of Idleness of One Printing Machine for One Month due to Technical Defect.

For items 4, 5 and 6 above, the explanation of the Department was accepted by the Committee.

7. Loss on Account of under Pricing of Forms and Registers supplied to Government Departments/Offices.

The Department stated that had been rectified by increasing sale price of Forms and Registers.

8. Loss on Account of Less Out Turn due to Old and Fully Depreciated Machines.

A major part of the loss incurred by the Government Printing Press is in the process of reduction, because these old and depreciated machines have been replaced.

The Department explained that the loss of Rs. 40,07,034/- shown in the year 1970-71 escalated to Rs. 1,26,000/- in the year 1975-76 for the following reasons :-

- (i) Increase in the rights and privileges of the labour which in turn led to increase in cost.
- (ii) Fall in the activity of labour because of concessions given to labour through improvement in labour laws.
- (iii) General increase in price because of inflation.

The Committee found these explanations acceptable and also noted the assurance of the Department that productivity has increased in recent years and consequently, the latest figures for loss will also show a much better picture. The Government Printing Press being a service organization, it can hardly be expected to work strictly on a no profit no loss basis. Nevertheless, the Department stated that they were taking all steps to achieve this position as close as possible. So that the organization is no longer a burden on the public exchequer.

B - THE BAHAWALPUR PRESS

The Committee considered that the above remarks relating to the Lahore Printing Press would apply to the Bahawalpur Press as well.

GENERAL REMARKS:

8.8.84

The Committee noted the assurance given by the Department that the final accounts will be brought upto date by 31.12.1984 and the financial position will show a definite improvement. The remarks recorded above are supplementary to the Report of the Sub Committee of the Adhoc Public Accounts Committee, which was adopted by the Public Accounts Committee.

(PUNJAB GOVERNMENT PRESS BAHAWALPUR)

The Committee examined the Accounts of the Punjab Government Press, Bahawalpur in the meetings held on 3.4.1983, 29.3.1984 and 8.8.1984.

1970 - 71

1. Para 114 Page 134 of Audit Report On Commercial Accounts for the year 1970-71 - Working Results of the Press.

3.4.83

The para was referred to the Sub Committee consisting of Mian Abdul Rashid and Ch. Fateh Muhammad, Members Adhoc Public Accounts Committee. The Administrative Department was directed to submit the details of each item for the consideration of the Sub Committee.

2. Para 115 Page 134 of Audit Report On Commercial Accounts for the year 1970-71 - Sundry Debtors - Rs. 6,27,313/-.

3.4.83

The para was referred to the Sub Committee consisting of Mian Abdul Rashid and Ch. Fateh Muhammad, Members Adhoc Public Accounts Committee. The Administrative Department was directed to submit the details of each item for the consideration of the Sub Committee.

3. Para 116 Page 134 of Audit Report On Commercial Accounts for the year 1970-71 - Reconciliation with the Books of District Office and Treasuries.

3.4.83

The Administrative Department should verify the figures of remittance into and withdrawal from Treasury/District Accounts Officer.

The para was kept pending.

29.3.84

The verification of the withdrawal of Rs. 6,36,330/- stands verified. Verification of the remittance into the treasury amounting to Rs. 7,22,263/- has not been effected. In future it may be ensured that such verification is carried prior to the closing of the annual accounts.

4. Para 117 Page 134 of Audit Report On Commercial Accounts for the year 1970-71 - Depreciation Reserve Fund -
Rs. 2,51,282/-.

3.4.83

The Administrative Department should verify the figures of remittance into and withdrawal from Treasury/District Accounts Officer.

The para was kept pending.

29.3.84

The figures of depreciation having been accepted by the Audit, the para was settled.

5. Para 118 Page 134 of Audit Report On Commercial Accounts for the year 1970-71 - Assets Register.

3.4.83

Subject to verification by Audit, the para was dropped.

29.3.84

The Administrative Department stated that the press is now maintaining the Assets Register, General Ledgers and all the books of accounts on commercial pattern.

The para was settled.

1975 - 76

6. Para 3 Page 4 of Audit Report On Commercial Accounts for the year 1975-76 = Compilation of Accounts.

3.4.83

The Committee observed that the Audit comments on this para were pertinent to Draft Para No. 59 Page 64 of the Audit Report for the year 1971-72 and will be taken under that para. The loss of Rs. 15,38,021/- as on 30.6.1970, stood written off leaving a balance of Rs. 104/-, being Audit fee, which was negligible.

The para was dropped.

REPORT OF THE SUB COMMITTEE ON GOVERNMENT
PRINTING PRESSES, LAHORE AND BAHAWALPUR
FOR THE YEAR 1970-71

B.I.B.84

The Public Accounts Committee expressed its appreciation on the very good report prepared by the Sub Committee of the Adhoc Public Accounts Committee with the active co-operation of the Controller, Printing and Stationery, Punjab, Lahore.

1. Expenditure on Surplus Staff during the year 1970-71.

The Controller, Government Printing Press, Lahore stated that this is no longer a serious problem as some of the staff have been reduced and others have voluntarily left their jobs.

2. Loss on Account of Difference between the cost of Production and Sale Price of Gazette/Pakistan Law Reports.

The second cause listed was the wide difference between the cost of production and sale price. The Department informed that that had been rectified by increasing the sale price of Gazette/Pakistan Law Reports. The position is, therefore, satisfactory.

3. Loss on Account of Electricity Break-down for 18½ days in a year of 255 Working Days.

The Department stated that they were examining some alternatives. One was to have electricity an alternate connection from WAPDA and the other was to instal their own small stand-by generator. The second alternative seems to be more productive. By installation of generator the loss would diminish.

4. Loss on Account of 4 Old and Worn out Printing Machines which remained Idle throughout the year.

5. Loss on Account of Idleness of Two Printing Machines for Four Months due to Non-availability of Paper in Reels.

6. Loss on Account of Idleness of One Printing Machine for One month due to Technical Defect.

For items 4, 5 and 6 above, the explanation of the Department was accepted by the Committee.

7. Loss on Account of under Printing of Forms and Registers supplies to Government Departments/Offices.

The Department stated that they had been rectified by increasing sale price of Forms and Registers.

8. Loss on Account of Less Out Turn due to Old and Fully Depreciated Machines.

A major part of the loss incurred by the Government Printing Press is in the process of reduction, because these old and depreciated machines have been replaced.

The Department explained that the loss of Rs. 40,07,034/- shown in the year 1970-71 escalated to Rs. 1,26,00,000/- in the year 1975-76 for the following reasons :-

- (i) Increase in the rights and privileges of the labour which in turn led to increase in cost.
- (ii) Fall in the activity of labour because of concessions given to labour through improvement in labour laws.
- (iii) General increase in price because of inflation.

The Committee found these explanations acceptable and also noted the assurance of the Department that productivity has increased in recent years and consequently, the latest figures for loss will also show a much better picture. The Government Printing Press being a service organization, it can hardly be expected to work strictly on a no profit no loss basis. Nevertheless, the Department stated that they were taking all steps to achieve this position as close as possible. So that the organization is no longer a burden on the Public exchequer.

B - THE BAHAWALPUR PRESS

The Committee considered that the above remarks relating to the Lahore Printing Press would apply to the Bahawalpur Press as well.

GENERAL REMARKS:

The Committee noted the assurance given by the Department that the final accounts will be brought upto date by 31.12.1984 and the financial position will show a definite improvement. The remarks recorded above are supplementary to the Report of the Sub Committee of the Adhoc Public Accounts Committee, which was adopted by the Public Accounts Committee.

(PUNJAB GOVERNMENT STATIONERY DEPOT, BAHAWALPUR)

The Committee examined the Accounts of the Provincial Stationery Office, Bahawalpur, in its meetings held on 3.4.1983, and 29.3.1984.

1970 - 71

1. Para 127 Page 146 of Audit Report On Commercial Accounts for the year 1970-71 = Net Loss of Rs. 22,768/-.

3.4.83

The explanation of the Administrative Department was accepted and the para was dropped.

2. Para 128 Page 146 of Audit Report On Commercial Accounts for the year 1970-71 = Cash Sales Amounting to Rs. 1,19,893/-.

3.4.83

Subject to verification by Audit, the para was dropped.

3. Para 129 Page 146 of Audit Report On Commercial Accounts for the year 1970-71 = Sundry Debtors Amounting to Rs. 37,352/-.

3.4.83

The Committee directed the Administrative Department to get the recovery of Rs. 4,566/- verified from Audit. The balance amount being irrecoverable shall be got written off.

The para was kept pending.

29.3.84

The recovery of Rs. 4,566/- has been verified by Audit. As regards the balance of Rs. 27,210/06 although they relate to the pre-integration period, the amounts due may be recovered from the concerned Government Departments through personal efforts.

The para was kept pending.

This para was referred to the Sub Committee and as it has been dealt with here in the Public Accounts Committee's meeting, this may be deleted from the Sub Committee's agenda.

4. Para 130 Page 146 of Audit Report On Commercial Accounts for the year 1970-71 - Supply of Stationery worth Rs. 9,554/-.

3.4.83

The explanation of the Administrative Department was accepted and the para was dropped.

5. Para 131 Page 146 of Audit Report On Commercial Accounts for the year 1970-71 - Purchase of Stock worth Rs. 4,89,906/-.

3.4.83

The Committee directed the Administrative Department to reconcile the difference.

Subject to reconciliation, the para was dropped.

(PROVINCIAL STATIONERY OFFICE, LAHORE)

The Committee examined Accounts of the Provincial Stationery Office, Lahore, in its meetings held on 3.4.1983, 15.9.1983, 29.3.1984 and 2.10.1984.

1. Para 138 Page 156 of Audit Report On Commercial Accounts for the year 1970-71 - Gross Profit of Rs. 3,87,859/-.

3.4.83

The explanation of the Administrative Department was found satisfactory and the para was dropped.

2. Para 139 Page 156 of Audit Report On Commercial Accounts for the year 1970-71 - Reconciliation of Figures Booked by the Accountant General, Punjab and the Treasury Officer, Lahore.

3.4.83

The Committee directed the Administrative Department to reconcile the figures and submit a revised Working Paper.

The para was kept pending.

29.3.84

The Accountant General, Punjab, has stated that the reconciliation of figures for 1970-71 to 1981-82 cannot be reconciled as the accounts were closed long ago. The Committee, however, directed the Department to carry out the reconciliation with the treasuries concerned through personal efforts. For the future, the Committee directed the Department to ensure that timely action is taken to have the figures booked by the Accountant General, Punjab and by the treasuries reconciled.

The para was kept pending.

3. Para 140 Page 156 of Audit Report On Commercial Accounts for the year 1970-71 - Sundry Debtors Amounting to Rs. 47,858/-.

3.4.83

Recovery had reportedly been made.

Subject to verification by Audit, the para was dropped.

4. Para 141 Page 156 of Audit Report On Commercial Accounts
for the year 1970-71 - Assets Register.

3.4.83

Subject to verification by Audit, the para was dropped.

5. Para 142 Page 156 of Audit Report On Commercial Accounts
for the year 1970-71 - General Ledger.

3.4.83

The para stood already dropped.

6. Para 143 Page 156 of Audit Report On Commercial Accounts
for the year 1970-71 - Control Over Procurement of Store

3.4.83

The explanation of the Administrative Department was accepted, and the para was dropped.

1971 - 72 to 1972 - 73

7. Para 3 Page 4 of Audit Report On Commercial Accounts for
the year 1971-72 .

8. Para 3 Page 4 of Audit Report On Commercial Accounts for
for the years 1972-73 to 1976-77.

3.4.83

The Printing and Stationery Department stated that the Commercial Accounts for the years 1971-72 to 1976-77 would be prepared before June, 1983 and by that time these would be ready for examination by Audit.

1975 - 76

9. Para 3 Page 4 of Audit Report On Commercial Accounts
for the year 1975-76 - Compilation of Accounts.

3.4.83

The Committee observed that the Audit comments on this

para were pertinent to Draft Para No. 59 Page No. 64 of the Audit Report for the year 1971-72 and will be taken under that para. The loss of Rs. 15,38,021/- as on 30.6.1970, stood written off leaving a balance of Rs. 104/- being Audit fee, which was negligible.

The para was dropped.

1977 - 78 to 1979 - 80

10. Para 146 Page 153 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Gross Profit.

15.9.83

The Controller, Printing and Stationery explained that loss occurred due to late supply of stationery by the Industries Directorate. The representative of the Industries Department wanted time for detailed study.

As such, the para was deferred.

29.3.84

This para will be taken up by the Sub Committee as the representative of the Industries and Mineral Development Department was not present.

The para was kept pending.

2.10.84

The Sub Committee observed that as the representative of the Industries and Mineral Development Department is not present, the para has to be deferred.

11. Para 147 Page 153 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Reconciliation of Accounts.

15.9.83

This para will be discussed in the presence of the representative of the Accountant General, Punjab, who should be called to attend the next meeting of the Sub Committee.

29.3.84

The para was kept pending till the final report of the Sub Committee is received.

2.10.84

Since the record for this period has been destroyed, there is no option but to drop this para. In future, however, from 1972 onwards, the reconciliation should be done as soon as the record is made available by the Treasury. In case of reconciliation with Accountant General, Punjab, this will start from 1.7.1982, as the position taken by the Accountant General, Punjab, is that as the accounts before this date have been printed no useful purpose will be served in reconciliation at this stage.

12. Para 148 Page 153 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Sundry Debtors.

15.9.83

The para was recommended to be dropped, Subject to verification of the recoveries by Audit.

29.3.84

Subject to verification of the recoveries by Audit, the para was settled.

13. Para 149 Page 153 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Maintenance of Books of Accounts on Commercial Lines.

15.9.83

The Controller, of Printing and Stationery explained that he has now moved the Finance Department through the Administrative Department for sanction of the posts required for the maintenance of the Accounts on commercial lines. The matter should be expedited.

29.3.84

This should now be dealt with as per Finance Department's instructions.

The para was settled.

14. Para 150 Page 153 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Non-maintenance of Assets Register.

15.9.83

Audit stated that the assets register is now being maintained proper.

Para is recommended to be dropped.

29.3.84

The para was settled.

1980 - 81

15. Para 113 Page 84 of Audit Report On Commercial Accounts for the year 1980-81 - Reconciliation of Accounts.

2.10.84

Since the record for this period has been destroyed, there is no option but to drop this para. In future, however, from 1972 onwards, the reconciliation should be done as soon as the record is made available by the Treasury. In case of reconciliation with Accountant General, Punjab, this will start from 1.7.1982, as the position taken by the Accountant General, Punjab, is that as the accounts before this date have been printed no useful purpose will be served in reconciliation at this stage.

16. Para 114 Page 84 of Audit Report On Commercial Accounts for the year 1980-81 - Sundry Debtors Increased to Rs. 4,65,927/-.

2.10.84

The Sub Committee observed that as the representative of the Industries and Mineral Development Department is not present, the para has to be deferred.

(PUNJAB INDUSTRIAL DEVELOPMENT BOARD, LAHORE)

The Committee examined the Accounts of Punjab Industrial Development Board, Lahore, in its meeting held on 4.10.1984.

1980 - 81

1. Para 85 Page 69 of Audit Report On Commercial Accounts for the year 1980-81 - Maintenance of Complete and Accurate Accounts.

4.10.84

The representative of the Board stated that they agreed with the observation of the Audit that income and expenditure statement should be prepared on yearly basis. It was agreed that Income and Expenditure statement in respect of the Head Office accounts would be prepared.

The para was settled.

2. Para 86 Page 69 of Audit Report On Commercial Accounts for the year 1980-81 - Investment of Rs. 193.870 million by the Board out of Rs. 336.692 million provided by the Government.

4.10.84

Regarding the utilization of the amount of Rs. 336.692 lac, the Board was requested to supply a copy of the Government orders in which they were permitted to use the unspent balance on projects other than those originally contemplated. This was because the representative of the Board had stated that they still had a balance of Rs. 25 lac out of the original amount provided in the A.D.P.

The representative of the Board stated that only an amount of Rs. 10 lac was now outstanding out of the total recoverable amount of Rs. 940.29 lac. Out of this a sum of Rs. 8,18,123/- was due from RECP and efforts were being made to recover the same. The balance amount of about Rs. 2 lac was due from Sutlej Cotton Mills Ltd., which is a public sector organization. The representative stated that they were taking up this matter with the Ministry concerned.

The para was kept pending.

3. Para 87 Page 69 of Audit Report On Commercial Accounts for the year 1980-81 - Income and Expenditure Accounts Not Prepared by the Board.

4.10.84

The representative of the Board stated that in the case of profit making units they were already charging interest. As regards the units which were running in loss, the representative explained that there would be complications in actual working if normal interest was charged. However, he agreed that interest at an appropriate rate would be charged in the case of the units which were not running in loss.

The para was recommended for settlement.

4. Para 88 Page 69 of Audit Report On Commercial Accounts for the year 1980-81 - Audit of Accounts and Affairs of the Projects by the State Audit.

4.10.84

The para was kept pending. The representative of the Department was requested to supply copies of the opinion of the Law Department and orders of the Administrative Department, whereafter a report would be prepared for consideration by the Public Accounts Committee.

5. Para 90 Page 70 of Audit Report On Commercial Accounts for the year 1980-81 - Physical Verification of Assets.

4.10.84

The representative of the Department stated that from this year they would carry out physical verification as desired by Audit.

The para was recommended for settlement, subject to verification.

(PUNJAB SMALL INDUSTRIES CORPORATION)

The Committee examined the Accounts of the Punjab Small Industries Corporation in its meetings held on 27.2.1983, 4.4.1983, 5.4.1983, 14.9.1983, 31.3.1984, 7.8.1984 and 3.10.1984.

1970 - 71

1. Para 10 Page 11 of Audit Report On Commercial Accounts for the year 1970-71 - Loss of Rs. 38,985/- in the Sale of Raw Material worth Rs. 1,95,062/-

4.4.83

The Committee directed the Administrative Department to produce the relevant record showing that there was reduction in the customs duty and sales tax as claimed by them.

The para was kept pending

2. Para 12 Page 11 of Audit Report On Commercial Accounts for the year 1970-71 - Undue Payment of Commission Paid to a Bank of Rs. 16,107/-

27.2.83

The Administrative Department explained that the Board of Small Industries Corporation subsequently revised the agreement so as to allow commission on the total bill inclusive of octroi and KPT charges. In lieu of this concession, the Bank agreed to reduce the rate of interest and waive the godown charges. This resulted in a profit of Rs. 30,000/- to the Corporation. The Audit accepted the explanation and the Sub Committee decided to recommend to the Public Accounts Committee to drop this paragraph.

4.4.83

The Committee accepted the recommendations of the Sub-Committee of the Adhoc Public Accounts Committee, which examined this para and the para was dropped.

1971 - 72

3. Para 6 Page 9 of Audit Report On Commercial Accounts for the year 1971-72 - Blocking of Capital Amounting to Rs. 1,19,959/-.

