



REPORT
OF THE
COMPTROLLER
AND
AUDITOR GENERAL OF INDIA
FOR THE YEAR
ENDED 31 MARCH 1990
No. 3

(CIVIL)
GOVERNMENT OF ORISSA

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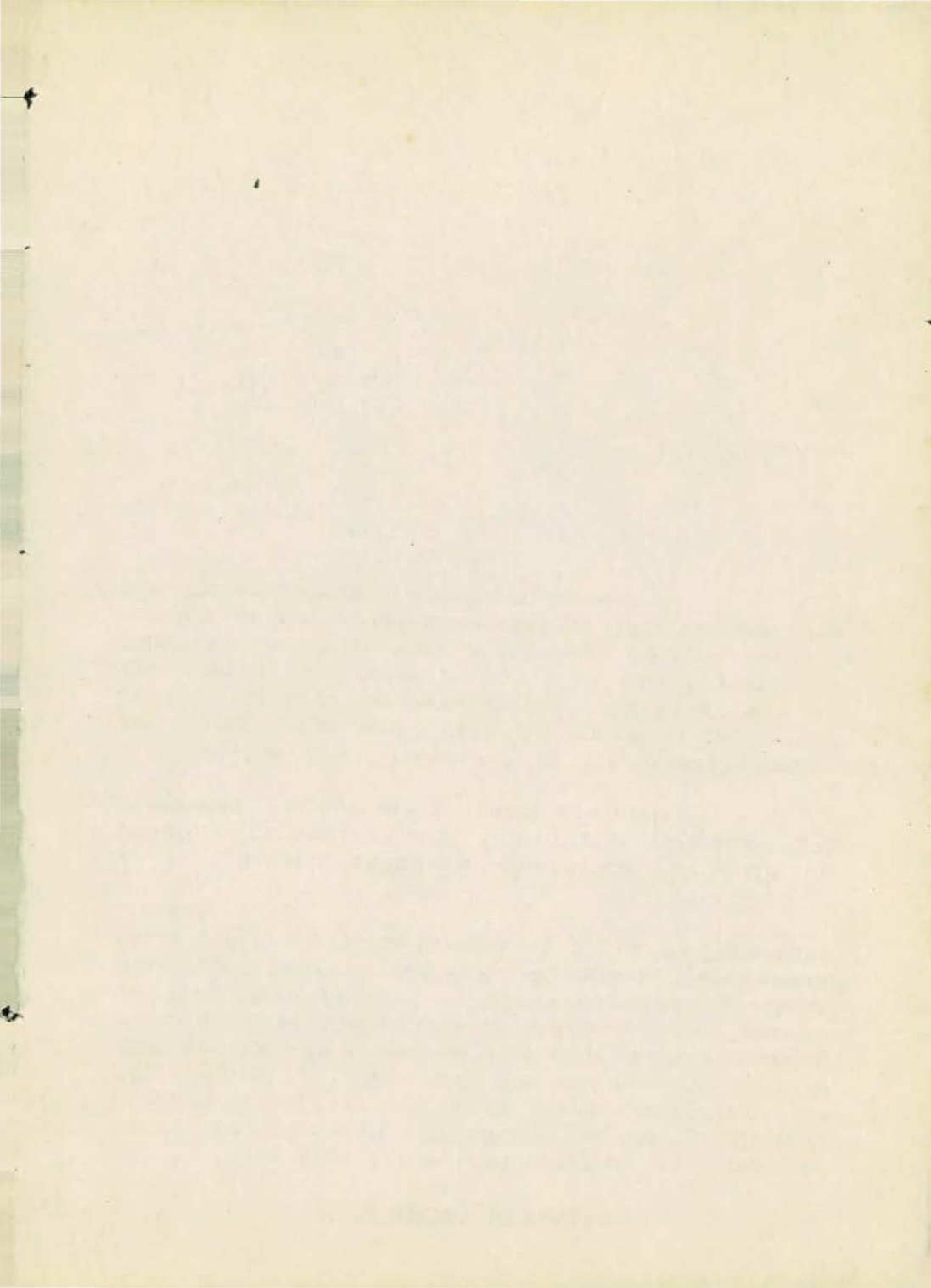
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PREFATORY REMARKS

This Report has been prepared for submission to the Governor under Article 151 of the Constitution. It contains audit comments on points arising from the Appropriation Accounts and Finance Accounts of the State for 1989-90 as well as from audit of other financial transactions of Government of Orissa including reviews on Technology Mission on Oil Seeds, Bankabal Minor Irrigation Project, National Wasteland Development Board and Orissa State Co-operative Marketing Federation Limited.

2. Reports containing observations of Audit on statutory corporations and Government companies and on Revenue Receipts are presented separately.

3. The cases mentioned in the present Report are among those which came to notice in the course of test audit of accounts during 1989-90 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports. Matters relating to the period subsequent to 1989-90 have also been included wherever considered necessary.



OVERVIEW

This Report has seven chapters, of which the first two chapters contain observations of Audit on the State Finance Accounts and Appropriation Accounts, and the other chapters contain 4 reviews relating to various schemes and projects and 51 audit paragraphs. A synopsis of the major audit findings contained in this Report is given below.

