

## CHAPTER-V

### STORES AND STOCK

#### Home Department

#### 5.1 Stores and stock accounts

Stores of the Police Department consist of clothing and equipment, arms and ammunition, training and control equipment, etc. Stores are purchased by the department against the budget provision made under “Material and Supply and Machinery and Equipments” under the concerned major head of account. The department purchased material, machinery and equipment valued at Rs 20.67 crore during 1997-2001. Details of expenditure incurred individually on each of the three items were not available with the department. Records of nine<sup>1</sup> out of 27 units, covering the period from 1997-2002 were test-checked in audit during February-April 2002. The important audit observations are discussed in the succeeding paragraphs.

#### 5.1.1 Unspent balances under Police Deposit Fund (PDF)

Rule 10.113 B of Punjab Police Rules as applicable in Himachal Pradesh provides that the charges for clothing and equipment should be drawn each year through separate special contingent bills presented at the treasury immediately after the annual budget allotment is made and the amount drawn credited by the Treasury Officer (s) to the PDF account. The money so drawn and not spent upto 31 March would lapse to Government and must be refunded to the treasury by short drawal.

It was noticed that unspent amount of Rs 5.15 crore was not adjusted during 1997-2002 by short drawal in eight units<sup>2</sup> and carried forward to subsequent years as detailed below:

**Table: 5.1**

(Rupees in lakh)

Year	Opening balance	Receipts	Expenditure	Closing balance
1997-98	64.53	57.73	73.04	49.52
1998-99	49.52	94.65	59.53	84.06
1999-2000	84.06	83.71	80.95	86.82
2000-2001	86.22	122.45	67.09	142.22
2001-2002	142.22	85.50	75.90	151.88
<b>Total:</b>	<b>426.55</b>	<b>444.04</b>	<b>356.51</b>	<b>514.50</b>

1 Commandant Ist Battalion, Junga; Director, Forensic Science Laboratory, Junga; SP, Nahan; DIG Police Training College, Daroh; SP, Kangra at Dharamshala; SP Chamba; SP, Solan, SP, Shimla and SP Wireless, Shimla.

2 Commandant Ist Battalion, Junga; Director, Forensic Science Laboratory, Junga; SP, Nahan; DIG Police Training College, Daroh; SP, Kangra at Dharamshala; SP Chamba; SP, Solan and SP Shimla.

Huge amounts were, thus, kept outside normal budgetary process year after year. The concerned officers of the units stated (February-April 2002) that the matter would be taken up with the Head of the department for seeking necessary guidelines/directions. The replies are not tenable as provisions of Police Rules were not followed.

#### **5.1.2 Drawal of funds to avoid lapse of budget**

Government of India (GOI) sanctioned (July 2001) Rs 1.34 crore under the scheme "Modernisation of State Police Forces". Of this, State Government released (Rs 1.19 crore) to the Director General of Police (DGP) for the purchase of arms and ammunition, vehicles, equipment for forensic science laboratory, communication and Police training, etc. Audit scrutiny revealed (April 2002) that the amount was drawn by the DGP in March 2002 and kept in the form of bank drafts in the names of various firms (Rs 26.27 lakh) and in the names of various drawing and disbursing officers of the department (Rs 92.56 lakh). The balance amount of Rs 15 lakh had not been released by the State Government as of April 2002. This resulted in keeping the money outside Government account.

DGP stated (April 2002) that the amount was sanctioned at the end of March 2002 and could not be utilised. The reply is not tenable as action of the department was contrary to the provisions of financial rules which prohibit drawal of funds not required for immediate disbursement.

#### **5.1.3 Unauthorised diversion of funds**

Mention was made in Paragraph 1.11.2 (i) of the Report of the Comptroller and Auditor General of India for the year ended March 2000 - Government of Himachal Pradesh regarding improper operation of Police Deposit Fund where Rs 11.76 crore sanctioned under Modernisation of State Police Forces and Security Related Expenditure (SRE) were kept irregularly. Test-check of the records of DGP further revealed (April 2002) that out of Rs 11.76 crore an amount of Rs 47.70 lakh had been diverted for the purchase of computers, furniture, installation of EPABX and repair of wireless equipment and furniture which were not covered under the aforesaid scheme.

DGP stated (April 2002) that the funds were diverted with prior approval of the State Government. The reply is not tenable as prior approval of GOI for diversion of funds was required in this case.

#### **5.1.4 Purchase of bombs without requirement**

300 bombs (2"-Mortar highly explosive) costing Rs 4.74 lakh exclusively meant for Chamba district, were received (March 2001) from Ammunition Factory, Khadki, Pune in Central Armoury at Junga and were lying there as of February 2002. Test-check of records of the Commandant, Ist Battalion,

Junga revealed (February 2002) that Superintendent of Police (SP) Chamba had never sent the demand of these bombs as stock of 410 bombs already existed there.

The Commandant stated (February 2002) that intimation regarding the receipt of bombs was sent to Police Headquarters in April 2001 and further directions in this behalf were also sought in September 2001 which were awaited. Thus, 300 bombs costing Rs 4.74 lakh were procured without assessing requirement and resulted in blocking of funds.

