Chapter V

FINANCIAL COMMITTEES: ASSESSMENT AND RECOMMENDATIONS

The financial committees play the role of watchdogs over the activities of the Government by scrutinizing its actions, and serve as a deterrent to slackness, negligence, arbitrariness and extravagance in the financial administration. Through a constant vigilance the committees submit recommendations to ensure financial discipline in expenditure and revenue as well as keep the Government constantly aware of its actions, responsibilities and shortcomings. A scrutiny of the public expenditure and a probe into the affairs of the administration by them have proved highly effective and produced salutary effects on the executive. A detailed account of the recommendations made by the various financial committees of Haryana legislature from time to time is given below.

Recommendations of the Public Accounts Committee

The Public Accounts Committee of the Haryana Vidhan Sabha has made very useful recommendations in its reports concerning all the major departments dealing with both plan and non-plan expenditure. During a
period of 10 years (from 1974 to 1984), it has presented sixteen reports containing 236 recommendations. The recommendations can be broadly classified and analysed under the following categories:

**Financial Administration**

It has been found that the committee has time and again impressed upon the concerned departments to devise ways and means to exercise effective control over the public expenditure. It has also urged the Government to tighten up the budgetary and appropriation control. The committee has highlighted the following financial irregularities committed by the Government, from time to time.

In most of its reports, the Public Accounts Committee complained that although an excess expenditure was said to have been necessitated due to some unavoidable circumstances, yet it is surprising that full facts regarding those circumstances were not placed before the committee. The committee recommended that such cases must be investigated thoroughly and if default was found, responsibility should be fixed
on the defaulting officials. The committee felt that the concerned Board or department, e.g., the Haryana State Electricity Board, should have made earnest and timely efforts regarding the non-supply of insulators and other material within the extended validity period. The committee for the year 1979-80 observed that the said Board failed to process the tenders within due time and convey its acceptance to the lowest tenderer before the expiry of the validity period specified by it, resulting in an avoidable extra expenditure of ₹0.96 lakhs and the consequent loss to the State Government.

The committee recommended that the department should avoid such lapses in future and make all-out efforts to finalise the tenders within the validity periods offered by the firms. It suggested that whenever it was not possible to do so, an extension

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94. Ibid., p. 17.
in the validity period should be obtained well in time, otherwise such lapses would be viewed seriously by it\textsuperscript{96}. Apart from this, it had also noticed some lapses resulting from non-completion of the requisite formalities within due time. In its fifteenth report too, the committee reiterated the same points and urged for taking suitable measures to streamline the existing procedures to avoid similar cases of losses to the public exchequer in future\textsuperscript{97}.

Another objection raised by the committee was that an excess grant/charged appropriation had almost become endemic with the departments of the Government to incur expenditure outside the sanctioned budget. Such irregularities are considered as serious and the most unpardonable parliamentary faults committed by Government departments against the financial powers of the legislature. However, despite the committee's repeated warnings that the expenditure should be limited to the grants/appropriations as authorised by

\textsuperscript{96} Ibid.

\textsuperscript{97} Ibid. And also see Sixteenth Report of the Public Accounts Committee, 1979-80 (Chandigarh, Haryana Vidhan Sabha Secretariat, February 1980), para 4, p. 17.
the legislature, government departments have been indulging in this objectionable practice time and again. The committee felt that normally, there should be no case of excess expenditure over a grant or appropriation, but, if on some occasions, the incurring of extra expenditure became necessary, sanction of the legislature should be obtained for the same during the financial year. If for some cogent reasons it was not possible to get the extra expenditure approved by the legislature during the financial year, the constitutional provision of taking advance from the Contingency Fund should be utilized. The committee had also observed that in certain cases the reasons for the excess expenditure were not communicated in time and, therefore, recommended that in such cases an explanation for the excess expenditure should be communicated to the Accountant General, Haryana, well in time. The committee made similar observations.


in most of its various reports. In the second epitome, the committee recommended that "responsibility should be fixed on the controlling officers who had allowed the excess expenditure to be incurred and the results should be intimated to the committee" 100.

In its fourteenth report the committee, while examining the working of the Education Department, noticed that funds had been drawn from treasuries towards the close of the financial year in order to avoid lapse of the budget grants, in spite of clear provisions in the financial rules of the Government that no money should be drawn from the treasury unless it was required for immediate disbursement. The committee felt that such a practice was obviously fraught with grave risks and could lead to misappropriation/embezzlement, apart from circumventing the provisions of the financial rules and the budgetary system.

In the same report the committee also observed that a large number of utilisation certificates had still to be furnished to audit by the various departments. Even the certificates relating to grants disbursed as far back as 1957-58 and onwards, were

100. Second Epitome of the Public Accounts Committee, n. 93, p. 25.
still outstanding. It also felt that in their absence it could not be vouchsafed that the grants had been spent for the purpose for which they had been sanctioned. Non-submission of such certificates was fraught with grave risks as cases of misutilisation or irregularities were likely to remain undetected, the committee added.