4.4.83

The Committee observed that there had been some delay in the installation of the machinery for which the Administrative Department expressed its regrets. However, some extenuating factors did exist since the machinery was installed in 1974.

The para was dropped.

4. Para 7 Page 9 of Audit Report On Commercial Accounts for the year 1971-72 - Shortage of Raw Material Amounting to Rs. 83,804/-.

4.4.83

The Committee desired that the Administrative Department should produce relevant documents to Audit showing that the claim on the Bank had been made in time.

Consideration of the para was deferred.

1972 - 73

5. Para 6 Page 9 of Audit Report On Commercial Accounts for the year 1972-73 - Wasteful Expenditure of Rs. 2,18,063/-.

4.4.83

The Committee observed that the matter hinges on the question whether the Corporation had rightly calculated the book value of the machinery and equipment after taking into accounts its depreciation. The Committee requested Alhaj Khawaja Habib-ur-Rahman, Member, Adhoc Public Accounts Committee to look into this matter and report back to the Committee whether the depreciation charged by the Corporation was in accordance with the practice followed by the Government.

Pending his report, the consideration of the para was deferred.

5.4.83

In accordance with the correct accounting procedure and practice depreciation can be charged once the plant and machinery has gone into operation. So the Department's

explanation may be accepted. The depreciation which should be calculated at 10% is to be charged each year to the profit and loss account as an expense. As the Centres earned very little or no income this charge will just go to augment the annual losses. The auction price being higher than the reduced book value of the machinery, the paragraph may be dropped.

6. Para 78 Page 109 of Audit Report On Commercial Accounts
for the year 1972-73 - Working Results of P.S.I.C.

4.4.83

The Committee referred the para to Sub Committee consisting of Mian Abdul Rashid and Ch. Fateh Muhammad, Members, of the Adhoc Public Accounts Committee for examination and report.

7. Para 79 Page 109 of Audit Report On Commercial Accounts
for the year 1972-73 - Working Results.

4.4.83

The Committee referred the para to the Sub Committee consisting of Mian Abdul Rashid and Ch. Fateh Muhammad, Members of the Adhoc Public Accounts Committee for examination and report.

8. Para 80 Page 109 of Audit Report On Commercial Accounts
for the year 1972-73 - Sundry Debtors.

4.4.83

The Committee observed that the Corporation had recovered over 7 lac of rupees out of Rs. 16,29,833/56 recoverable as on 30th June, 1973. Noting the progress made by the Corporation, the Committee desired that the Corporation should continue its efforts to recover the remaining amounts due.

Subject to these comments, the para was dropped.

9. Para 81 Page 109 of Audit Report On Commercial Accounts
for the year 1972-73 - Debtors.

4.4.83

The Corporation took note of the observations of Audit and undertook to implement them.

The para was dropped.

10. Para 32 Page 109 of Audit Report On Commercial Accounts
for the year 1972-73 - Bad and Doubtful Debts.

4.4.83

The Corporation took note of the observations of Audit and undertook to implement them.

The para was dropped.

11. Para 33 Page 109 of Audit Report On Commercial Accounts
for the year 1972-73 - Surplus Stores.

4.4.83

The Committee directed the Corporation to dispose of damaged/surplus stores as quickly as possible. They should also look into the possibility of showing these in their books separately at the close of the year.

Subject to these comments, the para was dropped.

12. Para 34 Page 110 of Audit Report On Commercial Accounts
for the year 1972-73 - Physical Verification of Raw Material.

4.4.83

The para was dropped.

13. Para 35 Page 110 of Audit Report On Commercial Accounts
for the year 1972-73 - Reserve for Assets Adjustments.

4.4.83

The para was dropped.

14. Para 37 Page 110 of Audit Report On Commercial Accounts
for the year 1972-73 - Unallocated Capital Cost.

4.4.83

The para was dropped.

1974 - 75

15. Paras 51 and 52 Page 66 of Audit Report On Commercial Accounts for the year 1974-75 - Working Results.

4.4.83

The paras were being examined by the Sub Committee of the Adhoc Public Accounts Committee. These would come up for consideration by the Adhoc Public Accounts Committee after the report of the Sub Committee had been received.

16. Para 53 Page 67 of Audit Report On Commercial Accounts for the year 1974-75 - Finalization of Accounts.

4.4.83

The Committee directed that the Administrative Department should prepare an accounting manual to be issued to the zones and projects for information. The Corporation assured that would be complied with by 1st July, 1983.

Subject to these comments, the para was dropped.

17. Para 54 Page 68 of Audit Report On Commercial Accounts for the year 1974-75 - Regarding Liabilities.

4.4.83

The Administrative Department agreed to give "Headwise" and "Yearwise" statement of the current liabilities of Rs. 10,44,756/-.

Subject to these comments, the para was dropped.

18. Para 55 Page 68 of Audit Report On Commercial Accounts for the year 1974-75 - Sundry Debtors.

4.4.83

The para was dropped from the Working Paper and the Committee decided to take it up while examining the Accountants for the year 1979-80.

19. Para 56 Page 69 of Audit Report On Commercial Accounts for the year 1974-75 - Regarding Interest Adjustment.

4.4.83

Subject to verification by Audit, the para was dropped.

1975 - 76

20. Para 9 Page 22 of Audit Report On Commercial Accounts for the year 1975-76 - Working Results of the Corporation.

4.4.83

The Committee referred the para to a Sub Committee consisting of Mian Abdul Rashid and Ch. Fateh Muhammad, Members, Adhoc Public Accounts Committee for detailed examination and report.

21. Para 10 Page 22 of Audit Report On Commercial Accounts for the year 1975-76 - Assets and Liabilities.

4.4.83

The para was dropped.

22. Para 11 Page 22 of Audit Report On Commercial Accounts for the year 1975-76 - Adjustment of outstanding Amounts.

4.4.83

Subject to verification by Audit, the para was dropped.

1976 - 77

23. Para 25 Page 43 of Audit Report On Commercial Accounts for the year 1976-77 - Letter Credit Balance.

4.4.83

The Committee directed the Corporation to take effective steps in order to have such adjustments carried out expeditiously.

Subject to these remarks, the para was dropped.

24. Para 26 Page 43 of Audit Report On Commercial Accounts for the year 1976-77 - Suspense Balance.

4.4.83

The Committee directed the Corporation to take effective steps in order to have such adjustments carried out expeditiously.

Subject to these remarks, the para was dropped.

1977 - 78 to 1979 - 80

25. Para 27 Page 21 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Blockade of Funds of Rs. 58,714/- in Refractories.

14.9.83

The Corporation explained that originally the intention was to set up only one big kiln. However, a German Expert later advised that it will be better to have two small kilns so that they could be utilised alternatively. This required a further change which was effected. Due to availability of Sui Gas, a further change was necessitated which was also carried out. The Corporation certified that all the refractories have been fully utilized and no additional expenditure has been incurred. The Audit have no objection to the dropping of the para. Recommended accordingly.

26. Para 76 Page 89 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Cash/Bank Balances.

14.9.83

The Sub Committee is already seized of this matter in another draft para and they have sought detailed information on the issues involved. The Corporation stated that they have sent the required information which has just reached the Secretariat. These paras will also be taken up with the previous para relating to the same subject.

31.3.84

The Industries Department was represented by the Under Secretary because the Secretary was indisposed. The Department was requested to ensure that it is represented at appropriate level in the Committee's meeting. The Managing Director was reported to be attending a course and so the Deputy Managing Director attended.

The above paras are being considered by the Sub Committee.

Hence paras were kept pending.

3.10.84

This issue is covered by the exhaustive report in respect of years from 1972-73 to 1975-76, which has already been submitted to and approved by the Adhoc Public Accounts Committee. This report was prepared by the Sub Committee.

27. Para 77 Page 89 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Inclusion of Rs. 50,40,716/- placed by Head Office in various Current Accounts.

14.9.83

The Sub Committee is already seized of this matter in another draft para and they have sought detailed information on the issues involved. The Corporation stated that they have sent the required information which has just reached the Secretariat. These paras will also be taken up with the previous para relating to the same subject.

31.3.84

The Industries Department was represented by the Under Secretary because the Secretary was indisposed. The Department was requested to ensure that it is represented at appropriate level in the Committee's meeting. The Managing Director was reported to be attending a course and so the Deputy Managing Director attended.

The above paras are being considered by the Sub Committee.

Hence para was kept pending.

3.10.84

According to the Corporation the amount held by the HQ/Zones/Projects is within the sanctioned limit. Subject to verification by Audit the para is recommended for settlement.

28. Para 78 Page 90 of Audit Report On Commercial Accounts for the year 1977-78 to 1979-80 - Payment of Interest on Provincial Government Loan.

29. Para 79 Page 90 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Non-utilization of available Funds to meet its Objectives by the Corporation

14.9.83

The Corporation stated that the entire loan has since been disbursed and they will supply the details to Audit.

The Corporation stated that the entire loan supplied by the International Development Authority (World Bank) has been utilized. They have already supplied partywise details of recipients in respect of Rs. 29,30,039/-. The details in respect of the balance will also be supplied to Audit. Subject to this the para is recommended to be dropped. The Corporation further stated that the amounts were utilized in time and they will furnish the dates of disbursement to Audit.

30. Para 80 Page 90 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Non-provision for doubtful Recovery in the Accounts.

14.9.83

The Corporation stated that the amount of Rs. 2,07,478/- does not figure anywhere in their Accounts as pointed out by Audit. Audit undertook to locate the amount and intimate the same to the Corporation.

31.3.84

The Industries Department was represented by the Under Secretary because the Secretary was indisposed. The Department was requested to ensure that it is represented at appropriate level in the Committee's meeting. The Managing Director was reported to be attending a course and so the Deputy Managing Director attended.

The above para was being considered by the Sub Committee. Hence para was kept pending.

31. Para 81 Page 90 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Physical Inventory of Fixed Assets, Stocks and Stores.

14.9.83

Audit stated that they have verified the inventory of the fixed assets.

The para is recommended to be dropped.

32. Para 82 Page 90 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Difference of Rs. 20,213/- in the Inventory and the Assets Register.

14.9.83

The difference has been verified by Audit.

The para is recommended to be dropped.

33. Para 84 Page 90 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Write off without Obtaining the Approval of the Competent Authority.

14.9.83

Recommended to be dropped.

34. Para 85 Page 90 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Writing off of Old Balances through Profit and Loss Appropriation Accounts.

14.9.83

The Corporation stated that the amount of Rs. 52,545/- under objection does not figure anywhere in their Accounts. Audit undertook to locate the amount and intimate the same to the Corporation.

31.3.84

The Industries Department was represented by the Under Secretary because the Secretary was indisposed. The Department was requested to ensure that it is represented at appropriate level in the Committee's meeting. The Managing Director was reported to be attending a course and so the Deputy Managing Director attended.

The above para was being considered by the Sub Committee. Hence para was kept pending.

3.10.84

The Corporation stated that this para was framed on some misunderstanding. This was agreed to by the Audit Department.

The para is recommended for settlement.

35. Para 86 Page 90 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Accounts yet to be Approved by the Board of Directors.

14.9.83

The Corporation stated that they have since submitted the Working Paper to the Board about three months ago but it has not yet been considered by them.

The para was kept pending.

31.3.84

The Department was asked to report whether the accounts had now been approved by the Board. The attention of the Department was drawn to the fact that the date of the directive of the Committee had not been given and this may be noted for compliance for the future. The Deputy Managing Director of the Corporation assured that the meeting of the Board would be convened shortly.

The para was kept pending.

36. Para 87 Page 90 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Steps to be taken by the Management to Recover/Adjust Shortages.

14.9.83

In this case the details of the shortages have not been collected by Audit. The Corporation agreed to supply the details of individual cases to Audit. They have been further requested to indicate the basis of the recoveries of shortages viz; whether these were made on the market value or on some other criteria.

Consideration of this para was deferred.

31.3.84

A sum of Rs. 1,92,174/- had been recovered and verified leaving a balance of Rs. 1,69,501/86 for which the Committee desired that strenuous efforts should be taken by the Corporation for recovery of the balance. The Department's attention was drawn to the fact that part of this amount may prove irrecoverable. Also a large sum was due from officials of the Corporation. Such amounts should be separated and effective efforts taken to settle the outstanding and the matter again be brought before the Committee at its next meeting showing substantial progress.

The para was kept pending.

37. Para 88 Page 92 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Consolidated Balance Sheet as at June 30th, 1980.

38. Para 89 Page 93 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Consolidated Trading, Profit and Loss Accounts for the year ended 30th June, 1980.

14.9.83

The figures of less as given in the balance sheet are consolidated figures relating to promotional activities and commercial activities of the Corporation. The Corporation was requested to present a picture of Accounts separately for these two types of activities.

31.3.84

The Industries Department was represented by the Under Secretary because the Secretary was indisposed. The Department was requested to ensure that it is represented at appropriate level in the Committee's meeting. The Managing Director was reported to be attending a course and so the Deputy Managing Director attended.

The above paras are being considered by the Sub Committee.
Hence paras were kept pending.

3.10.84

This issue is covered by the exhaustive report in respect of years from 1972-73 to 1975-76, which has already been submitted to and approved by the Adhoc Public Accounts Committee. This report was prepared by the Sub Committee.

39. Para 92 Page 99 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Net Profit of Rs. 16.017 million.

14.9.83

This para will be considered along-with Paras 88 and 89.

40. Para 93 Page 99 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Clearance of Head "Suspense Account".

14.9.83

The Corporation requested that the consideration of this item may be deferred as they have not been able to collect the relevant information.

The para was kept pending.

31.3.84

The sum of Rs. 2,731/92 had been adjusted and verified. Effective steps should be taken for the adjustment of the remaining amount of Rs. 23,266/75. The aging of the balance should also be indicated and the suspense account should be reduced as expeditiously as possible.

41. Para 94 Page 99 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Sundry Debtors.

14.9.83

The Corporation stated that they have started collecting information from over 250 points and it will take some more time before the work can be completed.

The para deferred.

31.3.84

The recovery of Rs. 40,84,880/89 had been verified. Effective steps should be taken to recover the remaining amount of Rs. 2,52,373/46. The aging of the balance should be indicated. It should be ascertained as to what amounts are irrecoverable. Effective steps should be taken in order to effect recovery as early as possible.

The para was kept pending.

42. Para 95 Page 99 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Non-approval of Accounts by the Board of Directors.

14.9.83

The Board of Directors have since approved the Accounts. Subject to verification by Audit, the para is recommended to be dropped.

43. Para 99 Page 110 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Gross Profit of Rs. 4.746 millions.

14.9.83

The Sub Committee is already seized of this matter in another draft para and they have sought detailed information on the issues involved. The Corporation stated that they have sent the required information which has just reached the Secretariat. These paras will also be taken up with the previous para relating to the same subject.

31.3.84

The Industries Department was represented by the Under Secretary because the Secretary was indisposed. The Department was requested to ensure that it is represented at appropriate level in the Committee's meeting. The Managing Director was reported to be attending a course and so the Deputy Managing Director attended.

The above para was being considered by the Sub Committee.

Hence para was kept pending.

3.10.84

This issue is covered by the exhaustive report in respect of years from 1972-73 to 1975-76, which has already been submitted to and approved by the Adhoc Public Accounts Committee. This report was prepared by the Sub Committee.

44. Para 100 Page 110 of Audit Report On Commercial Accounts
for the years 1977-78 to 1979-80 - Recovery of Old Debts.

14.9.83

The Sub Committee is already seized of this matter in another draft para and they have sought detailed information on the issues involved. The Corporation stated that they have sent the required information which has just reached the Secretariat. These paras will also be taken up with the previous para relating to the same subject.

31.3.84.

The Industries Department was represented by the Under Secretary because the Secretary was indisposed. The Department was requested to ensure that it is represented at appropriate level in the Committee's meeting. The Managing Director was reported to be attending a course and so the Deputy Managing Director attended.

The above para was being considered by the Sub Committee.
Hence para was kept pending.

3.10.84

The Corporation stated that the total amount outstanding on 30th June, 1984 was Rs. 9,28,654/- The Corporation was requested to give ages and dates of outstanding in all cases. They should also initiate action for write off where they consider that the recovery is impossible.

45. Para 101 Page 110 of Audit Report On Commercial Accounts
for the years 1977-78 to 1979-80 - Adjustment/Recovery
of Rs. 1,15,190/-.

14.9.83

The Sub Committee is already seized of this matter in another draft para and they have sought detailed information on the issues involved. The Corporation stated that they have sent the required information which has just reached the Secretariat. These para will also be taken up with the previous para relating to the same subject.

31.3.84.

The Industries Department was represented by the Under Secretary because the Secretary was indisposed. The Department was requested to ensure that it is represented at appropriate level in the Committee's meeting. The Managing Director was reported to be attending a course and so the Deputy Managing Director attended.

The above para is being considered by the Sub Committee.
Hence para was kept pending.

3.10.84

The Corporation may take stock of the situation. The amounts which are irrecoverable should be written off and strenuous efforts should be made to effect recovery of the balance amounts.

46. Para 102 Page 110 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Financial Review not Provided by the Management.
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14.9.83

The Board have since approved the financial review. Subject to verification by Audit the para is recommended to be dropped.

REPORT OF THE SUB COMMITTEE OF THE ADHOC PUBLIC
ACCOUNTS COMMITTEE FOR THE YEARS 1972-73 AND 1975-76

7.8.84

While considering the report of the Sub Committee of the Adhoc Public Accounts Committee on the working results of the Punjab Small Industries Corporation relating to the years 1972-73 to 1975-76, the Public Accounts Committee desired further information on the following two points :-

- (1) The activities of the Corporation especially on the production side whether results achieved are commensurate with the expenditure incurred ; and
- (2) The liabilities of Corporation respect of Commercial loans extended by the Banks and possibility of re-imbursing of the loans and interest extended by the Corporation.

The Punjab Small Industries Corporation gave the report in answer to these two queries. The Sub Committee wanted further information on the first mentioned point.

The Sub Committee has nothing to add to these two reports which collectively answer the two reports which collectively answer the two points adequately.

REPORT OF THE SUB COMMITTEE OF THE ADHOC PUBLIC ACCOUNTS COMMITTEE FOR THE YEARS 1974-75 and 1975-76.

7.3.84

"A" - ACTIVITIES

1. INDUSTRIAL ADVICE :

The position is healthy for the years 1974-75 and 1975-76 as there was surplus of Rs. 61,000/- and Rs. 96,000/-. The Corporation stated that this trend is being maintained in the subsequent years also.

2. PROVISION OF CREDIT :

According to the statement made by the Corporation, the position of outstanding is very healthy. They dont anticipate that there would be any substantial amounts which would remain unrecovered. The Committee, however, requested the Corporation to append to their paper for the subsequent years the position regarding the outstanding dues as follows :-

- (i) Those which the banks consider good and recoverable.
- (ii) Those which are not considered good but there are reasonable chances of recoveries.
- (iii) Those which cannot be recovered.