#### 5.1.5 Non-receipt of material

Advance payments of Rs 87.89 lakh and Rs 47.60 lakh for the purchase of arms and ammunition were made (April 2001) by the Commandant Ist Battalion, Junga to Ordnance Factories, Tiruchirappalli (Tamilnadu) and Khamaria, (Jabalpur) respectively. The material had not been received as of April 2002. Stipulated period within which supplies were to be made by the manufacturers called for from the department had also not been intimated as of April 2002.

#### 5.1.6 Deficiency in stock of arms and ammunition

Test-check of the records of DGP, Shimla revealed (April 2002) deficiency of stock of arms and ammunition as indicated below:

**Table: 5.2**

(In numbers)

Sr. No.	Type of weapon	Authorisation as per sanctioned strength of police personnel	Holding	Percentage deficiency
<b>Arms</b>				
1.	Carbine 9mm, Stengun MK2/3, TMC 45 and AK 47 Rifle	2,289	1,555	32
2.	Revolver .38 bore, Revolver .455 bore, Pistol 9mm Auto and Pistol .32 bore	1,522	1,103	28
3.	LMG .303 bore and LMG 7.62mm	120	104	13
<b>Ammunition</b>				
4.	Ammunition .303 – bore	12,47,620	10,41,646	17
5.	Ammunition AK47 rounds	1,27,500	73,968	42
6.	Ammunition 7.62mm	11,36,320	5,11,782	55
7.	Ammunition .38-bore	77,920	57,508	26
8.	Ammunition 9mm	3,33,830	2,12,114	36

Source: Departmental figures

Deficiency of arms and ammunition has an adverse effect on the functioning of the police personnel. Efforts made by the department to make up for the deficiency in arms and ammunition were not on record.

Besides, there was excess holding of 69,254 rounds of .455-bore valued at Rs 6.16 lakh against the actual authorisation of 28,800 rounds. Reasons for less stock of arms and ammunition and excess holding of .455-bore rounds had not been intimated.

#### **5.1.7 Non-preparation of store accounts**

Annual consolidated accounts of stores (excluding dead stock items), where the total value is Rs 5 lakh or more, are required to be furnished to Audit by June every year. It was noticed that no store accounts had ever been prepared by the department.

DGP stated (April 2002) that the heads of offices were direct demanding officers and effecting the purchases themselves and the stores purchased by the DGP were of the value of less than Rs five lakh, as such no stores accounts had been prepared. The contention is not tenable as it is the duty of the head of the department to get the annual accounts prepared and submit them to audit by due dates.

#### **5.1.8 Physical verification of stores**

According to the provisions contained in Police Rules, physical verification of stores is required to be conducted twice a year. Test-check of the records of SP, Chamba revealed (March 2002) that physical verification of stores had not been conducted since 1997.

SP stated (March 2002) that physical verification would be got conducted in due course.

These points were referred to the Government in June 2002; reply had not been received (August 2002).

**Irrigation and Public Health Department****5.2 Extra avoidable expenditure on wire crates**

**Failure of the department to procure and use readymade interlink chains for providing wire crates resulted in avoidable extra expenditure of Rs 20.07 lakh.**

Spurs and dry stone structures with wire crates of galvanised iron (GI) filled with boulders are provided for the protection of irrigation/water supply schemes against floods or for restoration of rain or snow damages caused to these schemes. These crates are prepared either with readymade meshes of interlinked chain purchased from the market or with GI wire woven by labour/contractor. According to the provisions of Himachal Pradesh Schedule of Rates, 1987 and 1999, 3.35 Kilograms of GI wire (corresponding to SWG-6) is required for making one wire crate measuring one square metre having a mesh size of 15 cms by 15cms. The State Government had also finalised rate contract with various firms for the supply of interlink chains of the required specifications at the rates ranging between Rs 54 and Rs 56 per square metre during 1997-2002 (valid upto September 2001).

Test-check of records of two divisions<sup>1</sup> revealed (July-December 2001) that for providing wire crate protection/restoration works to 36 schemes, the divisional officers used 14.89 tonnes of GI wire (SWG-6) costing Rs 40.24 lakh for weaving 44,459 square metres of GI wire crate mesh of 15x15 cms size during 1997-2002 (upto September 2001) through departmental labour/contractors at a cost of Rs 4.47 lakh. If the crates had been made with readymade interlink chains for which rate contract existed, the cost would have been Rs 24.64 lakh.

While the Executive Engineer, Keylong stated (July 2001) that GI wire mesh were more stable than interlink chains, the Executive Engineer, Chamba stated (December 2001) that GI wire crates and interlink chains had its own importance and were being used according to the site conditions. The contentions are not tenable as GI wire used in interlink chains available on rate contract was of the same specification and mesh size was also of the same dimension. Failure of the department to work out financial implication, thus, resulted in avoidable excess expenditure of Rs 20.07 lakh.

The matter was referred to the Government in February 2002; reply had not been received (August 2002).

---

<sup>1</sup> Chamba and Keylong.