The committee further recommended that the Government should consider the desirability of withholding payments of further grants to the institutions not submitting the utilisation certificates within the prescribed time limit.

It was also observed that there had been absence of effective and adequate follow-up action after the cases involving loss of public money through misappropriations and other irregularities had come to its notice, thereby delaying the process of bringing


the culprits to book. It even led to the disappearance of valuable evidence and provided an opportunity to the culprits to tamper with records and ultimately weaken the prosecution cases when launched.  

A large number of cases of fraud, embezzlement and misappropriation were also dealt with by the Public Accounts Committee. It noted that sometimes the cases reported even to the police for investigation were considerably delayed and on other occasions the enquiry conducted by the police was not effective and adequate. Consequently, the guilty officials could not be brought to book. So the committee recommended that detailed investigations be conducted immediately to determine the responsibility and negligence of the supervisory staff at each level.

Organizational Functions

The Public Accounts Committee duly emphasized the functional aspects of various departments. It

104. Second Epitome of the Public Accounts Committee, n. 93, p. 25.
105. Ibid., p. 44.
106. Ibid., p. 38.
found that it was quite customary and very common that most of the departmental activities took abnormal time. The committee observed that inordinate delays not only caused heavy losses to the public exchequer but also great inconvenience to the people.

The committee found that the written replies to some of the questionnaires were not furnished by the departments within the prescribed period in spite of the fact that the time for sending replies was raised for two to four weeks on the suggestion of the Chief Secretary to the Government of Haryana. It also noticed that replies in some cases were submitted at the nick of time, i.e. just before the commencement of the meetings of the committee. It not only caused inconvenience to the members but also frustrated the very purpose of the oral examination of the departmental representatives due to the lack of proper study of the material by the members of the committee and the verification of facts by the Accountant-General. The committee felt that the responsibility for submission of the replies within the stipulated period was entirely of the Administrative

Secretary of the department concerned. It reiterated its earlier recommendations that suitable instructions be issued to all the Administrative Secretaries in this regard. It also recommended that it might also be made clear to them that such delays in future would be viewed seriously calling for suitable action against the delinquent officials.

The committee added that if in a particular case, the department was not in a position to furnish the written reply within the stipulated period, the grounds for such inability, and a firm date by which the replies would be sent, should be intimated to the Vidhan Sabha Secretariat well before the date of a meeting.

Some of the age-old Acts/rules were found by the committee to be unsuitable or irrelevant in the existing conditions. It held that these Acts/rules

108. Ibid., p. 1.
were responsible in several cases for inefficiency and inordinate delays in the smooth functioning of Government departments. Therefore, they needed to be suitably amended or modified.

In some cases of misappropriations/losses, the committee did not rule out the possibility of lacunae in the existing rules/procedures. It, therefore, recommended that suitable remedial measures should be devised to plug the loopholes in the existing rules/procedures of the department concerned\(^{111}\).

**Organisation**

It is a usual practice in any administrative set-up that the resources must be organised in such a way as to avoid any wastage and ensure their optimum utilization so as to bring about efficiency and effectiveness in any organisation. The committee had duly emphasized the necessity of organising the Government departments on these lines.

During the examination of various departments it was found by the committee that there was lack of supervision and control on the part of the supervisory

\(^{111}\). *Seventh Report of the Public Accounts Committee*, n. 102, para 45, p. 69.
staff. It led to inefficiency, ineffectiveness, misappropriations and other irregularities. The committee felt that it was essential to exercise a close supervision on the working of the departments so as to curb these lapses. Particularly, in the case of Government stores, it recommended that the management and supervision should be improved and attempts should be made to put their working on sound footing. It was felt that this could be achieved by laying down certain norms and standards and by making frequent inspections, checking and physical verification.

Procedures

The procedures adopted by any organisation for fulfilling its objectives are as important as its structure. While attempting to trace the reasons for inordinate delays, irregularities and losses, it was observed that some lacunae in the existing procedures existed and they required to be amended. For example, non-compliance of the prescribed procedure by the loan sanctioning/permit issuing authorities resulted in the

accumulation of heavy arrears and other associated complications\textsuperscript{113}. It also recommended that the matter for non-availability of record with regard to chemical analysis etc., of the land transferred from Agriculture to Horticulture section should be probed and the responsibility be fixed on the defaulting officers/officials at an early date\textsuperscript{114}.

**Personnel Administration**

Suitable and adequate personnel are indispensable for the effectiveness of an organization. Since human resources make use of money and materials to achieve the objectives of any organization, their quality of the personnel cannot be overlooked. In its recommendations the committee stressed the need for a sound personnel system, consisting of contented employees always ready to undertake any task assigned to them sincerely and earnestly.

Usually the main objective of recruitment is to attract and retain suitable candidates for various jobs. It was observed by the committee that in many

\textsuperscript{113} Fifteenth Report of the Public Accounts Committee, n. 95, para 6, p. 8.