The Corporation agreed to this and promised to obtain Credit Certificate from the banks. The Committee noted that from 1980-81, the Corporation has no responsibility to bear any loss in the case of Commercial Banks or Industrial Development Bank of Pakistan.

3. PROVISION OF TECHNOLOGY :

The Committee appreciated the work being done by the Corporation in this regard and was of the opinion that this activity should be extended and strengthened.

4. INDUSTRIAL ESTATES :

The Committee noted that the state of recoveries of instalments in respect of the land allotted to Industrial Concerns was very satisfactory. In view of the good work done by the Industrial Estates, the Committee expressed the hope that the Corporation should increase the tempo of this activity.

in the years to come, and the claims of less developed areas will be borne in mind. The Committee noted with satisfaction the statement of the Secretary Finance that they have full sympathy with the idea and that they would extend full help in this respect.

5. DEVELOPMENT FOR PROMOTION OF HANDICRAFTS :

The Committee noted with appreciation the activities of the Corporation in this regard.

"B" - GRANTS - IN - AID

Audit is satisfied with the explanation given by the Department.

"C" - DEFALCATION

The Committee noted with appreciation the position that there have been no cases of misappropriation, defalcation, theft etc., during the years under consideration.

CHAPTER - VIIRRIGATION AND POWER DEPARTMENT(IRRIGATION WORKSHOPS MOGHALPURA, LAHORE)

The Committee examined the Accounts of the Irrigation and Power Department in its meetings held on 10.9.1983 and 1.4.1984.

1977 - 78 to 1979 - 80

1. Para 291 Page 316 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Carrying out of necessary Reconciliation of Figures. - - - - -

10.9.83

Audit had pointed out that some figures in the balance sheets as indicated in the above paras did not agree with those in the regular Government Accounts. The Department indicated that they were trying to locate in which year the difference had arisen. They had investigated and reconciled the figures until 1974-75 but the difference had not been located. They were going back still further in order to try and trace the difference. After this has been done it will be rectified. They added that now regular quarterly reconciliation was being carried out with the Audit Officer and that it had been completed until June, 1983.

The para may be kept pending.

1.4.84

The Administrative Department informed that they were having the differences reconciled and had gone back to 1974-75 and explained that the progress was painfully slow due to the magnitude of the task and the fact that the staff was quite inadequate to deal with it. They had to do this in addition to their regular work. It was added that although there was an Accounts Officer with complimentary staff all that now existed was a divisional accountant and an Accounts Clerk. The Committee reiterated its remarks that while recognising this fact and sympathising with the Department it was a matter which should be taken up by the Department with the Finance Department by supplying full facts and figures for the additional staff needed. This should be done now and followed up closely. In the meantime, steps should be continued to reconcile the figures.

The para was kept pending.

2. Para 292 Page 316 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Gross Profit within the Trading Account.

10.9.83

Audit had pointed out that there were wide and abnormal variations in the profit and loss Accounts for the years under consideration, the reason being that the amounts received and the estimated cost for the jobs to be taken up were accounted for as revenue whereas the bills were received much later. Audit rightly contended that these amounts should be placed in deposit as was required in note below Article 176 of the Accounts Code Vol-III and on completion of the jobs should be adjusted in accordance with Rule 1.69 ibid read with para (1)(3) Section 9 of the Workshop Account Rules. This it was stated is now being done from 1st July, 1983.

The variations arose from the fact, as stated above, in that whereas the amounts received as advances were credited to revenue, the payments for the completed jobs were usually not received in the year in which the jobs were taken up but were accounted for in the year in which the payments were actually received, instead of the year in which the jobs had been taken in hand.

The Department said that it would be observed that for the period 1974-75 to 1978-79 there had been an overall profit of Rs. 65,15,517/-.

It also came to light that indentors often delayed in making payments. It was suggested that the deposits may be arrived at after estimating the cost of the job. The Workshop may then obtain advance cheques from the indentors. For this it was stated the concurrence of the Finance Department would have to be obtained. The Department was advised to approach the Finance Department to agree to this proposal.

The para may be dropped.

3. Para 293 Page 316 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Profit and Loss Accounts.

10.9.83

Audit had pointed out that there were wide and abnormal variations in the profit and loss Accounts for the years under consideration, the reason being that the amounts received and the estimated cost for the jobs to be taken up were accounted for as revenue whereas the bills were received much later. Audit rightly contended that these amounts should be placed in deposit as was required in note below Article 176 of the Accounts Code Vol-III and on completion of the jobs should be adjusted in accordance with Rule 1.69 ibid read with para (1)(3) Section 9 of the Workshop Account Rules. This it was stated is now being done from 1st July, 1983.

The variations arose from the fact, as stated above, in that whereas the amount received as advances were credited to revenue, the payments for the completed jobs were usually not received in the year in which the jobs were taken up but were accounted for in the year in which the payments were actually received, instead of the year in which the jobs had been taken in hand.

The Department said that it would be observed that for the period 1974-75 to 1978-79, there had been an overall profit of Rs. 65,15,517/-.

It also came to light that indentors often delayed in making payments. It was suggested that the deposits may be arrived at after estimating the cost of the job. The Workshop may then obtain advance cheques from the indentors. For this it was stated the concurrence of the Finance Department would have to be obtained. The Department was advised to approach the Finance Department to agree to this proposal.

The para may be dropped.

4. Para 294 Page 317 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Debtors. - - - - -

10.9.83

Audit drew attention to the fact that quite a large number of transactions under sundry debtors had been lying unrecovered since Independence. The Department stated that the current position with regard to them as on 30.6.1983 was much better. The Department was requested to move the Chief Engineer/Secretary Irrigation and Power to have the old unrecoverable items written off as bad debts, on a personal level with the Finance Department/WAPDA where necessary.

The para may be kept pending.

1.4.84

The Committee had already directed the Department to move the Chief Engineer and Secretary to have the large number of old irrecoverable items under sundry debtors written off as bad debts. The Department stated that the current position is much improved and the cases in respect of most of them are likely to be finalized within a month.

The para was kept pending.

5. Para 295 Page 317 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Purchase of Stock and Stores. - - - - -

10.9.83

Audit had proposed that the purchases of stores and stock

be restricted to actual requirements. The Department indicated that the reserve stock limit which was fixed at 85.45 lacs in 1977-78 had to be raised still further. The reason for this high figure was because they had a large number of items of heavy machinery, and they have to place orders for spares and replacements through the Director of Industries. It usually took them almost 2 years before the spare parts were received. They had to stock up 4 to 6 months requirements so that the machinery was not kept idle for want of spares.

The para may be dropped.

6. Para 296 Page 317 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Maintenance of a General Ledger.

10.9.83

Audit drew attention to the fact that under para 9 of the Workshop Account Rules a general ledger was required to be maintained. The Department stated that the general ledger had not been kept since Independence. They were, however, maintaining from IW-24 which had been approved by the Government. Other items of receipt and expenditure were accounted for in different schedules and forms in the monthly accounts. Audit was requested to see at the time of the next Audit whether this fulfilled the requirements.

The para was kept pending.

1.4.84

The explanation of the Department was accepted and the para was settled.

7. Para 297 Page 317 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Capital Cost of Building.

10.9.83

Audit stated that the rules require that the capital cost of buildings should be reassessed after a period of 5 years. The Department indicated that a revision had been carried out in 1977-78 and the next re-assessment be taken in hand in 1983-84.

The para may be dropped subject to verification by Audit.

1.4.84

The Department stated that they had reassessed the capital cost of the buildings. Audit rightly pointed out that the revised assessment had not been incorporated in the proforma

accounts. This may be done.

The para was settled subject to verification by Audit.

8. Para 298 Page 317 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Charges on Account of Regular Establishment.

10.9.83

Audit had also drawn attention to the fact that the profit and loss Accounts did not represent a true picture because of the following reasons :-

- (i) Whereas the rate of interest was now 11.75% the Workshop had accounted for interest at charge at a much lower rate.
- (ii) Indirect establishment charges on a pro rate basis had not been taken into Account.
- (iii) Audit Accounts charges were not being included at 1.5% but at a fixed amount.
- (iv) Similarly pensionary charges had also not been accounted for correctly on the basis fixed by the Finance Department.

The Department explained that this position was being rectified with effect from 1.7.1983.

The para may be dropped subject to verification by Audit.

1.4.84

Audit drew attention to the fact that cost of labour directly chargeable to general charges is not being booked as their payment is made through Accountant General, Punjab. The Committee agreed with Audit that the Department may devise a procedure with the concurrence of the higher authorities in order to incorporate such charges in the proforma accounts. Other short comings pointed out by Audit and about which the Committee had already drawn attention of the Department in the previous meeting should be rectified and the proforma accounts revised accordingly so as to know the factual position of each year.

The para was kept pending.

9. Para 323 Page 332 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Figures Shown in the Proforma Accounts Balance Sheet in respect of Heads.

10.9.83

Audit had pointed out that some figures in the balance

sheets as indicated in the above paras did not agree with those in the regular Government Accounts. The Department indicated that they were trying to locate in which year the difference had arisen. They had investigated and reconciled the figures until 1974-75 but the difference had not been located. They were going back still further in order to try and trace the difference. After this has been done it will be rectified. They added that now regular quarterly reconciliation was being carried out with the Audit Officer and that it had been completed until June, 1983.

The para may be kept pending.

10.4.84

The Administrative Department informed that they were having the differences reconciled and had gone back to 1974-75 and explained that the progress was painfully slow due to the magnitude of the task and the fact that the staff was quite inadequate to deal with it. They had to do this in addition to their regular work. It was added that although there was an Accounts Officer with complimentary staff all the that now existed was a divisional accountant and an Accounts Clerk. The Committee reiterated its remarks that while recognising this fact and sympathising with the Department it was a matter which should be taken up by the Department with the Finance Department by supplying full facts and figures for the additional staff needed. This should be done now and followed up closely. In the meantime, steps should be continued to reconcile the figures.

The para was kept pending.

10. Para 324 Page 332 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Carrying out of necessary Reconciliation of Figures.
11. Para 325 Page 332 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Profit and Loss Accounts.

10.9.83

Audit had pointed out that there were wide and abnormal variations in the profit and loss Accounts for the years under consideration, the reason being that the amounts received and the estimated cost for the jobs to be taken up were accounted for as revenue whereas the bills were received much later. Audit rightly contended that these amounts should be placed in deposit as was required in note below Article 176 of the Accounts Code Vol-III and on completion of the jobs should be adjusted in accordance with Rule 1.69 ibid read with para (1) (3) Section 9 of the Workshop Account Rules. This, it was stated is now being done from 1st July, 1983.

The variations arose from the fact, as stated above, in that whereas the amounts received as advances were credited to revenue, the payments for the completed jobs were usually

not received in the year in which the jobs were taken up but were accounted for in the year in which the payments were actually received, instead of the year in which the jobs had been taken in hand.

The Department said that it would be observed that for the period 1974-75 to 1978-79 there had been an overall profit of Rs. 65,15,517/-.

It also came to light that indentors often delayed in making payments. It was suggested that the deposits may be arrived at after estimating the cost of the job. The Workshop may then obtain advance cheques from the indentors. For this, it was stated the concurrence of the Finance Department would have to be obtained. The Department was advised to approach the Finance Department to agree to this proposal.

The para may be dropped.

12. Para 326 Page 333 of Audit Report On Commercial Accounts for the year 1977-78 to 1979-80 - The Amount of Debtors not Correctly Worked Out.

10.9.83

Audit drew attention to the fact that quite a large number of transactions under sundry debtors had been lying unrecovered since Independence. The Department stated that the current position with regard to them as on 30.6.1983 was much better. The Department was requested to move the Chief Engineer/Secretary Irrigation and Power to have the old unrecoverable items written off as bad debts, on a personal level with the Finance Department/WAPDA where necessary.

The para may be kept pending.

1.4.84

The Committee had already directed the Department to move the Chief Engineer and Secretary to have the large number of old irrecoverable items under sundry debtors written off as bad debts. The Department stated that the current position is much improved and the cases in respect of most of them are likely to be finalized within a month.

The para was kept pending.

13. Para 327 Page 333 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Stock.

14. Para 328 Page 333 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Reserve Stock limit Rs. 85,45,000/-.

15. Para 329 Page 333 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Actual Issue of Stock.

10.9.83.

Audit had proposed that the purchases of stores and stock be restricted to actual requirements. The Department indicated that the reserve stock limit which was fixed at 85.45 lacs in 1977-78 had to be raised still further. The reason for this high figure was because they had a large number of items of heavy machinery, and they have to place orders for spares and replacements through the Director of Industries. It usually took them almost 2 years before the spare parts were received. They had to stock up 4 to 6 months requirements so that the machinery was not kept idle for want of spares.

The paras may be dropped.

16. Para 330 Page 333 of Audit Report On Commercial Accounts for the year 1977-78 to 1979-80 - Net Profit of Rs. 70,34,675/-.

10.9.83

Another reason Audit stated for the Workshop to be running at a loss was due to heavy unproductive establishment being retained. The reasons for doing so may be investigated and ways and means devised to minimise this loss.

This para may be kept pending.

1.4.84

was

The Department requested to prepare a detailed note stating what actual steps have been taken by them to reduce heavy loss in production, establishment and the number and category of staff. Specially as the loss heavily increased in subsequent years.

The para was kept pending.

17. Para 331 Page 333 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Maintenance of a General Ledger under Para 9 of the Workshop Rules.

10.9.83

Audit drew attention to the fact that under Para 9 of the Workshop Account Rules a general ledger was required to be maintained. The Department stated that the general ledger had not been kept since Independence. They were, however, maintaining form IW-24 which had been approved by the Government. Other items of receipt and expenditure were accounted for in

different schedules and forms in the monthly accounts. Audit was requested to see at the time of the next Audit whether this fulfilled the requirements.

10.9.83 The para was kept pending.

10.4.84

The explanation of the Department was accepted and the para was settled.

18. Para 332 Page 333 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Assessment of Capital Cost of Building after a Period of every Five Years.

10.9.83

Audit stated that the rules require that the capital cost of buildings should be reassessed after a period of 5 years. The Department indicated that a revision had been carried out in 1977-78 and the next re-assessment be taken in hand in 1983-84.

The para may be dropped subject to verification by Audit.

10.4.84

The Department stated that they had reassessed the capital capital cost of the buildings. Audit rightly pointed out that the revised assessment had not been incorporated in the proforma accounts. This may be done.

The para was settled subject to verification by Audit.

19. Para 333 Page 334 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Overhead Charges.

10.9.83

Audit had also drawn attention to the fact that the profit and loss Accounts did not represent a true picture because of the following reasons :-

- (i) Whereas the rate of interest was now 11.75% the Workshop had accounted for interest at charge at a much lower rate.
- (ii) Indirect establishment charges on a pro rate basis had not been taken into Account.
- (iii) Audit Accounts charges were not being included at 1.5% but at a fixed amount.
- (iv) Similarly pensionary charges had also not been

accounted for correctly on the basis fixed by the Finance Department.

The Department explained that this position was being rectified with effect from 1.7.1983.

The para may be dropped subject to verification by Audit.

1.4.84

The Committee in its meeting on 10th September, 1983, had agreed that the para may be dropped as subject to the position being rectified and verified by Audit. The Department explained that this would be done in the Accounts for 1983-84.

20. Para 352 Page 348 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Figures in the Proforma Accounts not in Agreement with the Figures in the Regular Government Account.

1.4.84

The Administrative Department informed that they were having the differences reconciled and had gone back to 1974-75 and explained that the progress was painfully slow due to the magnitude of the task and the fact that the staff was quite inadequate to deal with it. They had to do this in addition to their regular work. It was added that although there was an Accounts Officer with complimentary staff all that now existed was a divisional accountant and an Accounts Clerk. The Committee reiterated its remarks that while recognising this fact and sympathising with the Department it was a matter which should be taken up by the Department with the Finance Department by supplying full facts and figures for the additional staff needed. This should be done now and followed up closely. In the meantime, steps should be continued to reconcile the figures.

The para was kept pending.

21. Para 353 Page 348 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Net Profit.

10.9.83

Audit had pointed out that there were wide and abnormal variations in the profit and loss Accounts for the years under consideration, the reason being that the amounts received and the estimated cost for the jobs to be taken up were accounted for as revenue whereas the bills were received much later. Audit rightly contended that these amounts should be placed in deposit as was required in note below Article 176 of the Accounts Code Vol-III and on completion of the jobs should be adjusted in accordance with Rule 1.69 ibid read with para (1) (3) Section 9 of the Workshop Account Rules. This it was stated is now being done from 1st July, 1983.

The variations arose from the fact, as stated above, in that whereas the amounts received as advances were credited to revenue, the payments for the completed jobs were usually not received in the year in which the jobs were taken up but were accounted for in the year in which the payments were actually received, instead of the year in which the jobs had been taken in hand.

The Department said that it would be observed that for the period 1974-75 to 1978-79 there had been an overall profit of Rs. 65,15,517/-.

It also came to light that indentors often delayed in making payments. It was suggested that the deposits may be arrived at after estimating the cost of the job. The Workshop may then obtain advance cheques from the indentors. For this it was stated the concurrence of the Finance Department would have to be obtained. The Department was advised to approach the Finance Department to agree to this proposal.

The para may be dropped.

22. Para 354 Page 348 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Debtors.

10.9.83

Audit drew attention to the fact that quite a large number of transactions under sundry debtors had been lying unrecovered since Independence. The Department stated that the current position with regard to them as on 30.6.1983 was much better. The Department was requested to move the Chief Engineer/Secretary Irrigation and Power to have the old unrecoverable items written off as bad debts, on a personal level with the Finance Department/WAPDA where necessary.

The para may be kept pending.

1.4.84

The Committee had already directed the Department to move the Chief Engineer and Secretary to have the large number of old irrecoverable items under sundry debtors written off as bad debts. The Department stated that the current position is much improved and the cases in respect of most of them are likely to be finalized within a month.

The para was kept pending.

23. Para 355 Page 348 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 = Work in Progress.

10.9.83

Audit drew attention to the fact that under Para 9 of the Workshop Account Rules a general ledger was required to be

maintained. The Department stated that the general leger had not been kept since Independence. They were, however, maintaining form IW-24 which had been approved by the Government. Other items of receipt and expenditure were accounted for in different schedules and forms in the monthly accounts. Audit was requested to see at the time of the next Audit whether this fulfilled the requirements.

The para was kept pending.

1.4.84

The para was settled.

24. Para 356 Page 348 of Audit Report On Commercial Accounts
for the years 1977-78 to 1979-80 - Stock.

10.9.83

Audit had proposed that the purchases of stores and stock be restricted to actual requirements. The Department indicated that the reserve stock limit which was fixed at 85.45 lacs in 1977-78 had to be raised still further. The reason for this high figure was because they had a large number of items of heavy machinery, and they have to place orders for spares and replacements through the Director of Industries. It usually took them almost 2 years before the spare parts were received. They had to stock up 4 to 6 months requirements so that the machinery was not kept idle for want of spares.