### **5.3 Blocking of funds due to injudicious advance procurement of pipes**

**Procurement of 5,845 metres of CI pipes by Dehra Division much in advance of requirement resulted in locking of Rs 49.36 lakh for periods ranging between 11 and 35 months.**

According to Rule 15.2 (b) of the Himachal Pradesh Financial Rules, stores should be procured in accordance with definite requirements of public service taking care not to procure them much in advance of actual requirements.

Contrary to the above rules, the Executive Engineer Dehra Division, procured 8,883 metres of cast iron (CI) pipes of various diameters between March 1999 and March 2001 valued at Rs 70.17 lakh from Kolkata based firms and Dharmshala division for providing sewerage system to Jawalamukhi town (Kangra district) in two zones<sup>1</sup>. While the work of laying of 3,038 metres CI pipes costing Rs 20.81 lakh in zone 'A' awarded (October 2001) to a contractor, was in progress and was expected to be completed by April 2002, the work of laying of pipes in zone 'B' had not been taken up as of January 2002. The Executive Engineer stated (February 2002) that the detailed survey work was in progress in zone 'B'. Evidently 5,845 metres CI pipes valued at Rs 49.36 lakh were not likely to be utilised in zone 'B' in the near future as even after survey work, the process of preparation and approval of working estimate, invitation of tenders, award of work, etc., would require considerable time.

Thus, injudicious advance procurement of 5,845 metres CI pipes valued at Rs 49.36 lakh by the Executive Engineer resulted in their remaining unutilised for periods ranging between 11 and 35 months (upto January 2002) and consequential blocking of funds.

The matter was referred to the Government in April 2002; reply had not been received (August 2002).

---

<sup>1</sup> Zones 'A' and 'B'.

**5.4 Fictitious issue of materials****Fictitious booking to works were carried out for showing utilisation of budget grant in contravention of rules.**

Financial rules of the Government prohibit fictitious stock adjustments such as debiting to a work the cost of materials not required or in excess of actual requirements, the debiting to a particular work for which funds are available of the value of materials intended to be utilised on another work for which no allotment has been sanctioned or the writing back of the value of materials used on a work to avoid excess outlay over appropriation.

Contrary to these rules, materials costing Rs 2.17 crore were fictitiously booked by six divisions<sup>1</sup> against 34 works between March 1999 and March 2001 even though these materials were not required for these works. The cost of materials was written back to stock in the succeeding financial years between July 1999 and October 2001.

Fictitious booking of materials to works resulted in overstatement of actual expenditure on works. This also helped in getting extra funds for these works in subsequent years to the extent of stores written back to stock.

The matter was referred to the Government in April 2002; reply had not been received (August 2002).

**Miscellaneous Departments****5.5 Idle equipment****Inadequate attention to procurement planning resulted in idling of equipment costing Rs 70.79 lakh.**

Audit scrutiny of equipment purchased by Agriculture, Health and Family Welfare and Technical Education Departments revealed that different high

<sup>1</sup> Chamba, Ghumarwin, Kaza, Kullu-I, Mandi and Una-I.

value items procured between 1997-98 and 2000-01 and costing Rs 70.79 lakh had not been utilised for various reasons as detailed below:

**Table: 5.3**

**(Rupees in lakh)**

Name of Department/ Office	Particulars of equipment	Year of purchase	Cost	Idle since	Reasons for non-utilisation
<b>Agriculture Department</b>					
Deputy Director of Agriculture, Palampur	Atomic absorption spectrophotometer	1998-99	6.02	1998-99	Non-availability of trained staff.
<b>Health &amp; Family Welfare Department</b>					
Chief Medical Officer, Bilaspur (Community Health Centre(CHC)), Ghumarwin and Jhandutta	Ultrasound machine, dental chair, electric foetal monitor and O.T. light.	1997-98 to 1999-2000	8.98	2000-01	The CMO stated (September 2001) that ultrasound machine and dental chair (Rs 6.73 lakh) had been lying out of order for want of repairs. The other equipments (Rs 2.25 lakh) had been lying idle due to non-posting of Gynaecologist and building being under construction.
Chief Medical Officer, Una (CHC Chintpurni)	Hospital equipment like ultrasound machine, blood analyser, etc.	1998-1999	19.85	1998-99	The CMO stated (November 2001) that CHC building at Chintpurni was under construction. The equipment could not be installed and was lying packed in stores.
<b>Technical Education Department</b>					
Principal Industrial Training Institute (ITI), Shamshi	CNC turning machine MKU-6	1999-2000	12.50	1999-2000	The Principal stated (September 2001) that the machine had been lying out of order since its commissioning.
Principal ITI, Solan	Training equipment like CNC training master lathe, milling machine, micro processor kit, wheel alignment, etc.	1997-98 to 1998-99	23.44	1997-98	The Principal stated (November 2001) that machine could not be operated since its procurement due to non-providing of training to the instructors.
<b>Total</b>			<b>70.79</b>		

Thus, inadequate attention to procurement planning involving synchronisation of construction of building with receipt of equipment, posting of trained staff, undertaking timely repairs, etc., resulted in non-utilisation of high value equipment procured at a cost of Rs 70.79 lakh.

The matter was referred to the Government in April 2002; reply had not been received (August 2002).