\textsuperscript{114} Ninth Report of the Public Accounts Committee, n. 99, para 6, p. 9.
cases, especially in rural areas, suitable personnel were not available and thus the posts remained unfilled.

The committee recommended that all-out efforts be made to provide suitable building accommodation to all health centres in the State at the earliest so that effective medical service could be rendered to the people in the rural areas of the State.\textsuperscript{115}

\textbf{Public Works and Materials Management}

The committee alleged that a large number of official constructions were undertaken without proper survey or assessment of their utility. Moreover, huge sums were wasted on installing machinery which remained idle for a number of years. In other words, mismanagement of materials prevailed in several departments. It was also found that proper efforts had not been made to utilise the equipment bought by the Education Department at a number of schools for the benefit of the students.\textsuperscript{116}


\textsuperscript{116} Seventh Report of the Public Accounts Committee, n. 102, para 9, p. 14.
The committee also came across cases of shortage in some Consumer Co-operative Stores. It suggested the desirability of introducing a systematic procedure of surprise checking as it would help in reducing and timely detection of such cases.  

Recommendations of the Estimates Committee

The Estimates Committee, after scrutinising and analysing the functioning of selected departments, makes a number of recommendations with a view to bringing about efficiency and effectiveness in financial control over the department concerned. Its numerous recommendations have, therefore, been analysed under various heads as below:

Functions

The main focus here was on what the departments had been doing to fulfil the manifold objectives or policies of the State, assigned to them. The committee also attempted to widen the scope of their functions and proposed wider coverage of different schemes policies undertaken by them. It felt that the public should not

117. Second Epitome of the Public Accounts Committee, n. 93, p. 43.
be victimized on any basis. They deserve prompt, timely and better services.

The committee criticised strongly the delays in providing services to the clientele and failure in the fulfilment of the objectives. It regretted to mark that the Education Department had not finalized the cases of providing grant-in-aid to meet the 75 per cent deficit of privately-managed schools and colleges. Likewise, it also concluded that the students had been made to suffer due to non-availability of nationalized text books even after the start of an academic year. It, therefore, recommended certain suitable steps to meet the objectives.

The committee, while framing its recommendations had kept in mind the interests of the poor and the weaker, nevertheless, important sections of the society. It directed the concerned departments to look after the


interests of this strata of society. For instance, while commenting on the Agriculture Department, it recommended the supply of weedicides, for protecting the rice crops, at subsidised rates to the weaker sections of farmers, so that they could also be able to avail themselves of full benefits.  

The committee also observed that the Acts governing the Excise and Taxation Department should be amended so as to bring anti-social elements within the purview of the relevant Acts for suitable action against them.

The committee also took serious note of the massive losses of foodgrains. It advised that the 'save grain' campaign should be implemented in letter and spirit, so as to avoid these losses.


121. Eleventh Report of the Estimates Committee on Excise and Taxation Department, 1978-79 (Chandigarh, Haryana Vidhan Sabha Secretariat, March 1979), para 25, p. 25. And also the same Department, 1984-85, para 17, p. 3.

122. Fourteenth Report of the Estimates Committee, n. 120, para 16, pp. 5-6.
The committee suggested several changes in the prescribed procedures for conducting of organisation's business in a more efficient and effective way. It felt that there was need for simplifying the procedures and channels for dealing with the clientele. This would accelerate the disposal of work and would avoid unnecessary delays, thus eradicating inconvenience to the affected individuals.

In its report on the Sports Department, the committee noted that admission to the school of sports was being given on the basis of higher academic standards. It recommended that admission to such institutions should be on the basis of sturdy physical standards even if their academic standard was not too high.\textsuperscript{123}

In case of the supply of milk at the booths of the Co-operative Department, the committee recommended that a slip of correct weight of milk and the measurement of the fat at the time of taking supplies of milk should be given to the suppliers.\textsuperscript{124}


\textsuperscript{124} Seventh Report of the Estimates Committee on Cooperation Departments, 1974-75 (Chandigarh, Haryana Vidhan Sabha Secretariat, April 1975) para 19, p. 11.
The committee was of the view that the work of construction and repairs of school buildings was slow though funds had been allocated for the purpose. It, therefore, recommended that the repair work of all the primary, middle, high and higher secondary schools, taken over by the Government, should be completed at the earliest, and where the buildings were under construction or were to be constructed, the same should be completed on a priority basis.\textsuperscript{125}

The committee found that the hospital buildings of several places in the State were in a dilapidated condition. It, therefore, recommended that certain immediate steps should be taken to ensure the completion of the necessary repairs before the next rainy season. It suggested the opening of a special cell in the Health Department in co-ordination with the Public Works Department (Building and Roads) to undertake the repair work on a war footing.\textsuperscript{126}

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\textsuperscript{125} Twelfth Report of the Estimates Committee, n. 115, para 24, p. 51.