The para may be dropped.

25. Para 357 Page 348 of Audit Report On Commercial Accounts
for the years 1977-78 to 1979-80 - Disposal of Stores.

10.9.83

Audit had proposed that the purchases of stores and stock be restricted to actual requirements. The Department indicated that the reserve stock limit which was fixed at 85.45 lacs in 1977-78 had to be raised still further. The reason for this high figure was because they had a large number of items of heavy machinery, and they have to place orders for spares and replacement through the Director of Industries. It usually took them almost 2 years before the spare parts were received. They had to stock up 4 to 6 months requirements so that the machinery was not kept idle for want of spares.

The para may be dropped.

26. Para 358 Page 349 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Heavy Loss to Workshop.
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10.9.83

Another reason Audit stated for the Workshop to be running at a loss was due to heavy unproductive establishment being retained. The reasons for doing so may be investigated and ways and means devised to minimise this loss.

The para may be kept pending.

1.4.84

The Department was requested to prepare a detailed note stating what actual steps have been taken by them to reduce heavy loss in production, establishment and the number and category of staff. Specially as the loss heavily increased in subsequent years.

The para was kept pending.

27. Para 359 Page 349 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Non-maintenance of Ledgers.
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10.9.83

Audit drew attention to the fact that under Para 9 of the Workshop Accounts Rules a general ledger was required to be maintained. The Department stated that the general ledger had not been kept since Independence. They were, however, maintaining from IW-24 which had been approved by the Government. Other items of receipt and expenditure were accounted for in different schedules and forms in the monthly accounts. Audit was requested to see at the time of the next Audit whether this fulfilled the requirements.

The para was kept pending.

1.4.84

The para was settled.

28. Para 360 Page 349 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 Figures in Proforma Accounts not in agreement with the Regular Government Accounts.
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1.4.84

The Administrative Department informed that they were having the differences reconciled and had gone back to 1974-75 and explained that the progress was painfully slow due to the

magnitude of the task and the fact that the staff was quite inadequate to deal with it. They had to do this in addition to their regular work. It was added that although there was an Accounts Officer with complimentary staff all that now existed was a divisional accountant and an Accounts Clerk. The Committee reiterated its remarks that while recognising this fact and sympathising with the Department it was a matter which should be taken up by the Department with the Finance Department by supplying full facts and figures for the additional staff needed. This should be done now and followed up closely. In the meantime, steps should be continued to reconcile the figures.

The para was kept pending.

29. Para 361 Page 349 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Capital Cost of Building.

10.9.83

Audit stated that the rules require that the capital cost of buildings should be reassessed after a period of 5 years. The Department indicated that a revision had been carried out in 1977-78 and the next re-assessment be taken in hand in 1983-84.

The para may be dropped subject to verification by Audit.

1.4.84

The Department stated that they had reassessed the capital cost of the buildings. Audit rightly pointed out that the revised assessment had not been incorporated in the proforma accounts. This may be done.

The para was settled subject to verification by Audit.

30. Para 362 Page 349 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Accumulated Losses on Workshop upto 1976-77.

10.9.83

Audit had pointed out that there were wide and abnormal variations in the profit and loss Accounts for the years under consideration, the reason being that the amounts received and the estimated cost for the jobs to be taken up were accounted for as revenue whereas the bills were received much later. Audit rightly contended that these amounts should be placed in deposit as was required in note below Article 176 of the Accounts Code Vcl-III and on completion of the jobs should be adjusted in accordance with Rule 1.69 ibid read with para (1)(3) Section 9 of the Workshop Accounts Rules. This it was stated is now being done from 1st July, 1983.

The variations arose from the fact, as stated above, in that whereas the amounts received as advances were credited to revenue, the payments for the completed jobs were usually not received in the year in which the jobs were taken up but were accounted for in the year in which the payments were actually received, instead of the year in which the jobs had been taken in hand.

The Department said that it would be observed that for the period 1974-75 to 1978-79 there had been an overall profit of Rs. 65,15,517/-.

It also came to light that indentors often delayed in making payments. It was suggested that the deposits may be arrived at after estimating the cost of the job. The workshop may then obtain advance cheques from the indentors. For this it was stated the concurrence of the Finance Department would have to be obtained. The Department was advised to approach the Finance Department to agree to this proposal.

31. Para 363 Page 349 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Capital value of various Books Building.

10.9.83

Audit had pointed out that some figures in the balance sheets as indicated in the above paras did not agree with those in the regular Government Accounts. The Department indicated that they were trying to locate in which year the difference had arisen. They had investigated and reconciled the figures until 1974-75 but the difference had not been located. They were going back still further in order to try and trace the difference. After this has been done it will be rectified. They added that now regular quarterly reconciliation was being carried out with the Audit Officer and that it had been completed until June, 1983.

The para may be kept pending.

1.4.84

The Administrative Department stated that there was no difference between figures in their balance sheet and those booked in regular Government Accounts. This should be got verified by Audit.

The para was settled subject to verification by Audit.

32. Para 364 Page 349 of Audit Report On Commercial Accounts for the years 1977-78 to 1979 - 80 - Interest on Capital.

10.9.83

Audit had pointed out that some figures in the balance sheets as indicated in the above paras did not agree with those

in the regular Government Accounts. The Department indicated that they were trying to locate in which year the difference had arisen. They had investigated and reconciled the figures until 1974-75 but the difference had not been located. They were going back still further in order to try and trace the difference. After this has been done it will be rectified. They added that now regular quarterly reconciliation was being carried out with the Audit Officer and that it had been completed until June, 1983.

The para may be kept pending.

1.4.84

The Administrative Department stated that the advice of Audit regarding interest on capital would be acted upon when the accounts for the year 1983-84 as compiled.

The para was kept pending.

33. Para 365 Page 349 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Overhead Charges.

34. Para 366 Page 349 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Losses on the Account in the Past years i.e. prior to 1974-75. - - -

10.9.83

Audit had also drawn attention to the fact that the profit and loss Accounts did not represent a true picture because of the following reasons :-

- (i) Whereas the rate of interest was now 11.75% the Workshop had accounted for interest at charge at a much lower rate.
- (ii) Indirect establishment charges on a pro rata basis had not been taken into Account.
- (iii) Audit Accounts charges were not being included at 1.5% but at a fixed amount.
- (iv) Similarly pensionary charges had also not been accounted for correctly on the basis fixed by the Finance Department.

The Department explained that this position was being rectified with effect from 1.7.1983.

The para may be dropped subject to verification by Audit.

1.4.84

The Administrative Department was directed to conduct a detailed analysis for the years 1975-76 to 1979-80 regarding the

gross profit, turn over, net loss etc., and to submit a note for consideration by the Sub Committee indicating the reasons for the variations. Detailed reasons should be given for these variations and the steps taken or proposed to be taken in order to improve the state of affairs may be indicated.

The para was kept pending.

35. Para 367 Page 349 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Regularisation of Labour.

10.9.83

Another reason Audit stated for the Workshop to be running at a loss was due to heavy unproductive establishment being retained. The reasons for doing so may be investigated and ways and means devised to minimise this loss.

The para may be kept pending.

1.4.84

The Department was requested to prepare a detailed note, stating what actual steps have been taken by them to reduce heavy loss in production, establishment and the number and category of staff. Specially as the loss heavily increased in subsequent years.

The para was kept pending.

36. Para 376 Page 363 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Financial Result of the Workshops for the year 1975-76.

37. Para 377 Page 363 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Gross Profit of Rs. 4,23,078/-

38. Para 378 Page 363 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Percentage of Gross Profit on Turn Over during 1975-76.

39. Para 379 Page 363 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Net Loss of Rs. 19,03,090/-

10.9.83

Audit had pointed out that some figures in the balance sheets as indicated in the above paras did not agree with those in the regular Government Accounts. The Department indicated

that they were trying to locate in which year the difference had arisen. They had investigated and reconciled the figures until 1974-75 but the difference had not been located. They were going back still further in order to try and trace the difference. After this has been done it will be rectified. They added that now regular quarterly reconciliation was being carried out with the Audit Officer and that it had been completed until June, 1983.

The paras may be kept pending.

1.4.84

The Administrative Department was directed to conduct a detailed analysis for the years 1975-76 to 1979-80 regarding the gross profit turn over, nett loss etc., and to submit a note for consideration by the Sub Committee indicating the reasons for the variations. Detailed reasons should be given for these variations and the steps taken or proposed to be taken in order to improve the state of affairs may be indicated.

The paras were kept pending.

40. Para 380 Page 363 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Increase in Stock Balance.
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10.9.83

Audit had pointed out that some figures in the balance sheets as indicated in the above paras did not agree with those in the regular Government Accounts. The Department indicated that they were trying to locate in which year the difference had arisen. They had investigated and reconciled the figures until 1974-75 but the difference had not been located. They were going back still further in order to try and trace the difference. After this has been done it will be rectified. They added that now regular quarterly reconciliation was being carried out with the Audit Officer and that it had been completed until June, 1983.

The para may be kept pending.

1.4.84

The Administrative Department stated that sanction for reserve stock balance upto Rs. 55,00,000/- already exists. This sanction should be shown to Audit.

Subject to verification by Audit, the para was settled.

41. Para 381 Page 363 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Depreciation of the Capital of the year 1975-76. - - - - -

10.9.83

Audit had pointed out that some figures in the balance sheets as indicated in the above paras did not agree with those in the regular Government Accounts. The Department indicated that they were trying to locate in which year the difference had arisen. They had investigated and reconciled the figures until 1974-75 but the difference had not been located. They were going back still further in order to try and trace the difference. After this has been done it will be rectified. They added that now regular quarterly reconciliation was being carried out with the Audit Officer and that it had been completed until June, 1983.

The para may be kept pending.

1.4.84

The para was settled.

42. Para 362 Para 363 of Audit Report On Commercial Accounts for the years 1979-80 - General - Net Loss of Rs. 19,03,090/-.
43. Para 391 Page 377 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Financial Result of the Workshop for the year 1974-75. - - - - -
44. Para 392 Page 377 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Comparision of Profit and Loss during the years 1972-73 to 1974-75.
45. Para 393 Page 377 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Percentage of Gross Profit on Turn Over during the year 1974-75.
46. Para 394 Page 377 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Disclosure of a Net Loss of Rs. 13,37,206/-.

10.9.83

Audit had pointed out that some figures in the balance sheets as indicated in the above paras did not agree with those in the regular Government Accounts. The Department indicated that they were trying to locate in which year the difference had arisen. They had investigated and reconciled the figures until 1974-75 but the difference had not been located. They were going back still further in order to try and trace the difference. After this has been done it will be rectified.

They added that now regular quarterly reconciliation was being carried out with the Audit Officer and that it had been completed until June, 1983.

The paras may be kept pending.

1.4.84

The Administrative Department was directed to conduct a detailed analysis for the years 1975-76 to 1979-80 regarding the gross profit turn over, net loss etc., and to submit a note for consideration by the Sub Committee indicating the reasons for the variations. Detailed reasons should be given for these variations and the steps taken or proposed to be taken in order to improve the state of affairs may-be indicated.

The paras were kept pending.

47. Para 395 Page 377 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Increase in Stock Balance.

10.9.83

Audit had pointed out that some figures in the balance sheets as indicated in the above paras did not agree with those in the regular Government Accounts. The Department indicated that they were trying to locate in which year the difference had arisen. They had investigated and reconciled the figures until 1974-75 but the difference had not been located. They were going back still further in order to try and trace the difference. After this has been done it will be rectified. They added that now regular quarterly reconciliation was being carried out with the Audit Officer and that it had been completed until June, 1983.

The para may be kept pending.

1.4.84

The Administrative Department stated that sanction for reserve stock balance upto Rs. 55,00,000/- already exists. This sanction should be shown to Audit.

Subject to verification by Audit, the para was settled.

48. Para 396 Page 377 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Depreciation of the Capital of the year 1974-75.

10.9.83

Audit had pointed out that some figures in the balance

sheets as indicated in the above paras did not agree with those in the regular Government Accounts. The Department indicated that they were trying to locate in which year the difference had arisen. They had investigated and reconciled the figures until 1974-75 but the difference had not been located. They were going back still further in order to try and trace the difference. After this has been done it will be rectified. They added that now regular quarterly reconciliation was being carried out with the Audit Officer and that it had been completed until June, 1983.

The para may be kept pending.

1.4.84

The para was settled.

LIVESTOCK, DAIRY AND POULTRY DEVELOPMENT DEPARTMENT(LAHORE MILK PLANT, LAHORE)

The Committee examined the Accounts of Lahore Milk Plant, Lahore in its meetings held on 24.2.1983, 29.3.1983, 4.9.1983, 2.2.1984, 26.3.1984 and 29.3.1984.

1970 - 71

1. Para 52 Page 43 of Audit Report On Commercial Accounts for the year 1970-71 - Working Results.
2. Para 53 Page 43 of Audit Report On Commercial Accounts for the year 1970-71 - Installed Capacity of Milk Plant Per Day.

2.2.84

The Committee desired that break-up of the annual losses may be worked out and analysed. Thereafter they may be written off by the Board. Further that causes which resulted in the losses may be gone into and the action proposed to be taken to effect any recovery may be indicated. The Committee would also like to be informed of the disciplinary action taken or proposed to be taken against the officials at fault.

26.3.84

The Report of the Sub Committee on the Working Results of Lahore Milk Plant came under discussion. The explanation of the Administrative Department on the points raised by the Sub - Committee were also considered in detail and they were found generally cogent and acceptable. The Department admitted ~~frankly~~ frankly that mistakes had been made in the past and outlined what steps could be taken in order to overcome them. The Committee, however, desired to have a look at the feasibility report which had been prepared before the project was taken in hand. Copies of the feasibility report may be provided to the Committee after which the final conclusions of the Committee could be arrived at. The Department was asked to furnish comments on the above note as desired in Assembly Secretariat's letter No. PAC/Livestock/C.A/cs/70-76/84/672, dated 20.2.1984.

The paras were kept pending.

3. Para 54 Page 43 of Audit Report On Commercial Accounts for the year 1970-71 - Net Loss Attributed to Idle Capacity of Milk Plant.
4. Para 55 Page 43 of Audit Report On Commercial Accounts for the year 1970-71 - Net Loss of Rs. 4,74,170/-.
5. Para 56 Page 44 of Audit Report On Commercial Accounts for the year 1970-71 - Manufacturing, Trading and Profit and Loss Accounts.
6. Para 57 Page 44 of Audit Report On Commercial Accounts for the year 1970-71 - Quantitative Production and Sale of Milk.
7. Para 58 Page 44 of Audit Report On Commercial Accounts for the year 1970-71 - Reconciliation.

26.3.84

The Report of the Sub Committee on the Working Results of Lahore Milk Plant came under discussion. The explanation of the Administrative Department on the points raised by the Sub Committee were also considered in detail and they were found generally cogent and acceptable. The Department admitted frankly that mistakes had been made in the past and outlined what steps could be taken in order to overcome them. The Committee, however, desired to have a look at the feasibility report which had been prepared before the project was taken in hand. Copies of the feasibility report may be provided to the Committee after which the final conclusions of the Committee could be arrived at. The Department was asked to furnish comments on the above note as desired in Assembly Secretariat's letter No. PAC/Livestock/C.A/c.s/70-76/84/672, dated 20.3.1984.

The paras were kept pending.

8. Para 59 Page 44 of Audit Report On Commercial Accounts for the year 1970-71 - Physical verification of Fixed Assets.

26.3.84

Lists of excesses and shortages found on physical verification in respect of the years 1970-71 to 1981-82 together with orders of competent authority thereon, may be produced to Audit.

Subject to the satisfaction of Audit, the para was settled.

9. Para 60 Page 44 of Audit Report On Commercial Accounts
for the year 1970-71 - Amount of Trade Debtors.

26.3.84

A detailed list of trade and other sundry debtors should be prepared showing ageing of each and shown to Audit. Urgent and effective steps may also be taken in order to reduce the old outstanding as much as possible.

The para was kept pending.

10. Para 61 Page 44 of Audit Report On Commercial Accounts
for the year 1970-71 - Debtors' Personal Accounts.

26.3.84

The para was settled.

1971 - 72

11. Para 44 Page 41 of Audit Report On Commercial Accounts
for the year 1971-72 - Working Results.

2.2.84

The Committee desired that break-up of the annual losses may be worked out and analysed. Thereafter they may be written off by the Board. Further that causes which resulted in the losses may be gone into and the action proposed to be taken to effect any recovery may be indicated. The Committee would also like to be informed of the disciplinary action taken or proposed to be taken against the officials at fault.

26.3.84

The Report of the Sub Committee on the Working Results of Lahore Milk Plant came under discussion. The explanation of the Administrative Department on the points raised by the Sub Committee were also considered in detail and they were found generally cogent and acceptable. The Department admitted frankly that mistakes had been made in the past and outlined what steps could be taken in order to overcome them. The Committee, however, desired to have a look at the feasibility report which had been prepared before the project was taken in hand. Copies of the feasibility report may be provided to the Committee after which the final conclusions of the Committee would be arrived at. The Department was asked to furnish comments on the above note as desired in Assembly Secretariat's letter No. P.C/Livestock/C.A./c.s/70-76/84/672, dated 20.2.1984.

The para was kept pending.

12. Para 45 Page 41 of Audit Report On Commercial Accounts for the year 1971-72 - Physical verification of Stock and Stores. - - - - -

26.3.84

Lists of excess and shortages found on physical verification in respect of the years 1970-71 to 1981-82 together with orders of competent authority thereon, may be produced to Audit.

Subject to the satisfaction of Audit, the para was settled.

13. Para 46 Page 41 of Audit Report On Commercial Accounts for the year 1971-72 - Amount of Trade Debtors.

26.3.84

A detailed list of trade and other sundry debtors should be prepared showing ageing of each and shown to Audit. Urgent and effective steps may also be taken in order to reduce the old outstandings as much as possible.

The para was kept pending.

1972 - 73

14. Para 12 Page 11 of Audit Report On Commercial Accounts for the year 1972-73 - Loss of Rs. 80,390/- due to Shortage of Polythene Bags. - - - - -

2.2.84

The Committee desired that break-up of the annual losses may be worked out and analysed. Thereafter they may be written off by the Board. Further that causes which resulted in the losses may be gone into and the action proposed to be taken to effect any recovery may be indicated. The Committee would also like to be informed of the disciplinary action taken or proposed to be taken against the officials at fault.

26.3.84

The Sub Committee have already requested the Department to look into this matter in detail and to submit a report relating to the shortages of 12,47,427 polythene bags. This report is still awaited and should be furnished without further delay.

The para was kept pending.

15. Para 13 Page 12 of Audit Report On Commercial Accounts for the year 1972-73 - Loss of Rs. 10,701/- due to Pilferage of Butter Oil.

26.3.84

The Committee directed that urgent steps be taken to trace the relevant record so as to finalise the inquiry urgently. Results of which should be indicated in the next Working Paper.