\textsuperscript{126} Sixteenth Report of the Estimates Committee on Health Department, 1983-84 (Chandigarn, Haryana Vidhan Sabha Secretariat, March 1984), para 32, p. 15.
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Financial Management

The main focus of the various recommendations in this field was on economy and stricter financial control. The committee stated that there was need for proper utilisation of the funds/money, for the purpose sanctioned, either by changing procedures or by plugging the various loopholes in the system. It also put forward the proposal that more funds should be allocated to various departments in order to improve their functioning.

The committee pointed out that the contingent expenditure of the Co-operation Department was on the high side. It recommended that a strict check should be exercised in this matter in order to effect economies as far as possible. The committee also noted that in some cases, the expenditure on the maintenance of jeeps incurred by certain banks was more than the actual price of a new jeep. It recommended a strict watch on such expenditure. It also recommended that to all officers of a Headquarters as well as those at the district level,


128. Ibid., para 15, p. 10.
who were entitled to use Government vehicles, diesel jeeps should be provided instead of petrol-driven cars and other vehicles.\textsuperscript{129}

The committee also recommended that some more concrete and effective measures should be taken to realise the amount of Rs. 260.07 lacs from the defaulters who had shifted to other districts/States without further delay and also to see that arrears did not accumulate in future.\textsuperscript{130}

**Personnel Administration**

The main focus of the various recommendations in this category was on providing a sound personnel system and contented work force. The committee stated that the interests of the workers should be safeguarded, and their difficulties and problems understood, foreseen and removed. It stressed the need for having a perfect selection system and for improving the related aspects of the personnel administration.


\textsuperscript{130} Ibid., para 19, p. 10.
The committee also dealt with the question of the selection of officers for technical posts and opined that an I.A.S. officer having the background and aptitude for sports should be appointed as Director of the Sports Department. In the same report, it recommended that special efforts should be made to recruit efficient persons as coaches to promote sports in the State.

The committee observed that posts of various categories were lying vacant in various hospitals and Primary Health Centres, which adversely affected the functioning of the department. It recommended that the vacancies wherever they occurred must be filled up promptly, especially in the rural areas.

The committee recommended to the Government that a minimum period of two to three years be specified during which an officer of a department should not be transferred unless it was absolutely necessary in the

132. Ibid., para 20, p. 11.
public interest to transfer him earlier than the period prescribed.\textsuperscript{134}

Similarly, with regard to the personnel of the Education Department, it recommended that those teachers and masters who were drawing house rent within a radius of 5-8 kilometers of a town must be transferred from that place after due period to rural areas beyond a distance of 10 kilometers from a town after a lapse of five years.\textsuperscript{135}

In regard to the conditions of services the committee recommended that the staff appointed in rural areas should be provided with suitable residential accommodation since no proper residential arrangements existed there for them.\textsuperscript{136}

The committee had recommended many a time for the welfare of the employees, but, at the same time, it


\textsuperscript{135} Twelfth Report of the Estimates Committee, n. 113, para 13, p. 49.

\textsuperscript{136} Sixteenth Report of the Estimate Committee, n. 12b, para 14, p. 10.
suggested that stern disciplinary action should be taken against the defaulters. It recommended that the responsibility be fixed on the concerned officials/officers who had placed order for the printing of publications in question, in excess of the anticipated demands\textsuperscript{137}.

Likewise, it recommended that a thorough enquiry should be made into the irregularities committed by any department in making appointments without obtaining prior approval of the proper authority\textsuperscript{138}.

Referring to the pay scales the committee observed that class III and class IV employees of the Forest Department were working in most unhygienic conditions while their pay-scales were not equal to the pay-scales of class III and class IV employees of other Government departments. It, therefore, recommended that the Government should bring them at par with the class III and class IV employees of the other Government departments in this regard\textsuperscript{139}.

\begin{itemize}
  \item[137.] Eighth Report of the Estimates Committee, n. 119, para 14, p. 10.
  \item[139.] Fourteenth Report of the Estimates Committee, n. 120, para 9, p. 2.
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The committee was of the view that the Education Department should take necessary steps to keep the record of all the employees up-to-date, so that any delay in their pensions should not occur in future. It recommended that necessary steps should be taken to expedite the settlement of pending pension cases so that the official inefficiency did not cause unnecessary harassment to the retiring officials.

Organisation

With a view to improving the overall administration and to bring about more economy and efficiency, the committee suggested various changes in the structure of various departments. For example, it felt that there was no justification for three posts of Joint Excise and Taxation Commissioners. In its view at least one out of these three posts should be abolished immediately.

Likewise, in regard to the Health Department, it suggested that as the work assigned to the State

Drug Controller was being performed by the Health Department, the former post should be done away with.

The committee was surprised to learn that a twenty-five-bed hospital was proposed for the Sports School at Rai. In its view such a big hospital in a sports organisation was a mere wastage and should be abolished.