The para was kept pending.

16. Para 14 Page 13 of Audit Report On Commercial Accounts for the year 1972-73 - Credit Sales of Rs. 36,375/- without proper Safe-Guards.

26.3.84

A Committee was stated to have been set up to investigate the credit sales. Its report may be expedited and active steps taken to recover the amounts outstanding.

The para was kept pending.

1973 - 74

17. Para 14 Page 13 of Audit Report On Commercial Accounts for the year 1973-74 - Credit Sales of Rs. 36,375/-

26.3.84

A Committee was stated to have been set up to investigate the credit sales. Its report may be expedited and active steps taken to recover the amounts outstanding.

The para was kept pending.

18. Para 15 Page 14 of Audit Report On Commercial Accounts for the year 1973-74 - Loss of Rs. 16,14,346/- due to Shortage of Dairy Products.

26.3.84

The Administrative Department's attention was drawn to the directive of the Sub Committee that the relevant record should be traced without further delay and the investigation be finalised urgently.

The para was kept pending.

19. Para 44 Page 45 of Audit Report On Commercial Accounts for the year 1973-74 - Net Loss of Rs. 22,914/- as against the Net Profit of Rs. 3,63,474/- of the previous year.
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24.2.84

The Administrative Department had been requested to have a note prepared regarding the break-up of the rising loss being incurred from year to year. In this analysis detailed reasons for the loss should be indicated. The Administrative Department brought a note which they had prepared. The Committee went through this note but thought that more time was needed in order to consider the same. Accordingly it was decided that the meeting be adjourned to meet again on the 29th March, 1983 in the premises of the Lahore Milk Board.

It was pointed out that whereas facts had been stated in the note they were not substantiated by figures. The Administrative Department should give detailed reasons supported by figures for the loss which was rising from year to year and also for annual increase in the Administrative selling and distribution expenses and cost of sales. This additional note should reach this Secretariat of the Sub - Committee by 15th March, 1983.

26.3.84

The Report of the Sub Committee on the Working Results of Lahore Milk Plant came under discussion. The explanation of the Administrative Department on the points raised by the Sub Committee were also considered in detail and they were found generally cogent and acceptable. The Department admitted frankly that mistakes had been made in the past and outlined what steps could be taken in order to overcome them. The Committee, however, desired to have a look at the feasibility report which had been prepared before the project was taken in hand. Copies of the feasibility report may be provided to the Committee after which the final conclusions of the Committee would be arrived at. The Department was asked to furnish comments on the above note as desired in Assembly Secretariat's letter No. PAC/Livestock/C.A/c.s/70-76/84/672, dated 20.2.1984.

The para was kept pending.

20. Para 45 Page 45 of Audit Report On Commercial Accounts for the year 1973-74 - Stocks and Stores.
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26.3.84

Lists of excesses and shortages found on physical verification in respect of the years 1970-71 to 1980-82 together with orders of competent authority thereon, may be produced to Audit.

Subject to the satisfaction of Audit, the para was settled.

21. Para 46 Page 45 of Audit Report On Commercial Accounts
for the year 1973-74 - Trade Debtors.

26.3.84

A detailed list of trade and other sundry debtors should be prepared showing ageing of each and shown to Audit. Urgent and effective steps may also be taken in order to reduce the old outstanding as much as possible. An immediate inquiry be conducted and fix responsibility for the cash sales of Rs. 5,50,250/- not being deposited with the Board.

The para was kept pending.

22. Para 47 Page 45 of Audit Report On Commercial Accounts
for the year 1973-74 - Short Term Loans, Advances and Prepayments.

26.3.84

The Administrative Department explained the outstanding balance under this head now amounts to only Rs. 45,163/- and this recovery was due from Synthetic Chemicals which had gone into liquidation and whose assets have been taken over by Industrial Development Bank of Pakistan. The Department stated that this amount can be recovered from the Industrial Development Bank of Pakistan. The recovery may be expedited.

The para was kept pending.

1974 - 75

23. Para 31 Page 35 of Audit Report On Commercial Accounts
for the year 1974-75 - Working Results.

24.2.83

The Administrative Department had been requested to have a note prepared regarding the break-up of the rising loss being incurred from year to year. In this analysis detailed reasons for the loss should be indicated. The Administrative Department brought a note which they had prepared. The Committee went through this note but thought that more time was needed in order to consider the same. Accordingly it was decided that the meeting be adjourned to meet again on the 29th March, 1983 in the premises of the Lahore Milk Board.

It was pointed out that whereas facts had been stated in the note they were not substantiated by figures. The Administrative Department should give detailed reasons supported by figures for the loss which was rising from year to year and also for annual increase in the Administrative selling and distribution expenses and cost of sales. This additional note should reach this Secretariat of the Sub Committee by 15th March, 1983.

29.3.83

The Administrative Department had submitted excellent and exhaustive papers asked for by the Sub Committee regarding the material called for from them. The Sub Committee went into them and requested the Administrative Department for some further information to be provided from 1976 onwards :-

- (1) It was noticed that there were wide variations between the administrative expenses for all the years under consideration. In 1977 the administrative expenses were Rs. 5,96,006/- They increased to Rs. 14,71,955/- in 1978. These figures had come down to Rs. 9,86,628/- in 1980. For 1981 they were Rs. 5,92,609/- The Sub Committee requested that detailed reasons and break up may be furnished for these increases for further consideration by them.
- (2) As regards the selling and distribution expenses in 1977 the figure was Rs. 16,25,503/- which increased to Rs. 8,53,865/- in 1978. It rose again to Rs. 15,51,515/- in 1979 and fell to Rs. 10,07,643/- in 1980 and Rs. 6,78,331/- in 1981. The Sub Committee requested that detailed reasons and break for these years may also be given, for these rise and falls.
- (3) The financial and other expenses were Rs. 1,29,510/- in 1977 and had come down to Rs. 320/- in 1981. Reasons for the decrease may also be indicated.

Rs. 28.62 lacs were shown in the balance sheet for 1977-78 as long-term loan from the Punjab Government. It was stated by the Administrative Department that this figure represented the subsidy on the sales which had been completely liquidated by 1978. As the subsidy had been liquidated it was requested that this amount may be adjusted in the accounts with the approval of the competent authority.

It was observed from the accounts that the plant and machinery had been completely written down. It was requested that the machinery and plant which was still in working order should be revalued, and the revised value included in the accounts.

The lists of sundry debtors and for advances etc were examined. It was seen that there were a large number of entires which were quite old. It was requested that early efforts be made to recover the amounts due. If they proved irrecoverable steps should be taken to have the amounts written off with the orders of the competent authority.

The revised note may be submitted by the 20th April, 1983. Next meeting of the Sub Committee for further consideration is likely to be held in May, 1983. The date will be intimated later.

26.3.84

The Report of the Sub Committee on the Working Results of Lahore Milk Plant came under discussion. The explanation of the Administrative Department on the points raised by the Sub Committee were also considered in detail and they were found generally cogent and acceptable. The Department admitted frankly that mistakes had been made in the past and outlined what steps could be taken in order to overcome them. The Committee, however, desired to have a look at the feasibility report which had been prepared before the project was taken in hand. Copies of the feasibility report may be provided to the Committee after which the final conclusions of the Committee would be arrived at. The Department was asked to furnish comments on the above note as desired in Assembly Secretariat's letter No.PAC/Livestock/C.A/c.s/70-76/84/672, dated 20.2.1984.

The para was kept pending.

24. Para 32 Page 35 of Audit Report On Commercial Accounts for the year 1974-75 - Sundry Debtors Rs. 18,32,002/-.

26.3.84

Lists of excesses and shortages found on physical verification in respect of the years 1970-71 to 1981-82 together with orders of competent authority thereon, may be produced to Audit.

Subject to the satisfaction of Audit, the para was settled.

25. Para 33 Page 36 of Audit Report On Commercial Accounts for the year 1974-75 - Stocks and Stores.

26.3.84

The previous directive of the Public Accounts Committee was reiterated. The consumption record may be produced to Audit urgently.

The para was kept pending.

1975 - 76

26. Para 32 Page 53 of Audit Report On Commercial Accounts for the year 1975-76 - Working Results.

2.2.84

The Committee desired that break-up of the annual losses may be worked out and analysed. The reafter they may be

written off by the Board. Further that causes which resulted in the losses may be gone into and the action proposed to be taken to effect any recovery may be indicated. The Committee would also like to be informed of the disciplinary action taken or proposed to be taken against the officials at fault.

26.3.84

The Report of the Sub Committee on the Working Results of Lahore Milk Plant came under discussion. The explanation of the Administrative Department on the points raised by the Sub Committee were also considered in detail and they were found generally cogent and acceptable. The Department admitted frankly that mistakes had been made in the past and outlined what steps could be taken in order to overcome them. The Committee, however, desired to have a look at the feasibility report which had been prepared before the project was taken in hand. Copies of the feasibility report may be provided to the Committee after which the final conclusions of the Committee would be arrived at. The Department was asked to furnish comments on the above note as desired in Assembly Secretariat's letter No. PAC/Livestock/C.A/c.s/70-76/84/672, dated 20.2.1984.

The para was kept pending.

27. Para 33 Page 53 of Audit Report On Commercial Accounts for the year 1975-76 ~ Sundry Debtors doubtful of Recovery Rs. 3,36,385/-

26.3.84

Lists of excesses and shortages found on physical verification in respect of the years 1970-71 to 1981-82 together with orders of competent authority thereon, may be produced to Audit.

Subject to the satisfaction of Audit, the para was settled.

1976 - 77

28. Para 17 Page 29 of Audit Report On Commercial Accounts for the year 1976-77 ~ Working Results.

26.3.84

Lists of excesses and shortages found on physical verification in respect of the years 1970-71 to 1981-82 together with orders of competent authority thereon, may be produced to Audit.

Subject to the satisfaction of Audit, the para was settled.

29. Para 18 Page 29 of Audit Report On Commercial Accounts for the year 1976-77 - Provision for doubtful Debts for Rs. 4,17,632/-

26.3.84

Lists of excesses and shortages found on physical verification in respect of the years 1970-71 to 1981-82 together with orders of competent authority thereon, may be produced to Audit.

Subject to the satisfaction of Audit, the para was settled.

1977 - 78 to 1979 - 80

30. Para 17 Page 17 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Loss of Rs. 10,51,503/- due to Pilferage, rejection and bursting of Polythene Pouches.

4.9.83

The Administrative Department was not in a position to produce an authority for the admissible level of losses in the consumption of pouches. It was however, added that they took all precautions in order to keep losses to a minimum.

Action could not be taken against the firm which supplied defective material because it is now too late to do so. Muhammad Ishaq, Ex-Storekeeper who was responsible for accepting the defective material has, however, been sentenced to jail for one year with a fine of Rs. 1.5 lacs. It was added that the management had taken remedial measures. Consequently, the loss had come down.

As regards the shortage of pouches worth Rs. 65,696/-, it was stated that there were many reasons for the loss of pouches. However, no inquiry was conducted.

The Department was advised that as the loss could not be made good, it should be written off with the sanction of the competent authority.

Subject to verification by Audit, the para may be dropped.

26.3.84

The Administrative Department that high degree of losses incurred in the packing in the polythene pouches were in a large extent due to the heat factor involved in sealing the bags. Arising from the query it was revealed that the Milk Plant was not air-conditioned. This news shocked the Committee that perishable commodity like milk was open to conditions of extraordinary hot weather. Further query revealed that the

new plant is not air-conditioned either. The Committee was of the opinion that expenditure on air-conditioning of the plant would be well worth-while as it would very considerably reduce the losses in future both the process of packing of milk and its delivery etc. The Department was advised to take up this matter with the Government. Audit made the suggestion that the Department should lay down standard of permissible losses with the approval of competent authority. Audit stated that the results of the remedial measures stated to have been taken would be reviewed by them at the time of the next Audit.

The para was kept pending.

31. Para 19 Page 18 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Shortage of Stocks worth Rs. 4,44,571/-.

4.9.83

The Administrative Department explained that Muhammad Ishaq, Ex-Storekeeper concerned with the previous paragraph was also responsible for the present shortages. As stated, he had been tried and had been awarded rigorous imprisonment for one year with a fine of Rs. 1.5 lacs. The ML Court acquitted the rest of his accomplices. The Department was requested to let the Audit have a copy of the inquiry report as well as the judgment of the ML Court. Further to have such shortages written off with the sanction of the competent authority.

The para may be kept pending.

26.3.84

The para was kept pending as the Department wanted some time to produce the proceedings of the Departmental Inquiry Committee and to attend to the directive of the Sub Committee. They were directed to finalize matters as early as possible.

32. Para 21 Page 19 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Irregular Payment of House Rent Allowance - Rs. 22,418/-.

4.9.83

The question of irregularity of payment of House Rent Allowance totalling Rs. 22,418/- to the staff transferred to Hafizabad for collection of Milk was placed before the Punjab Livestock and Dairy Development Board. In its meeting dated 19th November, 1981 the Board regularised the position but added that responsibility should be pinpointed and action taken against those at fault. Consequently the Department was requested to submit a revised Working Paper indicating the upto date position in consonance with the Board's decision.

The para was kept pending.

26.3.84

The explanation of the Administrative Department was accepted that the House Rent Allowance was sanctioned by the Livestock Board which was the appointing authority and could amend the Service Rules.

The para was taken as settled.

33. Para 22 Page 19 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Doubtful Renovation of Milk Booths at a Cost of Rs. 37,900/- - - -

4.9.83

It was stated that the Board of Directors of the PLDB had in their meeting held on 19th November, 1981 regularised the position. They, however, directed that responsibility be pinpointed and action taken against the defaulters. This may be done and a revised Working Paper submitted. It was further requested that copies of the relevant documents may be obtained from the Anti-Corruption Authorities and the Departmental action taken against those at fault.

26.3.84

The Administrative Department was asked to urgently implement the directive of the Sub Committee.

The para was kept pending.

34. Para 181 Page 213 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Working Results.

35. Para 182 Page 213 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Sustenance of Net Loss of Rs. 42,08,580/- by Lahore Milk Plant. - - -

4.9.83

The Administrative Department was requested to submit an upto-date position as regards the working results so that the whole position can be analysed. They may also include year by year broad details of the administrative/selling and distribution expenses.

26.3.84

The Report of the Sub Committee on the Workings of Lahore Milk Plant came under discussion. The explanation of the Administrative Department on the points raised by the Sub Committee were also considered in detail and they were found

generally cogent and acceptable. The Department admitted frankly that mistakes had been made in the past and outlined what steps could be taken in order to overcome them. The Committee, however, desired to have a look at the feasibility report which had been prepared before the project was taken in hand. Copies of the feasibility report may be provided to the Committee after which the final conclusions of the Committee would be arrived at. The Department was asked to furnish comments on the above note as desired in Assembly Secretariat's letter No. PAC/Livestock/C.A/cs/70-76/84/672, dated 20.2.1984.

The paras were kept pending.

36. Para 183 Page 213 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Sundry Debtors
Rs. 20,37,682/-

4.9.83

The Administrative Department produced a statement indicating the present position of the sundry debtors. It was observed that large amounts were outstanding under cash sales and credit sales. The Department was requested to investigate the position regarding the cash sales and to effect recoveries at an early date. Similar action may also be taken against the credit sales where the outstanding for 1979-80 and 1981-82 were as much as 7.33 lacs and 6.22 lacs.

26.3.84

Lists of excesses and shortages found on physical verification in respect of the years 1970-71 to 1981-82 together with orders of competent authority thereon, may be produced to Audit.

Subject to the satisfaction of Audit, the para was settled.

37. Para 184 Page 213 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Fixed Assets valuing Rs. 51,03,599/- Stocks and Stores valuing Rs. 3,67,276/-

4.9.83

The Administrative Department showed the physical verification certificates pertaining to the period ending 30th June, 1982. It was requested that the excesses and shortages shown therein should be regularised with the approval of the competent authority. The Department added that physical verification had also been conducted for the period ending 30th June, 1983.

26.3.84

A detailed list of trade and other sundry debtors should be prepared showing ageing of each and shown to Audit. Urgent and effective steps may also be taken in order to reduce the old outstanding as much as possible.

The para was kept pending.

PUNJAB LIVESTOCK, DAIRY AND POULTRY DEVELOPMENT BOARD
LAHORE

The Committee examined the Accounts of Punjab Livestock, Dairy and Poultry Development Board, Lahore in its meetings held on 5.9.1983 and 26.3.1984.

1975 - 76

1. Para 24 Page 43 of Audit Report On Commercial Accounts for the year 1975-76 - Loss of Rs. 94,41,452/-

26.3.84

A detailed analysis of causes leading to the loss of Rs. 75,63,688/- asked for by the Sub Committee may be supplied by the Department without delay. It should be also indicated if inquiries were conducted against officials at fault and with what results.

The para was kept pending.

2. Para 25 Page 43 of Audit Report On Commercial Accounts for the year 1975-76 - Preparation of Consolidated Accounts.

26.3.84

The Sub Committee had asked the Department to indicate how the loss of Rs. 18,77,864/- carried forward had been arrived at whether this had been investigated and with what results.

The para was kept pending.

3. Para 26 Page 43 of Audit Report On Commercial Accounts for the year 1975-76 - Physical Verification of Stocks.

26.3.84

The Sub Committee desired that differences in the value of closing stocks shown in the trading account and in the balance sheet should be reconciled with the Audit. This may be done without further delay.

The para was kept pending.

4. Para 27 Page 43 of Audit Report On Commercial Accounts
for the year 1975-76 - Sundry Debtors.

26.3.84

The Administrative Department had been asked to prepare yearwise analysis of the sundry debtors and to get confirmation of the balance and to take strenuous efforts to recover the outstanding. This should now be done as early as possible.

The para was kept pending.

5. Para 28 Page 43 of Audit Report On Commercial Accounts
for the year 1975-76 - Fixed Assets.

26.3.84

The Administrative Department stated that a system has been introduced for physical verification of the fixed assets. Physical verification was carried out in subsequent years and is now being done regularly. Results of these verifications and orders of competent authority thereon may be shown to Audit.

The para was kept pending.

1977 - 78 to 1979 - 80

6. Para 18 Page 17 of Audit Report On Commercial Accounts
for the years 1977-78 to 1979-80 - Loss of Rs. 1,46,578/-
due to Sale of Eggs below the Market Rates.

5.9.83

The Administrative Department was requested to indicate when the decision was taken to discontinue renting of the hatchery on 1st April, 1978 and also to explain why prior steps had not been taken for alternative arrangements for hatching of eggs before termination of the rental agreement. It may further be stated what were the reasons for discarding 81,356 eggs. Whether an inquiry was held to determine if this was due to negligence/carelessness. If an inquiry was conducted, a copy of the inquiry report may be submitted to Audit and a revised Working Paper prepared with Audit comments for consideration by the Sub Committee in its next meeting. It may also be stated whether any maximum percentage was fixed for such losses.