It also felt that there was no justification for keeping the Survey Unit in the Dairy Development Department, when the Statistical Cell was already existing there.

The committee was also of the view that a Haryana Civil Service Officer working as the Chief Enforcement Officer was not suitable for curbing the illicit distillation or evasion of Excise duties. It recommended that a police officer or a senior departmental officer should be appointed as the Chief Enforcement Officer.

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Officer for this work. Likewise, the committee opined that the Education Department be headed by an educationist and not by an officer drawn from the Indian Administrative Services.

In connection with the delegation of powers, the committee was of the view that to carry out certain activities and functions of a department more efficiently, authority should be delegated to certain lower levels.

It was recommended by the committee that some financial powers should be delegated to all the Senior Medical Officers without taking into consideration the number of beds in the hospital.

Shortages and pilferage were found by the committee in almost all the stores of the Cooperative Department. It recommended stern action against such unsocial activities and tightening of the supervisory devices.


It also said that surprise inspection of the Co-operative Societies/Institutions should be conducted, at least two or three times a year, by all senior officials in order to bring efficiency in the working of the department.\textsuperscript{149}

The committee recommended that the staff provided to curb the evil of illicit distillation may be directed to conduct raids frequently within their jurisdiction and submit their district-wise monthly reports to the Excise and Taxation Commissioner.\textsuperscript{150}

General issues

The Committee on Estimates put forward many suggestions which were not directly related to any of the categories mentioned earlier.

The committee found that restriction had been imposed on the sale of iodised salt in Ambala district, whereas there was no such restriction in the adjoining district of Kurukshetra. It recommended that the Government should reconsider the matter and the

\begin{itemize}
\item \textsuperscript{149} Fifteenth Report of the Estimates Committee, n. 90, para 16, pp. 5-7.
\item \textsuperscript{150} Seventeenth Report of the Estimates Committee, n. 129, para 16, p. 8.
\end{itemize}
restriction imposed on the sale of iodised salt in Ambala district should be removed.\textsuperscript{151}

The committee noted that some of the vehicles had already been condemned or were likely to be condemned. It recommended that immediate steps should be taken to replace them by the new ones. It further recommended insurance for all the Government vehicles.\textsuperscript{152}

\textbf{Recommendations of the Committee on Public Undertakings}

The Committee on Public Undertakings of the Haryana Vidhan Sabha made certain recommendations on the public undertakings it selected for study. The recommendations mentioned in the reports of the committee were either on the general working of the public undertakings or on the flaws pointed out by the Comptroller and Auditor-General of India in his report on the public undertakings of Haryana State. The recommendations were submitted after careful scrutiny and examination of the material supplied by the executive heads of the public undertakings.

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\textsuperscript{151} Sixteenth Report of the Estimates Committee, n. 126, para 36, pp. 16-17.
\textsuperscript{152} Ibid., para 31, p. 15.
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undertakings as demanded by the committee. The public undertakings in question were also visited by the committee with a view to making an on-the-spot study and interviewing various individuals associated with them. It tried to bring about economy and efficiency, and to bring about financial control over the public undertakings whose working was examined by it.

A large number of the committee's recommendations have been analysed and discussed below:

**Functions**

The committee had time and again commented upon the functions entrusted to the public undertakings. It suggested that the scope of their functions should be widened, and better and more promot service should be provided to their clients.

The committee complained again and again about the delay in the working schedule, and desired to expedite and clear up the pending cases, so that the clients could be saved from avoidable inconvenience.

The committee was distressed to note that the Haryana State Handlooms and Handicrafts Corporation Limited had taken very lightly the matter of construction of a building at Panipat for a special project for the
promotion of export of handloom and handicraft products of the State and had not made any worth-while efforts to persuade the Government to remove the ban on the construction of the buildings on the G.T. Road. The committee, therefore, urged the Corporation to start construction of the complex without any further loss of time.\footnote{153}

In the course of conducting its study on the Haryana Tourism Corporation Limited the committee found that the construction work relating to the expansion programme at Yadavendra Gardens, Pinjore, had been lingering on for the last three years resulting in a great loss of revenue. It, therefore, recommended that the matter be looked into and the work be expedited without any further delay.\footnote{154}

The committee also recommended to the various undertakings to provide efficient service to the people


through the extension of facilities. In its second report the committee had recommended to the Haryana Financial Corporation to provide technical consultation to its clients, and to assist the loanees in preparing their projects. It also pointed out the necessity to identify small entrepreneurs and make them familiar with the policies of the Corporation and encourage them to come forward to avail themselves of the facilities extended by it.

In the course of a study on the Haryana Tourism Corporation Limited the committee recommended that the potential for outdoor catering services should be explored for its Tourist Complex at Faridabad. The committee also suggested that Restaurants at the Bus Stands in the State for the supply of pure, neat and hygienic eatables and beverages to the passengers at reasonable rates, should be opened by the Corporation.


The committee's recommendations were not only intended for the clients but also for special sections such as the weaker sections of the society.

The Committee on Public Undertakings recommended to the Haryana Harijan Kalvan Nigam to provide assistance to the scheduled castes for the purchase and development of agricultural land and for arranging facilities for higher and technical education for the students of the said communities with a view to bringing about a healthy and smooth socio-economic development of the society. It also urged the Nigam to expedite the installation of a common facility centre at Karnal and Footwear-cum-Common facility Centre at Ambala Cantonment, so that training and employment could be provided to the young boys of the Scheduled Castes.


159. Ibid., p. 12.
The committee frequently stressed on increasing the efficiency of the undertakings that were found by it to be suffering from inefficiency. In its very first report it had suggested that suitable measures be taken to avoid the closing down of the Haryana Matches Limited. It also recommended to the Haryana State Electricity Board in its fifth report to take immediate measures to make use of the machinery lying idle so that the heavy amount involved should not remain locked up.

At another place in the same report, the committee directed various undertakings to increase their capacity utilisation, but, at the same time, in some cases it warned the undertakings to reduce the same. The committee urged the Haryana Land Reclamation and Development Corporation Ltd. to take suitable measures to fully utilise the tractors to avoid the


losses due to their under-utilisation. Again, it recommended to the Haryana Breweries Limited to raise the capacity utilisation to 100 per cent as under-utilisation led to increase in the cost of production.

On the other hand, the committee, in its sixth report, cautioned the Haryana Tanneries Limited to reduce the installed capacity to the original 6 lakhs skins per year from 10.50 lakhs, since the Bulgarian collaborators had refused to import 50 per cent of its products, as agreed earlier.

The committee urged the various undertakings to avoid wastage during the process of production. For instance, it recommended to the Haryana Breweries Ltd., to make all-out efforts to bring down wastage to the

162. Ibid., p. 56.


minimum in order to control the cost of production.\footnote{165} It directed them again to make a realistic assessment for the purchase of labels from time to time to avoid wasteful expenditure.\footnote{166}

The committee also recommended to the undertakings to diversify their functions according to the needs of the times. For instance, it suggested to the Haryana Tanneries Limited to start some profitable activities such as plastic and foam products to compensate for its losses in leather products.\footnote{167} Similarly, it recommended to the Haryana Television Limited to diversify its activities by manufacturing colour televisions and video cassettes/recorders, and also to go in for speedy production of black and white televisions at low costs.\footnote{168}

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166. Seventeenth Report of the Committee on Public undertakings, n. 157, p. 68.
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The committee also recommended to the undertakings to publicise their products so that they could compete with private producers and find proper markets of their own. It advised the Haryana Television Limited to approach the village panchayats and block sanities, keeping in view the sale potential of television sets in rural areas, and thus popularise their products and boost up their sale. It also suggested to the Haryana Minerals Limited to undertake publicity programmes in order to make products of the company popular not only in Haryana, but throughout the country and even abroad.

Personnel Management

Personnel management is quite important in an organisation. The committee therefore emphasised on proper recruitment and selection. Besides, the committee commented upon transfers, promotions, wages, annual confidential reports, disciplinary action and fixing responsibility.

169. Ibid., p. 6.
The committee recommended to the Haryana State Agricultural Marketing Board to follow scrupulously the norms and rules regarding recruitment, posting and transfer of their employees, which were in vogue in the Government departments\(^\text{171}\). It felt that any delay in the recruitment of personnel could cause loss and dislocation of work. It also urged the Haryana Matches Limited to carefully examine the matter of recruitment of personnel on important posts to avoid further recurrence of losses to the company\(^\text{172}\).

Proper postings, timely transfers and promotions keep the morale of the employees high, on the one hand, while, on the other hand, they helped the organisation in ways more than one. The committee recommended to the Haryana State Agricultural Marketing Board that the posting of Haryana Civil Services officers should be completed without any further delay\(^\text{173}\).


\(^{172}\) First Report on the Committee on Public Undertakings, n. 82, p. 9.

The committee had recommended to the Haryana Tourism Corporation Limited to conduct a study into its staffing pattern and provision of manpower to locate areas where expenditure could be rationalised, particularly in regard to the staff found surplus that could be shifted to the new complexes without making additional recruitment.\(^1\)

Another very important aspect of personnel management is employees' welfare. In the cases of the absence of facilities necessary for the welfare of the employees the committee recommended to the public undertakings to take immediate and effective measures. For instance, in its tenth report, the committee recommended to the Haryana Minerals Limited to provide facilities such as the provident fund, bonus, leave with wages, paid holidays etc. to the labour.\(^2\)

For better industrial relations the committee recommended to the Haryana Agro Industries Corporation Limited in its sixth report that the Managing Director

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\(^1\) Eighth Report of the Committee on Public Undertakings, n. 154, p. 22.

of the said concern should call a meeting of the workers' union to find a viable solution to the problems that existed at the time of study by the committee, in order to start working on sound business principles.