26.3.84

The Administrative Department stated that the inquiry

was held as a result of which the case was dropped. A copy of the Inquiry Report may be shown to Audit and the latest position of the case handled over to the ACE may be indicated.

The para was kept pending.

7. Para 20 Page 18 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Shortage of Beef Products valuing Rs. 1,26,604/-

5.9.83

The Administrative Department stated that a Departmental Inquiry had been conducted and placed before the Board of Directors. Mr. Nasrullah Khan who was concerned had been proceeded against and his case was with the Anti-Corruption Authorities. The Department explained that the Advocate General had been approached in order to have the stay of the Supreme Court vacated. They were requested to pursue this matter vigorously. The Department was also requested to let the Sub Committee know regarding disciplinary cases against other persons who were involved with regard to this loss. Also explain what were the reasons for the shortages and the steps taken in order to avoid them in future.

26.3.84

The case being sub judice, the para was kept pending.

8. Para 23 Page 20 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Irregular Expenditure of Rs. 62,505/-

5.9.83

The Administrative Department was of the view that according to Clause 3 of the Agreement " Blood/waste meat was to be processed in the biproduct treatment plant under second party's (contractor's) own arrangement and supervisions ". They felt that while the contractor was to bring the blood/waste meat to the plant at his own expenses they were to be treated in the plant by the management. As this point was not free of doubt it was requested that legal opinion may be obtained to obtain a clarification.

26.3.84

The Administrative Department should satisfy Audit that action taken by them was in accordance with the terms of the agreement.

The para was kept pending.

9. Para 159 Page 177 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Working Results - Sustenance of Net Loss of Rs. 55,08,928/-
10. Para 160 Page 177 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Grant-in-Aid of Rs. 28,95,000/- received by the Board from Government.
11. Para 161 Page 178 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Deterioration in the Working Results.

5.9.83

The Administrative Department was requested to prepare a paper indicating year to year position to date relating to results of the PLDB. In this paper they may include the board break up of direct expenditure, grant-in-aid, administrative, financial and other indirect expenses. Further in the previous meeting it had been considered by the Committee that this matter needs to be looked into the depth in order to see whether at all it was necessary to retain the Board when such heavy losses were taking place from year to year. This study may be conducted and its findings intimated to the Sub - Committee.

26.3.84

These paras outline the position which is of some importance and the Public Accounts Committee would like to examine this in detail, and would call for a further meeting with the Department and Audit at a later date. In the meantime, the Department should look into the matter at some depth and analyse the causes which resulted in these heavy losses occurring year after year without any effective action being taken by the authorities concerned. A detailed note be prepared containing an analysis of the causes of these losses, inquiries conducted against the officials at fault and with what results. On receipt of the above note, the matter will be considered by a Sub Committee consisting of Mian Abdul Rashid, Chaudhry Fateh Muhammad and Alhaf Khawaja Habib-ur-Rahman.

The paras were kept pending.

12. Para 162 Page 178 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Account with Directorate of Livestock Farms Government of the Punjab - Rs. 26,11,615/-

5.9.83

The farms were transferred to the Director Livestock Farms, Government of the Punjab quite some years ago. The

matter regarding the adjustment/repayment of cost of assets created by the Board at these farms was still under consideration of the Government. The Sub Committee desired that the Secretary, Livestock may kindly look into this matter personally and have it decided as early as possible. Further it may be intimated whether the proforma accounts of the farms under the Director Livestock had been prepared and submitted for Audit. If not what steps have been taken so that they may be included in the compilation.

26.3.84

The Administrative Department stated that the matter is already under discussion with the Livestock Department and the results of it would be communicated.

The para was kept pending.

13. Para 163 Page 178 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 ~ Sundry Debtors and Advances etc. Rs. 42,55,691/-

5.9.83

The annexure relating to the yearwise and projectwise break up was gone through. It was suggested that a break up of the amount recoverable from the Director Livestock Farms and from the tenants of Livestock Farms be also prepared yearwise. Further that action be taken to effect recoveries from them at an early date. In case any amounts were found to be irrecoverable early steps may be taken to have them written off.

26.3.84

The Administrative Department stated that recoveries were being made at an accelerated pace from the tenants of Livestock Farms. Amount recoverable from PLF and various other units are really in the nature of book transfers. Adjustment, therefore, should be expedited.

The para was kept pending.

14. Para 164 Page 178 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 ~ Non-preparation of the Financial Review by the Management.

5.9.83

It was explained that the accounts had been prepared and were being placed before the Board.

26.3.84

The Administrative Department stated that the Accounts

were placed before the Board of Directors in their meeting held on 31.5.1983. It may be stated why the approval was not accorded. Approval of the Board may be expedited.

The para was kept pending.

15. Para 168 Page 189 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Sustenance of Net Loss of Rs. 66,32,086/- during 1977-78. - - - - -

16. Para 169 Page 189 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Rising of Cumulative Loss to Rs. 2,29,60,815/-.

5.9.83

The Administrative Department was requested to prepare a paper indicating year to year position to date relating to results of the PLDB. In this paper they may include the broad break up of direct expenditure, grant-in-aid, administrative, financial and other indirect expenses. Further in the previous meeting it had been considered by the Committee that this matter needs to be looked into in depth in order to see whether at all it was necessary to retain the Board when such heavy losses were taking place from year to year. This study may be conducted and its findings intimated to the Sub Committee.

26.3.84

Comments in respect of these paras should be included in detailed note called for with regard to Paras 159-161 of 1978-79 to be considered by the Sub Committee.

The paras were kept pending.

17. Para 170 Page 189 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Physical verification of Fixed Assets the Closing Stocks. - - - - -

5.9.83

It was shown that the physical verification had been carried out. The para may be dropped. It was however, suggested that the Department may consider having permanent staff to conduct physical verification of all its information according to a set programme all round the year.

26.3.84

The Administrative Department stated that a system has been introduced for physical verification of the fixed assets. Physical verification was carried out in subsequent years and is now being done regularly. Results of these verifications

and orders of competent authority thereon may be shown to Audit.

The para was kept pending.

18. Para 171 Page 189 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Effective System of Internal Audit in the Board.

5.9.83

The Administrative Department explained that an independent internal Audit cell has been formed under the Manager Finance at the Head Office.

In view of this fact the para may be dropped.

26.3.84

The Committee directed that urgent steps be taken to instal an effective internal Audit system.

The para was kept pending.

19. Para 175 Page 201 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Working Results - Sustenance of Net Loss of Rs. 78,27,446/-

20. Para 176 Page 201 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 = Increase in Loss.

5.9.83

The Administrative Department was requested to prepare a paper indicating year to year position to date relating to results of the PLDB. In this paper they may include the broad break up of direct expenditure, grants-in-aid, administrative, financial and other indirect expenses. Further in the previous meeting it had been considered by the Committee that this matter needs to be looked into in depth in order to see whether at all it was necessary to retain the Board when such heavy losses were taking place from year to year. This study may be conducted and its findings intimated to the Sub Committee.

26.3.84

Comments in respect of these paras should be included in detailed note called for with regard to Paras 159-161 of 1978-79 to be considered by the Sub Committee.

The paras were kept pending.

21. Para 177 Page 201 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Financial Review - Non-approval of the Accounts by the Board of Directors.

5.9.83

The Adminiistrative Department explained that the Financial review has been prepared and the matter was under consideration of the Board of Directors for approval. It was requested that this matter may be finalized as early as possible.

The para was kept pending.

26.3.84

The Administrative Department stated that the Accounts were placed before the Board of Directors in their meeting held on 31.5.1983. It may be stated why the approval was not accorded. Approval of the Board may be expedited.

The para was kept pending.

CHAPTER - VIIISERVICES AND GENERAL ADMINISTRATION DEPARTMENT(PUNJAB ROAD TRANSPORT BOARD)

The Committee examined the Accounts of the Punjab Road Transport Board in its meetings held on 5.4.1983, 7.9.1983, 11.12.1983, 12.12.1983 and 25.3.1984.

1970 - 71

1. Para 5 Page 9 of Audit Report On Commercial Accounts for the year 1970-71 - Extra Expenditure of Rs. 12,590/- due to Arrears of Pay and Legal Fee -----

5.4.83

The para was kept pending as the Efficiency and Discipline Rules of the Punjab Road Transport Board had to be examined. The Committee directed the Administrative Department to resubmit a revised Working Paper for consideration by the Committee in its next meeting.

25.3.84

The Audit was of the view that the extra expenditure of Rs. 12,590/- should be written off. The Committee agreed with this. Also with the findings of the Court that such a fundamental right of giving personal hearing to the accused official had been dis-regarded. The PRTB's contention that no such provision existed in the rules framed by them did not preclude the non-reference to what is the fundamental labour law.

Subject to these comments, the para was settled.

2. Para 6 Page 9 of Audit Report On Commercial Accounts for the year 1970-71 - Loss in Auction of Unserviceable Articles worth Rs. 11,688/-

5.4.83

The para stood already dropped.

3. Para 7 Page 10 of Audit Report On Commercial Accounts for the year 1970-71 - Loss of Rs. 5,90,233/- from 12 Buses becoming Unserviceable before their Normal Life due to Inherent Manufacturing Defects etc. - - - - -

5.4.83

The Committee agreed with the Sub Committee in accepting the explanation of the Department in the light of the directive given on 26.2.1983.

The para was dropped.

4. Para 30 Page 24 of Audit Report On Commercial Accounts for the year 1970-71 - Division of Assets and Liabilities.

5.4.83

The para stood already dropped.

5. Para 31 Page 24 of Audit Report On Commercial Accounts for the year 1970-71 - Amount of Rs. 81,70,685/- included in the total Amount of Rs. 1,01,69,257/- - - - - -

5.4.83

This matter was reportedly under consideration with the Federal Government. The Committee directed the Finance Department to pursue the matter energetically.

Pending decision, the para was kept pending.

25.3.84

The Committee took notice of the difficulties in arriving at a settlement. The matter was under constant examination of the Apportionment Committee but progress is very slow. The progress achieved may be reported back to the Committee in one year's time.

The para was kept pending.

6. Para 32 Page 24 of Audit Report On Commercial Accounts for the year 1970-71 - Net Loss of Rs. 1,62,43,297/-.

5.4.83

The Committee referred the para to its Sub Committee, consisting of Mr. M.Z.Khan and Alhaj Khawaja Habib-ur-Rehman, Members of the Adhoc Public Accounts Committee for detailed examination and report back to the Committee.

The para was kept pending.

7.9.83

The Administrative Department was requested to let the Committee have information regarding the working results of the P.R.T.B. for the period ending 30th June, 1982, so as to arrive at the overall position of the operational results of the P.R.T.B.

As regards the off road percentages, the Committee pointed out that in some units they were as low as 1% whereas in others they were as high as 46%. The Department may examine the position and let the Committee know the reasons for this.

Further the Department had indicated the steps taken to improve the position to arrest leakage of income, spare parts and maintenance etc, and reduction of overheads. The result of these efforts may be indicated for the period ending 30th June, 1982.

It was found that some of the units were definitely over staffed. It was explained that due to the labour laws the Board had to carry the surplus staff. The Department may indicate the staff which is surplus and what steps can be adopted in order to minimise the loss on this account.

The para was kept pending.

25.3.84

The Sub Committee submitted the Report on the Working Results of the Punjab Road Transport Board.

The Report will be considered by the Committee separately for which Secretary Assembly would fix the meeting. The consideration of the para was deferred till the Report of the Sub Committee is considered by the Adhoc Public Accounts Committee.

7. Para 33 Page 24 of Audit Report On Commercial Accounts for the year 1970-71 - Degreasing Plant installed in the Workshop of G.T.S. Faisalabad. -----

5.4.83

The Committee directed the Board to resubmit the para bringing out full facts relating to ordering of these plants and the reasons for their failure. In the meantime the Committee saw no useful purpose for holding them. The Committee advised the Administrative Department to dispose of the plant at the best available value.

The para was kept pending.

25.3.84

The degreasing plant has since been auctioned for Rs. 12,000/- . The difference between purchase price and the

sales price may be written off.

Subject to verification of sanction to write off by Audit, the para was settled.

8. Para 34 Page 24 of Audit Report On Commercial Accounts for the year 1970-71 - Discrepancies between the Figures appearing in the Books of PRTC Headquarters Office and those of Individual Units.

5.4.83

The Committee examined each item separately and observed as under :-

i) Fixed Assets :

The reconciliation/adjustment for remaining four units still to be done, should be expedited.

The item was kept pending.

ii) Permanent Advances :

Efforts should be made to recover the amount of Rs. 18,799/- . In case the recovery was not possible, the amount should be got written off.

The item was kept pending.

iii) Head Office Current Account :

The adjustments having since been verified by Audit, the item was dropped.

iv) Building Insurance Fund :

Subject to verification of adjustments by Audit, the item was dropped.

25.3.84

The adjustments of fixed assets permanent advance, Head Office Current Account and Building Insurance Fund having been verified by Audit, the para was settled.

9. Para 35 Page 25 of Audit Report On Commercial Accounts for the year 1970-71 - Differences in the Closing and Opening Balances.

5.4.83

The closing balances having been verified by Audit, the para was dropped.

10. Para 36 Page 25 of Audit Report On Commercial Accounts for the year 1970-71 - Non-compliance of PAC Directives in respect of Depreciated Assets.

5.4.83

The compliance of Public Accounts Committee directive dated 4.6.1970 having been verified by Audit, the para was dropped.

11. Para 37 Page 25 of Audit Report On Commercial Accounts for the year 1970-71 - Non-accountal of Assets worth Rs. 1,19,364/- in the Books of G.T.S., Dera Ghazi Khan.

5.4.83

The adjustment of the assets valuing Rs. 1,19,364/- having been verified by Audit, the para was dropped.

12. Para 38 Page 26 of Audit Report On Commercial Accounts for the year 1970-71 - Disposal of Surplus Stores valuing Rs. 13,87,450/-.

5.4.83

The Committee directed the Administrative Department to resubmit the para in the light of the report of the Committee appointed by the Punjab Road Transport Board.

The para was kept pending.

25.3.84

As the Board have approved the write off of the balance of book value Rs. 9,71,264/05, the para was settled.

As regards the apportionment, this aspect of the matter is pending alongwith other apportionment cases. It need not put up to the Committee until the matter settled and the period of one year is allowed.

13. Para 39 Page 26 of Audit Report On Commercial Accounts for the year 1970-71 - Provisional Cost Adjustable.

5.4.83

The para stood already dropped.

14. Para 40 Page 26 of Audit Report On Commercial Accounts for the year 1970-71 - Expenditure of Rs. 2,27,603/- incurred on the Renovation and Repairs of Buses to be Capitalized.

5.4.83

The para stood already dropped.

15. Para 41 Page 26 of Audit Report On Commercial Accounts for the year 1970-71 - Sundry Debtors Amounting to Rs. 1,56,80,888/-.

5.4.83

The Committee directed the Administrative Department to up-date the para till 30th June, 1980.

The para was kept pending.

25.3.84

The Committee reiterated its previous directive of 5.4.1983 that the para should be up dated till 30.6.1980 indicating the ageing position. This may then be submitted to Audit for its observation.

The para may be resubmitted.

1971 - 72

16. Para 31 Page 24 of Audit Report On Commercial Accounts for the year 1971-72 - Net Loss of Rs. 1,92,33,392/-.

5.4.83

The para was referred to the Sub Committee, consisting of Mr. M.Z. Khan and Alhaj Khawaja Habib-ur-Rehman, Members of the Adhoc Public Accounts Committee for detailed examination and report back to the Committee.

The para was kept pending.

25.3.84

The Sub Committee submitted the Report on the Working Results of the Punjab Road Transport Board.

The Report will be considered by the Committee separately for which Secretary Assembly would fix the meeting. The consideration of the para was deferred till the Report of the Sub Committee is considered by the Adhoc Public Accounts Committee.

17. Para 32 Page 24 of Audit Report On Commercial Accounts for the year 1971-72 :- Reconciliation of Figures.

5.4.83

The para was referred to the Sub Committee, consisting of Mr. M.Z.Khan and Alhaj Khawaja Habib-ur-Rahman, Members of the Adhoc Public Accounts Committee for detailed examination and report back to the Committee.

The para was kept pending.

11.12.83 &
12.12.83

The Department had been asked to indicate whether differences in figures between the Accounts furnished by the District Managers and those by the Head Office had been settled. It was stated to have been done and necessary adjustments carried out. This fact may be verified by Audit.

Subject to this verification the para may be dropped.

25.3.84

The adjustments of fixed assets permanent advance Head Office Current Account, and Building Insurance Fund having been verified by Audit, the para was settled.

18. Para 33 Page 24 of Audit Report On Commercial Accounts for the year 1971-72 :- Excess Depreciation.

5.4.83

Subject to verification of the Adjustment by Audit, the para was dropped.

19. Para 34 Page 24 of Audit Report On Commercial Accounts for the year 1971-72 :- Sundry Debtors - Rs. 1,37,91,796/-

or 5.4.83

The para was referred to the Sub Committee, consisting of Mr. M.Z.Khan and Alhaj Khawaja Habib-ur-Rahman, Members of the Adhoc Public Accounts Committee for detailed examination and report back to the Committee.

The para was kept pending.

11.12.83 &
12.12.83

The Department was asked to indicate the present position with regard to the sundry debtors. This has not been done.

A statement may be prepared showing the aging of the debtors.

25.3.84

The Committee reiterated its previous directive of 5.4.1983 that the para should be up dated till 30.6.1980 indicating the aging position. This may then be submitted to Audit for its observation.

The para may be resubmitted.

1972 - 73

20. Para 5 Page 9 of Audit Report On Commercial Accounts for the year 1972-73 - Loss of Rs. 5,90,233/- from the Buses becoming Unserviceable before their normal life due to Inherent Manufacturing Defects Etc.

5.4.83

The para stood already dropped.

21. Para 26 Page 26 of Audit Report On Commercial Accounts for the year 1972-73 - Operational Results and Transport Assets.

22. Para 27 Page 26 of Audit Report On Commercial Accounts for the year 1972-73 - Variation in the Expenditure.

5.4.83

The Committee referred the para to its Sub Committee, consisting of Mr. M.Z. Khan and Alhaj Khawaja Habib-ur-Rahman, Members of the Adhoc Public Accounts Committee for detailed examination and report back to the Committee.

The paras were kept pending.

25.3.84

The Sub Committee submitted the Report on the Working Results of the Punjab Road Transport Board.

The Report will be considered by the Committee separately for which Secretary Assembly would fix the meeting. The consideration of the paras was deferred till the Report of the Sub Committee is considered by the Adhoc Public Accounts Committee.

23. Para 20 Page 27 of Audit Report On Commercial Accounts for the year 1972-73 - Accumulated Loss of Rs. 6,32,42,063/-

5.4.83

The Committee referred the para to its Sub Committee, consisting of Mr. M.Z. Khan and Alhaj Khawaja Habib-ur-Rahman, Members of the Adhoc Public Accounts Committee for detailed examination and report back to the Committee.

The para was kept pending.

11.12.83 &
12.12.83

As Audit confirmed that the action taken by the Department was correct, this para may be dropped

25.3.84

The para was settled.

24. Para 29 Page 27 of Audit Report On Commercial Accounts for the year 1972-73 - Liabilities.

5.4.83

The explanation of the Administrative Department was accepted and the para was dropped.

25. Para 30 Page 27 of Audit Report On Commercial Accounts for the year 1972-73 - Submission of Accounts.

5.4.83

The explanation of the Administrative Department was accepted and the para was dropped.

26. Para 31 Page 27 of Audit Report On Commercial Accounts for the year 1972-73 - Shortages and Excesses of Rs. 45,694/- and Rs. 28,341/- respectively.

5.4.83

The para having been covered in Para 22 of the Commercial Accounts for the year 1974-75, it was deleted.

1973 - 74

27. Para 5 Page 9 of Audit Report On Commercial Accounts for for the year 1973-74 - Infructuous Expenditure of Rs. 60,744/- on the Import of Unserviceable Machinery.

5.4.83

The para was kept pending as the Efficiency and Discipline Rules of the Punjab Road Transport Board had to be examined. The Committee directed the Administrative Department to resubmit the para in the light of the examination under aforesaid Rules.

25.3.84

The degreasing plant has since been auctioned for Rs. 12,000/- . The difference between purchase price and the sales price may be written off. Subject to verification of sanction to write off by Audit, the para was settled.

28. Para 6 Page 9 of Audit Report On Commercial Accounts for the year 1973-74 - Infructuous Expenditure of Rs. 1,17,086/-.

5.4.83

The para stood already dropped.

29. Para 7 Pages 10-12 of Audit Report On Commercial Accounts for the year 1973-74 - Non-recovery of Advances/Penalties and Loss Direct Delay in Fabrication of Bodies and non-return of Chassis involving Rs. 66,68 Lac,

5.4.83

The Committee directed the Administrative Department to resubmit the para bringing out the following points :-

- (i) Whether there was any system of inspection before taking delivery of the bus bodies ?
- (ii) Whether any Bank Guarantee was obtained, if so, the same was not invoked ?
- (iii) 49 chassis were reportedly still available with the firm. Why were they not taken into possession by the Punjab Road Transport Board ?

The Committee further directed that the para should be examined by its Sub Committee consisting of Mr. M.Z. Khan and Alhaj Khawaja Habib-ur-Rehman, Members of the Adhoc Public Accounts Committee for detailed examination and report back to

the Committee.

The para was kept pending.

25.3.84

The Sub Committee constituted by the Public Accounts Committee was still awaiting the reports called for by them from the Department. On receipt of which the case will be taken up by them. The Department was directed to submit these reports within a period of two weeks to the Secretary Assembly. It was further decided that Mr. M.A. Rashid be included as a Member of the Sub Committee.

30. Para 31 Page 26 of Audit Report On Commercial Accounts for the year 1973-74 - Operational Results of the P.R.T.B. for the 1973-74.

5.4.83

The Committee referred the para to its Sub Committee constituted to examine the Accounts relating to Punjab Road Transport Board.

The para was kept pending.

25.3.84

The Sub Committee submitted the Report on the Working Results of the Punjab Road Transport Board.

The Report will be considered by the Committee separately for which Secretary Assembly would fix the meeting. The consideration of the para was deferred till the Report of the Sub Committee is considered by the Adhoc Public Accounts Committee.

31. Para 32 Page 26 of Audit Report On Commercial Accounts for the year 1973-74 - Steps be taken to Improve the Working Results of the Organization.

5.4.83

The Committee referred the para to its Sub Committee, consisting of Mr. M.Z. Khan and Alhaj Khawaja Habib-ur-Rahman, Members of the Adhoc Public Accounts Committee for detailed examination and report back to the Committee.

The para was kept pending.

25.3.84

The Sub Committee submitted the Report on the Working Results of the Punjab Road Transport Board.

The Report will be considered by the Committee separately for which Secretary Assembly would fix the meeting. The consideration of the paras was deferred till the Report of the Sub Committee is considered by the Adhoc Public Accounts Committee.

32. Para 33 Page 26 of Audit Report On Commercial Accounts for the year 1973-74 - Surplus/Obsolete Stores worth Rs. 10,49,698/-

5.4.83

The Committee directed that the Committee of the Punjab Road Transport Board should also consider the write off/apportionment of the loss.

The para was kept pending.

25.3.84

As the Board have approved the write off of the balance of book value Rs. 9,71,264/05, the para was settled.

As regards the apportionment, this aspect of the matter is pending alongwith other apportionment cases. It need not put up to the Committee until the matter is settled and the period of one year is allowed.

33. Para 34 Page 26 of Audit Report On Commercial Accounts for the year 1973-74 - Balances under head "Inventory Adjustment Account Shortages".

5.4.83

The para having been covered in para 22 of the Commercial Accounts for the year 1974-75, the same was deleted.

34. Para 35 Pages 26-27 of Audit Report On Commercial Accounts for the year 1973-74 - Difference of Rs. 6,06,549/-

5.4.83

The para stood already dropped.

1974 - 75

35. Para 20 Page 22 of Audit Report On Commercial Accounts for the year 1974-75 - Operational Results.

5.4.83

The Committee referred the para to its Sub Committee,

already constituted for examination of the Accounts for Punjab Road Transport Board.

The para was kept pending.

11.12.83 &
12.12.83

The Department was requested to indicate the present position of the apportionment of assets of West Pakistan Road Transport Board and that of the Punjab Urban Transport Corporation and Punjab Road Transport Board.

25.3.84

The Committee took notice of the difficulties in arriving at a settlement. The matter was under constant examination of the Apportionment Committee but progress is very slow. The progress achieved may be reported back to the Committee in one year's time.

The para was kept pending.

36. Para 21 Page 22 of Audit Report On Commercial Accounts for the year 1974-75 - Steps be taken to Improve the Working Results of the Organization. - - - - -

5.4.83

The Committee referred the para to its Sub Committee, already constituted for examination of the Accounts for Punjab Road Transport Board.

The para was kept pending.

25.3.84

The Sub Committee submitted the Report on the Working Results of the Punjab Road Transport Board.

The Report will be considered by the Committee separately for which Secretary Assembly would fix the meeting. The consideration of the para was deferred till the Report of the Sub Committee is considered by the Adhoc Public Accounts Committee.

37. Para 22 Page 22 of Audit Report On Commercial Accounts for the year 1974-75 - Shortages and Excesses worth Rs. 1,10,856/- and Rs. 1,14,510/-.

5.4.83

The Committee pointed out to the Punjab Road Transport Board the desirability of improving their system of store account of good inventory control. It was suggested in

particular that the examination may be conducted on a biannual basis, which should lead to efficiency and economy.

The Committee further directed that the Board should take steps for the early investigation and adjustment of the excesses and losses which come to light at the time of stock-taking.

The para was kept pending.

25.3.84

The balance of recovery and adjustment as on 30.6.1975 stood reduced to Rs. 1,78,416/91. This was good progress but the Committee desired that it would be better if recovery/adjustment was prior to the close of the financial year. The Committee noted that the PRTB have already issued relevant instructions on 5.6.1983 under No. S3/Stores/D-P/83 in this respect.

38. Para 23 Page 22 of Audit Report On Commercial Accounts for the year 1974-75 - The Amount under Sundry/Debtors and Recoverable in Cash. - - - - -

5.4.83

The Committee directed the Administrative Department to up-date the para till 30th June, 1980.

The para was kept pending.

25.3.84

The Committee reiterated its previous directive of 5.4.1983 that the para should be up dated till 30.6.1980 indicating the aging position. This may then be submitted to Audit for its observation.

The para may be resubmitted.

39. Para 24 Page 22 of Audit Report On Commercial Accounts for the year 1974-75 - Assets valuing Rs. 22,67,12,595/-.

5.4.83

The Punjab Road Transport Board stated that the balance of Rs. 43,33,262/- had been adjusted in the Consolidated Final Accounts for the year 1977-78, 1978-79 and 1979-80.

Subject to verification of adjustments by Audit, the para was dropped.

40. Para 25 Pages 22-23 of Audit Report On Commercial Accounts for the year 1974-75 - Reconciliation of Accounts.

5.4.83

The Board was asked to reconcile the figures by the end of the financial year all the Bank Accounts.

The para was kept pending.

25.3.84

The Committee noted that 16-Accounts have been reconciled out of 43 Bank Accounts. The Committee desired that the remaining Bank Accounts may also be reconciled expeditiously and for future this essential work should not be allowed to fall into arrears. The Department gave an assurance to the Committee that all the Bank Accounts would be reconciled in six Months' time.

The para was kept pending.

41. Para 26 Page 23 of Audit Report On Commercial Accounts for the year 1974-75 - Consolidated Accounts.

5.4.83

The para stood already dropped.

42. Para 27 Page 23 of Audit Report On Commercial Accounts for the year 1974-75 - Variation in Rolling Stock.

5.4.83

The para stood already dropped.

1975 - 76

43. Para 3 Page 4 of Audit Report On Commercial Accounts for the year 1973-76 - Non-inclusions of Accounts.

5.4.83

The para was dropped.

1976 - 77

44. Para 3 Page 4-5 of Audit Report On Commercial Accounts for the year 1976-77 = Compilation of Accounts.

5.4.83

The para was dropped.

1977-78 to 1979-80

45. Para 24 Page 20 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 = Non-recovery/ Adjustment of Advance of Rs. 81,860/-.

7.9.83

The Administrative Department explained that the Anti - Corruption Authorities have completed the inquiry against Mr. Mehmood Ahmed Aziz, Overseer and the matter is shortly going before the Court. As regards the verification report and their findings, the Anti-Corruption authorities have been approached to provide a copy which they would do shortly. Further that reply to Audit's queries will be furnished and action taken in the light of this against other persons involved.

The para was kept pending.

25.3.84

A copy of the judgment of the Anti-Corruption Court together with verification report of the Anti-Corruption Department may be furnished to Audit for their comments.

This para may be resubmitted with Audit Comments.

46. Para 25 Pages 20-21 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 = Loss of Cash Rs. 1,75,270/-.

7.9.83

The Administrative Department explained that a magisterial inquiry has been conducted and on the basis of the findings, the District Manager concerned had been awarded punishment. The Department stated that his pay had been reduced to the initial stage whereas in his D.O. letter to the Inspector General of Police, the Additional Chief Secretary had said this was by one stage. This point may be clarified. It was requested that a copy of the Magisterial Inquiry Report may be submitted to the Committee and to Audit stating the

disciplinary action taken against other officials who were also at fault. It was also stated that the Additional Chief Secretary had addressed a D.O. letter to the Inspector General of Police for re-investigation of the case. Result of this request may be indicated.

The para was kept pending.

25.3.84

This para was referred to the Sub Committee. The upto-date position as desired by them may be made available as early as possible.

47. Para 498 Page 227 of Audit Report On Commercial Accounts for the year 1977-78 to 1979-80 Operational Results of P.R.T.B.

7.9.83

The Administrative Department was requested to let the Committee have information regarding the working results of the P.R.T.B. for the period ending 30th June, 1982 so as to arrive at the overall position of the operational results of the P.R.T.B.

As regards the off road percentages, the Committee pointed out that in some units they were as low as 1% whereas in others they were as high as 46%. The Department may examine the position and let the Committee know the reasons for this.

Further the Department had indicated the steps taken to improve the position to arrest leakage of income, spareparts and maintenance etc., and reduction of overheads. The result of these efforts may be indicated for the period ending 30th June, 1982.

It was found that some of the units were definitely over staffed. It was explained that due to the labour laws the Board had to carry the surplus staff. The Department may indicate the staff which is surplus and what steps can be adopted in order to minimise the loss on this accounts.

The para was kept pending.

25.3.84

The Sub Committee submitted the Report on the Working Result of the Punjab Road Transport Board.

The Report will be considered by the Committee separately for which Secretary Assembly would fix the meeting. The consideration of the para was deferred till the Report of the Sub Committee is considered by the Adhoc Public Accounts Committee.

48. Para 199 Page 227 of Audit Report On Commercial Accounts for the year 1977-78 to 1979-80 - Net Loss of Rs. 3,76,083/-

7.9.83

The Administrative Department was requested to let the Committee have information regarding the working results of the P.R.T.B. for the period ending 30th June, 1982 so as to arrive at the overall position of the operational results of the P.R.T.B.

As regards the off road percentages, the Committee pointed out that in some units they were as low as 1% whereas in others they were as high as 46%. The Department may examine the position and let the Committee know the reasons for this.

Further the Department had indicated the steps taken to improve the position to arrest leakage of income, spareparts and maintenance etc., and reduction of overheads. The result of these efforts may be indicated for the period ending 30th June, 1982.

It was found that some of the units were definitely over staffed. It was explained that due to the labour laws the Board had to carry the surplus staff. The Department may indicate the staff which is surplus and what steps can be adopted in order to minimise the loss on this account.

The para was kept pending.

49. Para 200 Page 227 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Obsolete Stock of Form Rs. 1,24,055/-

7.9.83

The Administrative Department explained that the obsolete computer forms valued at Rs. 128,611/- have been consumed as office stationery and this amount had also been written off by the Board in its 53rd meeting held on 4.5.1977.

As such this portion of the para may be dropped.

As regards the surplus and obsolete stores worth Rs. 11,24,055/- and Rs. 3,11,975/- had been disposed of through negotiations. An amount of Rs. 7,27,932/93 had been written off by the P.R.T.B. in its 56th meeting. This left a balance of obsolete stores totalling Rs. 76,120/49. The Department was requested also to dispose of this store at an early date.

The para was kept pending.

25.3.84

The Department stated that the action is under way. The stores worth Rs. 60,915/- only remained to be accounted for.

The para is kept pending until necessary action in this connection has been finalised.

50. Para 201 Page 227 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Abnormal Rise in Financial Charges.

7.9.83

The Administrative Department's explanation that the rise in financial charges was mainly due to the high percentage of interest, was accepted.

The Department explained that the figure under sundry debtors and capital/other advances had been brought down a good deal and most of the amounts had been recovered/adjusted on receipt of relevant documents. Audit, however were of the view that progress needed to be improved as this figure stood at Rs. 31.308 million on 30.6.1980 and debtors totalling 30 million pertained to 1974-75. The Department was requested to expedite adjustment/recovery so as to bring down this figure to the minimum.

The para was kept pending.

25.3.84

The amount of sundry debtors required adjustment for the year 1982-83 is Rs. 2.40 crores. As already directed the outstanding amounts in respect of sundry debtors should be brought down as quickly as possible. Further the direction that the lists be compiled after ageing should be complied with.

The para was kept pending.

51. Para 202 Page 228 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Advances and Forward Payments.

7.9.83

The Administrative Department explained that the High Court had given a ruling that the Board was not liable to income tax. They were requested to bring this fact to the notice of the Central Board of Revenue and to give them a copy of the judgment so that they may ask the Commissioner of Income-Tax to authorise a refund. This matter may be actively pursued. As regards the customs/duty and sales tax, the matter was said to be sub judice. The Department was asked to pursue the matter vigorously with the Court.

25.3.84

The case is sub judice. The Department may follow it up closely in order to arrive at a settlement.

The para was kept pending.

52. Para 203 Page 228 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Suspense Accounts.

7.9.83

The Administrative Department stated that the figure under the head 'Suspense Accounts' had now been brought down a great deal. Further that they had started a clearing house in order to expedite such settlements. They were advised that they should have more frequent meetings of this clearing house in order to ensure that the bulk of the suspense is cleared prior to the closing of the annual accounts.

25.3.84

According to the Department the remaining balance under the head 'Suspense Accounts' now stands at Rs. 2.454 million after necessary adjustment in the Accounts of 1982-83. The Department was directed to do the aging as desired in case of sundry debtors and the amounts cleared through special and effective efforts as early as possible.

53. Para 204 Page 228 of Audit Report On Commercial Accounts for the years 1977-78 to 1979-80 - Annual Accounts.

7.9.83

The Board had approved the annual accounts so the para may be dropped.

LAHORE:

The

(CH. HABIB ULLAH)
SECRETARY,

Provincial Assembly of the Punjab.

Report typed
by

"Haji Alamgir"

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Muhammad Shahid Gestetner Operators.

REPORT OF THE ADHOC PUBLIC ACCOUNTS COMMITTEE
IN RESPECT OF THE WORKING RESULTS OF PUNJAB
ROAD TRANSPORT BOARD.

10.4.84

The Report of the Sub Committee on the working results of the Punjab Road Transport Board was considered today. After detailed discussions with the Administrative Department, Finance Department and representatives of the Punjab Road Transport Board, the Committee decided that the Report be forwarded to Government for consideration with the recommendation that the position can only be improved if the Punjab Road Transport Board is given a start de novo with full powers, financial and administrative as are enjoyed by the private sector, in particular with regard to the dealings with its staff, acquisition of new vehicles and other such policy matters.

To:

The Chief Secretary
Government of the Punjab,
Lahore.

No. PAC/SGA&ID/70-77/84/ 1717

Dated Lahore, the 15.4.1984

Subject: WORKING RESULTS OF P.R.T.B.

Sir,

I have the honour to enclose a copy of the MINUTES and Committee's Report on the working of the Punjab Road Transport Board for consideration of the Government. After detailed discussions with the authorities concerned, the Committee had come to the conclusion that in order to improve the working of the Punjab Road Transport Board, it should be given a completely fresh start, and all past losses should be written off. It should be provided with sufficient resources to purchase new vehicles and other equipment required. The Punjab Road Transport Board should be vested with full administrative and financial powers as are enjoyed by the private sector, in particular with regard to the dealings with its employees, replacement of vehicles, fixation of fares and other similar policy matters. Similarly, Punjab Road Transport Board should be made responsible not only for efficient working but also to show an overall profit on the capital invested by Government.

The Committee appreciated that this is a drastic step but desires to emphasize that unless such a measure is taken the present hopeless position cannot be improved. I am also to request that this letter with the Report or its summary, may be placed before the Governor for his kind consideration.

Your obedient servant

Sd/-

(MIAN M.ARSHAD HUSSAIN)

Chairman,

Encl: As above.

Adhoc Public Accounts Committee.

No. & date even:

A copy, alongwith a copy of the MINUTES and Report is

forwarded to :-

1. The Additional Chief Secretary,
Government of the Punjab,
Services, General Administration & Information
Department.
2. The Secretary to Government, Punjab,
Finance Department.
3. The Managing Director,
Punjab Road Transport Board, Lahore.

Sd/-

Chairman
Adhoc Public Accounts Committee.

Encl: As above.