The committee also found that the tenure of Chief Executives in the undertakings/boards was too short. So while commenting on the general working of undertakings/boards it recommended that the minimum tenure should be three years or even more so that the actual performance of the Executives could be properly judged.

A large number of the recommendations made by the committee in the field of personnel management were related to the fixing of responsibility and taking of disciplinary action against the defaulters. The committee pointed out in its nineteenth report that the foreign visits by some officers of the Haryana State Small Industries and Export Corporation Limited had not been fruitful. Therefore, it instructed that an investigation into the expenditure incurred be held and responsibility

176. Sixth Report of the Committee on Public Undertakings, n. 55, p. 68.

be fixed\textsuperscript{178}.

The committee strongly recommended to the Haryana Land Reclamation and Development Corporation Limited to fix the responsibility on its officers/officials for furnishing wrong information to the committee regarding their targets, and thus misleading it. Hence necessary action should be taken against the defaulting officials\textsuperscript{179}.

Another significant aspect of personnel management was pointed out by the committee. It found that in the Haryana Minerals Limited the workers employed were of a casual nature and were paid only Rs. 8/- per day on daily-wage basis. The committee recommended that the workers should be employed on regular basis and wages should be increased to Rs. 13 to Rs. 15 per day to improve the working conditions\textsuperscript{180}. Similarly, it was noticed by the committee that the rates fixed for various types of labour

\begin{footnotesize}
\begin{enumerate}
\item \textsuperscript{179} Fifth Report of the Committee on Public Undertakings, n. 101, p. 54.
\item \textsuperscript{180} Tenth Report of the Committee on Public Undertakings, n. 170, p. 7.
\end{enumerate}
\end{footnotesize}
jobs in the mandis were very low and not in accordance with the prevailing cost of living. Therefore it recommended a suitable increase in their wages.\textsuperscript{181}

\textbf{Financial Administration}

In its recommendations the committee had stressed the financial control through various methods or means. It felt that the financial control over the public undertakings was quite loose or inadequate as compared to other organs of the Government i.e. departments and public Corporations, although a huge amount of money was blocked in the public undertakings. The committee detected a number of loopholes in the financial structure of public undertakings. It emphasised upon the control of expenditure in order to avoid losses and effect economy. The committee also stressed on the proper maintenance of accounts, and on getting the accounts properly audited with a view to making the undertakings more viable than before.

The committee felt that the 'allocation of funds' to the public undertakings by Government should be in keeping with the time schedule. Moreover, the sanction should be granted strictly

\textsuperscript{181} Fifteenth Report of the Committee on Public Undertakings, n. 35, p. 12.
according to the needs. They found that the Haryana Seed Development Corporation Limited got sanctioned an amount of 2.95 crores against their actual need of 45 lakhs. They, therefore, recommended that only that much amount should be sanctioned which was absolutely necessary for the working of the company.¹⁸²

While conducting a study on the Haryana Breweries Limited, the committee found that fifteen per cent of the Beer production was supplied to the Defence Services at a subsidised rate. Moreover, the transportation charges were borne by the company. The committee felt that this expenditure should be borne by the Union Government. The committee therefore recommended that the necessary transportation charges should not be borne by the company.¹⁸³

The committee had also tried to locate the areas of losses and recommended time and again to avoid losses as there was no point in doing business and incurring losses constantly. During its study the committee was surprised to find that the Haryana State

Agricultural Marketing Board obtained a loan from the World Bank at the rate of 12 1/2 per cent interest and had advanced the same to the Haryana State Electricity Board at the rate of 7 per cent interest. It, therefore, recommended that the Board should invest its remaining fund/money at a higher rate of interest, so that it may not suffer loss on account of the loan that it had advanced earlier at a low rate of interest.\textsuperscript{184}

Proper accounting and regular audit were emphasised upon by the committee so as to keep a proper financial control over the undertakings.

The committee recommended the Haryana Agro Industries Corporation to keep its accounts upto date to be audited in time, as delay was observed in respect of the preparation of accounts and the balance sheets.\textsuperscript{185} Haryana Tourism was advised to suitably strengthen its accounts cell so that accounts were prepared well in time.\textsuperscript{186}

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\textsuperscript{184} Fifteenth Report of the Committee on Public Undertakings, n. 89, p. 2.

\textsuperscript{185} Sixth Report of the Committee on Public Undertakings, n. 83, pp. 63-69.