REPORT ON THE WORKING RESULTS OF PUNJAB ROAD TRANSPORT
BOARD
SERVICES, GENERAL ADMINISTRATION & INFORMATION DEPARTMENT

(TRANSPORT CELL)

10.4.84

Para No. 32	1970 - 71
Paras No. 31, 32 and 34	1971 - 72
Paras No. 26, 27 and 28	1972 - 73
Paras No. 7, 31 and 32	1973 - 74
Paras No. 20 and 21	1974 - 75
Paras No. 198, 199 and 201	1977 - 78 to 1979 - 80

During the three decades of its existence not only have the operations of the P.R.T.B. proved unremunerative (from 1970- to 1981 the cumulative loss was Rs. 677.27 millions) but there has been continuous dissatisfaction by the Public at large at the service it is generally rendering. It will be observed from a perusal of (Annexure-I) that the working financial position of the Board continued to deteriorate over the years. The position being as follows :-

	<u>1970-71</u>	<u>1975-76</u>	<u>1978-79</u>	<u>1979-80</u>	<u>1980-81</u>
(in millions)					
Total Expdt:	65.12	316.58	325.70	352.82	350.61
Total Income	48.88	278.89	210.38	250.02	237.14
Nett Loss	16.24	37.69	115.32	102.80	113.47

It would be seen that although the mileage operated during 1976-77 to 1979-80 was lesser than in 1975-76, but the expenditure which was on the high side continued to rise year by year.

2. The Department have ascribed a number of reasons for the losses sustained by the P.R.T.B. which are indicated below :-

- i) Providing cheap urban transport.
- ii) Concessional fares allowed to students and their misuse and heavy income leakage.
- iii) Operation of Un-remunerative routes.
- iv) Seventy five percent of the capital being high interest debentures.
- v) Unrealistic and late revision of fare tariff.
- vi) Rapid escalation in cost of transport inputs.
- vii) Non-exemption from payment of taxes.
- viii) Induction of untried buses.

- ix) High percentage of off road buses.
- x) Permissive labour policy.

(i) Cheap Transport and Concessional Travel
and

(ii) In elaboration of the losses arising from urban services (Annexure-II) the Department stated that the following general factors were responsible for these losses :-

a) Student Travel :-

Student travelling on intercity routes, pay only fifty percent fare. In cities previously they paid a token fare of 10 paisa per trip upto 20 miles travelled and now 25 paisa per trip. The Department have estimated that students constitute 7% to 10% of the travelling public. Besides, there was a good deal of misuse by the general public of this concession. The total loss in this respect was considered to be Rs. 138.80 million for the period 1971-72 to 1976-77 (January 31, 1977).

- b) Low out turn of vehicles due to frequent stoppages, sharp turns, operation in low gear. All these factors lead to excessive consumption on fuel and lubricants etc and more wear and tear of buses which resulted in increased expenditure on repair and maintenance.
- c) During peak hours due to the rush, a large number of the passengers did not purchase tickets. Besides some conductors pocketed the money and did not issue tickets. On the formation of the P.U.T.C. (in January, 1977), it was added that after considering all these factors and the peculiarity of urban transport, the Federal Government had allowed the P.U.T.C. a monthly subsidy of Rs. 2.5 millions to make up the losses on its urban operation.

(iii) Operation of Un-renumerative routes :- (Annexure-III)

Under Government directions in the interests of the public the P.R.T.B. has to operate 37 un-renumerative routes. These routes fetched less income than what should have been earned. The annual loss of which was estimated to be Rs. 2.20 millions.

(iv) High Interest Debenture Loans :-

Prior to 1973-74 the entire investment of the Board was through loans carrying an interest of 4% considering it as a public utility organisation. Thereafter, the Board was made to finance the purchase of its buses by obtaining debenture loans with the high interest rate of 12 $\frac{1}{2}$ %. Now 75% of the capital investment was said

to be of debenture lonas. From 1974-75 to June 30, 1981 the excess amount of expenditure as a result of the higher interest rate amounted to Rs. 149.18 millions.

(v) Unrealistic fare Tariff and Increase in Cost of Inputs:
and
(vi)

The Department contended that another major cause of the losses was the unrealistic fare tariff and its late revision. The fare was enhanced seven times from 1970-71 to 1981-82 but it never matched the increases in cost of inputs as well as salaries and wages. It was added while the fares were raised periodically the cost of inputs increased progressively year by year. There had been a price escalation in the cost of fuel lubricants, tyres, tubes and spare parts etc. year by year. The trend is indicated in (Annexure-IV). It was pointed out that while the cost of inputs registered an increase of 465% over 1972 the fare tariff had risen by only 260%.

The wage bill rose from Rs. 67.90 millions in 1975-76 to Rs. 79.97 in 1980-81. As a matter of fact due to the decrease in the number of road worthy buses, the staff became surplus and should have been retrenched. But this could not be done because of Government's policy to avoid a law and order situation. It was stated that there was surplus staff to the extent of 1246 employees out of which it was only possible to adjust 365 surplus employees. This was done by stopping fresh recruitment.

(vii) Payment of Taxes :

It was stated that the Board was required to pay several taxes such as road tax, customs duty, sales tax, toll tax, property tax et. Despite several attempts exemption was not granted by the Federal and Provincial Governments. The Department admitted that the private transport sector also had to pay these taxes and still earned profits.

(viii) Untried Buses :

Out of the new buses inducted into the fleet from 1974, 750 buses such as Csepel, Roman and BLMC proved sub-standard and due to inherent defects they were frequently off the road and there were more break downs enroute resulting in high rate of refund of fares. The Board were asked but were unable to identify the loss from such buses because they were mixed up with other buses in all the Depots.

(ix) Off Road Buses : (Annexure-V)

The codal provision of 25% buses being off the road was often exceeded. It was explained that those buses which were beyond economic repair had also been included in this figure. In order to reduce the high percentage of off road fleet, phasewise special programmes were

chalked out to undertake their proper repair and make them roadworthy. As a result average percentage of off road vehicles was reduced in 1976 from 24.3% to 14.2%.

x) Permissive Labour Policy :

The Department stated that due to the permissive labour policy of the previous Government, the workers ceased to take a keen interest in performing their duties. The labour force strived more for gaining additional fringe benefits for themselves than in the interest of the industry itself. It was added that healthy labour/management relations was a sine qua non for efficient industrial productivity. Further skilled technical staff fitters and mechanics left the P.R.T.B., for far better prospects abroad which adversely affected the efficiency of the workshops. Consequently, the proper and prompt maintenance of the fleet suffered.

3. The Department stated that the P.R.T.B. was exercising functions of the Government on whose behalf it was providing economic, adequate and co-ordinated system of road transport throughout the Province. The P.R.T.B. like other socially oriented services was not likely to become economically feasible in the foreseeable future unless relief such as exemption from payment of taxes was given and a timely revision of fares allowed. Further that it was a well known fact that transport organisations in the Public Sector were losing concerns all over the world.

4. They were asked to indicate the steps taken to improve the financial position. It was stated that the following measures had been adopted for effective control over leakage of income, spare parts, maintenance etc :-

- a) The services of special magistrates had been acquired and teams of checking staff attached with them together with police staff to carry out surprise checks.
- b) Groups of traffic police staff have been attached with the Inspecting Officer at P.R.T.B. Headquarters Office who also carried out surprise checks.
- c) Departmental Audit parties were deputed to internally Audit the accounts, scrutinise the receipts, purchases and issue of spare parts together with consumption of fuel.
- d) Stock verifiers were deputed to carry out a 100% physical check twice a year of stores and spare parts.

5. As brought out by Audit the financial position of the Board has been worsening from year by year. Despite increase in the number of miles operated by their fleet the losses have mounted. Even during the period after January, 1977 when the urban services were taken over by the P.U.T.C. the

losses did not come down. Now the P.U.T.C. is back with the P.R.T.B., so in all probability the losses are likely to rise. It is suggested that the year by year losses so far should be analysed and they may be written off with the approval of the Board.

6. The Department have indicated some remedial steps taken by the Board to arrest these losses, but experience has shown that they have not proved as effective as they should have been. So unless more drastic measures are adopted, and closer supervision exercised the position will not improve and Government will have to live with the losses of the P.R.T.B. However, in order to avoid increase in the losses due to the reversion of the P.U.T.C. it is suggested that while overall supervision may be retained by the Board but the P.U.T.C. should be kept as separate unit both administratively and financially. It is learnt that the P.R.T.B. is acquiring a large number of new buses. It would be wise for the Department to restrict acquisition of new vehicles only to the extent of replacement of time expired buses and not to add to the size of the already unmanageable fleet.

Draft Para No. 32 (1970-71)

ANNEXURE-I

STATEMENT SHOWING WORKING RESULTS OF THE P.R.T.B. LAHORE FOR THE YEARS 1970-71 TO 1980-81

(Figures in Millions Except Per Mile/Per Kilometer)

Sr. No.	Particulars	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
1. Mileage Operated												
Miles		34,228	16,923	18,102	26,013	59,572	101,232	84,475	61,101	49,780	46,271	40,485
K.Ms.		55,107	27,246	29,144	41,880	95,910	162,983	136,004	98,372	80,145	74,035	65,182
2. Total Expenditure.	65,132	59,286	54,862	74,850	158,649	316,584	361,188	311,892	325,700	352,822	350,611	
3. Total Income.	48,889	40,053	33,190	52,237	134,854	278,890	259,266	209,393	210,386	250,015	237,138	
4. Expenditure												
Per Miles.	1.902	3.503	3.030	2.878	2.663	3.127	4.275	5.105	6.542	5.403	8,660	
Per K.Ms.	1.181	2.175	1.882	1.787	1.654	1.942	2.665	3.170	4.063	4.765	5.378	
5. Income												
Per Miles.	1.428	2.366	1.833	2.012	2.263	2.755	3.069	3.427	4.278	5.403	5.857	
Per K.Ms.	0.887	1.470	1.138	1.247	1.406	1.711	1.906	2.128	2.625	3.377	3.638	
6. Net Loss.	16,243	19,233	21,672	22,621	23,795	37,694	101,922	102,499	115,314	102,807	113,473	

ANNEXURE-II

SERVICE-WISE (URBAN SERVICES) ANNUAL BREAK UP OF LOSSES FROM 1970-71 TO 1975-77 (JANUARY, 1977).

DP-32 (1970-71)

Year	LOS Ichhra Lahore	I.O.S. Rawalpindi	I.O.S. Guiberg	I.O.S. (B/E) Lahore	I.O.S. Lakhpur Lahore	I.O.S. Kot Lahore	I.O.S. Sadar Lahore	Total (Figures in Lac)
1970-71	72,60,558.00	19,99,896.00	—	—	—	—	—	92.61
1971-72	30,60,153.00	23,35,617.00	29,41,847.00	22,27,538.00	—	—	—	105.65
1972-73	39,88,651.00	27,52,599.00	—	44,07,539.00	—	—	—	111.49
1973-74	47,72,692.00	19,74,500.00	—	30,29,241.00	—	—	—	97.76
1974-75	42,05,291.00	41,43,460.00	18,21,541.00	25,95,737.00	28,332.00	—	—	127.94
1975-76	74,44,840.00	46,50,423.00	93,96,555.00	61,41,420.00	76,70,960.00	4,29,645.00	354.34	
1976-77 (Upto 31.1.1977)	1,45,76,433.00	80,42,056.00	1,01,71,333.00	52,38,497.00	87,74,157.00	30,08,584.00	498.11	
Total:-	4,50,08,618.00	2,58,98,551.00	2,43,31,276.00	2,36,40,022.00	1,64,73,449.00	34,38,229.00	1,387.90	

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ANNEXURE-III

LOSSES ON ACCOUNT OF OPERATION OF UN-REMUNERATIVE ROUTES

Sr. No.	Name of Route	Buses Deployed	Target Income Per K.M.	Income Earned Per K.M.	Monthly Loss
<u>GTS GUJARAT</u>					
1.	GRT-Jilalpur Jattan	3	Rs. 3.15	2.64	4,441.00
2.	GTS-Daulat Nagar	1	"	1.89	484.00
3.	GRW, GRW Cantt.	4	"	2.56	6,774.00
<u>GTS - RAWALPINDI</u>					
4.	Chakwal Dullah	1	"	2.85	1,231.00
5.	" Thanil Kamal.	1	"	2.03	1,433.00
6.	" - Bheem.	1	"	2.00	706.00
7.	" - Roopwal.	1	"	2.17	3,049.00
8.	" - Karasal.	2	"	2.94	369.00
9.	" - Shuge.	1	"	2.91	79.00
<u>GTS - SARGODHA</u>					
10.	SRG - Skasar.	2	"	1.88	27,981.00
11.	Noshehra-Skasar.	1	"	1.19	3,292.00
12.	SRG - Angha.	1	"	1.82	7,257.00
13.	" - Mardwal.	1	"	1.94	6,388.00
14.	" - Depot.	1	"	2.23	3,080.00
<u>GTS - ISLAMABAD</u>					
15.	R.B. Jewra Nara.	2	"	2.49	5,775.00
16.	" - Kanjar.	2	"	2.47	2,420.00
17.	" - Kalar Sydan.	5	"	2.19	12,036.00
18.	" - Basali.	3	"	2.46	4,426.00
19.	" - Dubarian.	1	"	2.06	4,730.00
20.	" - Letrar.	1	"	2.11	5,047.00
21.	" - Banda Pail.	4	"	2.22	18,049.00
22.	" - Dumali.	2	"	2.58	3,183.00
23.	" - Rawala Kot.	2	"	2.54	5,389.00
24.	" - Chinari.	2	"	2.48	3,003.00
25.	" - Chakar.	2	"	2.39	1,587.00
26.	" - Bun.	2	"	2.28	3,250.00
27.	" - Upper Dewal.	1	"	2.26	2,367.00
28.	" - Dulli.	2	"	2.62	2,681.00
<u>GTS - DERA GHAZI KHAN</u>					
29.	D.G.Khan - Vehova.	3	"	1.37	3,378.00
30.	" - Vehova Leiah.	3	"	2.14	13,952.00
31.	" - Taunsa Leiah.	2	"	2.35	6,688.00
32.	" - Nautkani.	1	"	2.06	3,218.00
33.	" - Kharar Buzdar.	1	"	1.69	2,409.00
34.	" - Sakhi Sarwar.	1	"	2.50	613.00

Sr. No.	Name of Route	Buses Deployed	Target Income Per K.M.	Income Earned Per K.M.	Monthly Loss
35.	D.G.Khan - Haji Pur	1	Rs. 3.15	2.34	3,175.00
36.	" - Mehrewala.	1	"	2.15	3,120.00
37.	" - Chott Bali.	1	"	2.58	306.00

SUMMARY

No of Routes = 37
No of Buses Deployed = 64
Monthly Loss = Rs. 1,83,106--00
Annual Loss = Rs. 21,90,232--00 Or Say
Rs. 21.98 Lacs.

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ANNEXURE-IV

INCREASE IN PRICES

<u>Sr. No.</u>	<u>Particulars</u>	<u>1973-74</u>	<u>1974-75</u>	<u>%</u>	<u>1975-76</u>
1.	Cost of Chassis.	67,960.00	93,400.00	37	1,29,500.00
2.	Cost of Bodies.	24,000.00	40,000.00	67	45,000.00
3.	Engine Assembly.	30,207.00	34,316.00	14	62,500.00
4.	Crank Shaft.	1,567.00	4,037.00	158	4,850.00
5.	Gear Box.	6,716.00	8,500.00	27	10,200.00
6.	Tyre and Tubes.	870.00	1,337.00	54	1,521.00
7.	Diesel.	5.87	5.87	-	6.05
8.	Road Tax Per Seat.	44.00	52.00	18	52.00
9.	<u>Wages</u>				
i)	Drivers	300.00	325.00	8	325.00
ii)	Conductors.	235.00	260.00	11	260.00
iii)	Mechanics.	325.00	350.00	8	350.00
iv)	Fitter.	235.00	260.00	11	260.00
v)	Junior Clerk.	300.00	325.00	8	325.00
vi)	Senior Clerks.	325.00	350.00	8	350.00
10.	<u>Fare</u>				
	Fare rates for intercity routes.	2.80 Paisas per K.M.	3.11 Paisas per K.M.	11	No change

%	1976-77	%	1977-78	%	1978-79
39	1,43,000.00	26	1,00,777.00	26	1,80,777.00
13	45,000.00	-	52,000.00	16	55,000.00
82	64,000.00	2	65,000.00	2	65,000.00
20	7,410.00	53	-	-	15,750.00
20	13,450.00	32	-	-	-
14	1,675.00	10	1,094.00	28	1,784.00
3	6.41	6	-	-	8.68
-	65.00	25	84.00	29	84.00
-	477.00	47	409.00	3	517.00
-	430.00	65	439.00	2	448.00
-	490.00	40	504.00	3	536.00
-	430.00	65	438.00	2	458.00
-	477.00	47	489.00	3	501.00
-	490.00	40	504.00	3	518.00

4 Paisas
Per K.M.

29

No Change.

5 Paisas
Per K.M.

%	1979-80	%	1980-81	% of Increase
-	2,00,039.00	13	2,15,000.00	3
6	65,000.00	13	70,000.00	8
-	68,000.00	5	70,000.00	3
-	15,750.00	-	16,500.00	5
-	-	-	-	-
-	2,500.00	40	2,600.00	4
-	11.83	36	14.13	19
-	84.00	-	84.00	-
6	618.00	20	662.00	7
2	539.00	20	573.00	7
6	641.00	20	687.00	7
4	544.00	19	598.00	10
2	597.00	19	639.00	7
3	619.00	19	663.00	7
25	7 Paisas Per K.M.	40	8 Paisas Per K.M.	14

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STATEMENT SHOWING OPERATIONAL WORKING RESULTS OF
TOTAL FLEET OF PUNJAB ROAD TRANSPORT BOARD, LAHORE
FOR THE YEARS 1970-71 TO 1980-81.

Sr. No.	Particulars	1970-71	1971-72	1972-73
1.	Total No. of Routes.	508	247	236
2.	Buses on Road.	722	557	473
3.	Off Road.	695	772	592
4.	Miles Operated	3,42,28,280	1,69,22,752	1,04,02,398
5.	Income Earned.	4,00,00,791	4,70,53,075	3,31,09,594
6.	Expenditure.	6,51,32,083	5,92,96,467	5,48,61,923

ANNEXURE-V

1973-74	1974-75	1975-76	1976-77	1977-78
219	199	264	238	178
768	1,426	1,977	1,139	1,163
653	729	1,262	1,227	1,273
2,60,12,566	5,95,71,064	10,12,32,000	10,99,25,000	8,11,01,000
5,23,36,720	13,48,54,386	27,88,90,031	25,92,65,600	20,93,93,000
7,40,50,337	15,06,49,352	31,65,84,114	35,92,22,641	31,10,92,000

1970-79	1979-80	1980-81
105	171	160
1,156	1,029	892
1,211	1,274	1,330
4,97,80,000	4,62,71,000	4,04,85,000
21,03,86,000	25,00,15,000	23,71,30,000
32,57,00,000	35,28,22,000	35,06,11,000

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