It suggested to the Haryana State Agricultural Marketing Board that the audit of its accounts should be conducted in the same manner as the accounts of other public undertakings were audited, i.e. by statutory auditors as well as by the Comptroller and Auditor General of India.\(^{187}\)

The Committee on Public Undertakings had time and again reminded the undertakings about the money blocked. It had advised them to recover the same from the various bodies, such as the Government, defaulters, loaners etc. It directed the Haryana State Electricity Board to recover a sum of Rs. 46000/- from its two officers, in whose case loss of revenue had resulted from lack of proper performance of duty.\(^{188}\) Likewise, a case against a defaulting employee was recommended to be got expedited by the

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Haryana Harijan Kalyan Nikam through the Police Department and was advised to make all efforts to recover the amount of ₹1.18 lakhs. The committee also recommended to the Haryana State Small Industries and Export Corporation to vigorously pursue the recovery of balance amount of ₹0.25 lakhs from the Agricultural Department as it had already been delayed considerably.

Materials Management

In its reports, the committee had time and again commented upon the management of materials. Materials need to be carefully handled at all stages in order to carry out production processes without any stock being out. The committee on this aspect had commented upon purchases, sanctions, allocation of material, repairs and maintenance/replacement of machinery etc.

It was found by the committee that at times the materials purchased were either not according to the prescribed specifications or proper procedure was not followed at the time of making purchases. The

committee recommended to the Haryana State Electricity Board to make purchases strictly according to the required specifications and make payment only after satisfying itself that the material conformed to the prescribed specifications. While conducting a study on the Haryana State Small Industries and Export Corporation, the Committee found that the material was not supplied in a satisfactory manner to the handloom units. It recommended that the Corporation and the Industries Department should make arrangements with the Haryana Handloom and Handicrafts Corporation to open a service centre within the reach of handloom units to make available the raw material to them.

The Committee on Public Undertakings had time and again commented on the maintenance of some of the undertakings. It found the premises of Haryana Minerals Limited factory unclean, unlevelled and disorganised. It, therefore, recommended to the said undertaking to level it and carry out the cleaning work regularly.

Likewise, it found that the kitchen of Dabchik (Model) of Haryana Tourism was small, poorly equipped and congested, and the cooking materials were not stored properly and inhygienic condition. It, therefore, recommended to the Corporation to pay urgent attention to such deficiencies.  

At times the replacement of outdated machinery was recommended by the committee to the various undertakings. For instance, the Haryana Minerals was directed to replace its cutting machines that were found to be outdated by the latest imported cutting machines of adequate capacity.

Organisation

The committee suggested several modifications in the structure of various public undertakings, so as to bring about efficiency.

The committee advised various undertakings to abolish such of their structures/offices or systems which were of no use. It had recommended to the Haryana


Trousim to wind up its Mor Pankh Complex situated at Taoru as it had been incurring losses constantly.

Likewise, it recommended to the Haryana State Agricultural Marketing Board to wind up its construction wing, and hand over the construction work to the Public Works Department (Building and Roads).

The committee at times had found that the places of some units were not appropriate, as to make them viable. It had, therefore, suggested change of place of such units. It had recommended to the Haryana Tourism to shift its Sand Grouse Complex at Narnaul as it did not serve any useful purpose there and also shift the office of the Managing Director of Haryana Breweries Limited from Chandigarh to the premises of the factory at Murthal.

The committee at a number of times had suggested to the undertakings to involve various persons:


representatives for the betterment of the undertakings in ways more than one. For example, it recommended to the Government and the Haryana Breweries Limited that at least half of the members on the Board should be nominated/elected from amongst technical experts, financial experts, people related to production/marketing of raw material required in the production of Beer, and people from public life such as legislators of Haryana Vidhan Sabha. Likewise, it recommended to the Haryana Minerals Limited to consider the possibility of appointing some technical experts, experienced managerial personnel and talented public men on the Board of Directors for the better working and profitability of the company.

Procedures

The committee had suggested many changes in the procedures and prescribed ways for carrying out functions. The committee had time and again recommended the introduction or abolition of certain practices. Keeping that in mind the committee had recommended to the Haryana Financial Corporation to disburse the loan once it was

200. Ibid., p. 8.

sanctioned so that the loanee was able to utilise it properly and a check should be kept on its proper utilisation. The committee recommended to the Haryana State Electricity Board that all foreign tours irrespective of the status of the officer should be sanctioned at the Government level.

The committee had recommended to the undertakings the devising of effective steps for efficient working. At the same time, it had recommended to cut short the procedures. The committee recommended to the Haryana State Minor Irrigation (Tubewells) Corporation, to frame projects and estimates in a very technical and scientific manner with proper surveys and anticipate all contingencies (conceivable) so as to avoid delays and consequential loss. Similarly, it recommended to the Haryana State Electricity Board to streamline the working of the Board.

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in order to bring about financial discipline\textsuperscript{205}, and to devise measures to analyse and eliminate line losses\textsuperscript{206}.

The financial committees of the Haryana Vidhan Sabha have rendered some useful services by putting forth their recommendations. Their recommendations have helped in the smooth sailing of the State system, and the progress and advancement of the public. These recommendations would produce the necessary result in implementing public schemes with a great sense of probity, and national interest on the part of public officials and the politicians.


\textsuperscript{206} Ibid., p. 10.