2. Overall analysis of the State Finances

Revenue raised by the State Government was Rs.723.48 crores against the revised estimate of Rs.716.54 crores. Against the anticipated revenue deficit of Rs.136.31 crores, there was a revenue deficit of Rs.105.39 crores. Uncollected revenue on 31 March 1990 was Rs.431.33 crores.

The progressive capital outlay of Rs.3679.17 crores formed 86 per cent of the public debt, small savings and deposits etc. (Rs.4289.85 crores).

Total interest paid during 1989-90 on debt and other obligations was Rs.310.34 crores, which constituted 18 per cent of the total revenue receipts. The net interest burden was Rs.304.12 crores after adjustment of interest received on loans and advances, investment, etc.

Against the plan provision of Rs.678.75 crores, the actual expenditure on Plan schemes was Rs.958.34 crores.

All abbreviations used in this Report are listed alphabetically and expanded in the Glossary at Appendix X (Page

On the total investment of Rs.506.35 crores to the end of the year 1989-90 the return received was only Rs.0.22 crore, representing 0.04 per cent.

(Paragraph 1.2)

3. Appropriation audit and control over expenditure

Against the total provision of Rs.3802.00 crores, the actual expenditure was Rs.3238.05 crores, resulting in overall saving of Rs.563.95 crores.

Excess of Rs.56.74 crores in 3 grants and 2 appropriations required regularisation under Article 205 of the Constitution.

In 21 cases the supplementary provision of Rs.207.95 crores obtained was unnecessary as the expenditure of Rs.2140.15 crores did not come up even to the original provision of Rs.2506.35 crores.

Against the available saving of Rs.620.69 crores Government surrendered only Rs.495.66 crores.

(Paragraph 2.2)

4. Technology Mission on Oilseeds

The Mission was set up in May 1986 to accelerate implementation of different schemes in operation for achieving self sufficiency in production of oilseeds. Out of Rs.962 lakhs (Central assistance Rs.781 lakhs and State funds Rs.181 lakhs) released during 1986-87 to 1989-90, only Rs.672 lakhs were spent.

Though the area under oilseed crops increased from 10.08 lakh hectares in 1986-87 to 11.04 lakh hectares in 1989-90, there was cumulative shortfall in the targeted production of oilseeds during the period to the extent of 19 per cent. This was mainly due to less yield per hectare in the production of groundnut, the main oilseed crop, in the State.

The variety of groundnut seeds in use in the State for over twenty-five years were not changed, and new varieties were not introduced under the TMO.

Substandard seeds worth Rs.31.74 lakhs were distributed to farmers in Cuttack, Dhenkanal, Ganjam and Phulbani ranges.

Out of Rs.80 lakhs advanced to Orissa State Seeds Corporation (OSSC) for construction of two refrigerated godowns, Rs.73.92 lakhs remained unutilised with OSSC. The godowns are yet to be constructed, as of July 1990.

Quality seeds produced at a cost of Rs.28.20 lakhs were crushed to oil by Oil Orissa, instead of being distributed to farmers.

(Paragraph 3.1)

5. Bankbal Medium Irrigation Project

Construction under the project was taken up in 1980-81 by the Government of Orissa as a part of an inter-State agreement between the three riparian States of Bihar, Orissa and West Bengal for utilising its share of water resources in the Subarnarekha river basin to improve the economic condition of the tribal people of Mayurbhanj district.

Against the revised estimated cost of Rs.29.41 crores (yet to be sanctioned as of March 1991), expenditure of Rs.24.63 crores was incurred and the project was still in progress over 4 years behind schedule. The slippage was due to inadequate organisation, frequent changes in designs and insufficient funding. The delay in completion deprived the State of an annual expected revenue of Rs.6.13 crores. Extra expenditure of Rs.37.64 lakhs was incurred due to (i) excess consumption of diesel in the use of departmental dozers and tractors, (ii) shifting of site of spillway, (iii) use of higher specification of cement concrete in spillway and (iv) over-excavation in the foundation and refilling.

(Paragraph 4.1)

6. Orissa State Co-operative Marketing Federation Limited

The Federation was established in June 1949 as an apex co-operative organisation of all the Regional Co-operative Marketing Societies, cold storages and other commodity marketing institutions of the State.

The main objectives of the Federation are procurement, supply and distribution of farm inputs and other materials needed by affiliated member societies. It also undertakes preparation of manure mixtures, manufacture of pesticides and oil by solvent extraction, and granulation of fertilizers.

The Federation had accumulated losses amounting to Rs.28.53 crores as of June 1986. It could not achieve even the low target of 28 per cent of the Granular

Fertiliser Plant at Bargarh during 1983-89. The Solvent Extraction Plant (set up in 1977-78), cold storage unit (1984-85) and two expeller units (1987-88) remained considerably under utilised.

The Federation incurred losses of Rs.8 lakhs due to delay in disposal of 'Sal' seed oil during 1985-86, Rs.5.65 lakhs due to irregular procurement of sprayers, Rs.4.53 lakhs due to non-encashment of loan bonds on maturity and Rs.2.75 lakhs due to delay in disposal of fertiliser. Recovery on account of shortage in stock and misappropriations amounting to Rs.32.32 lakhs was pending.

(Paragraph 7.2)

7. National Wasteland Development Board

With a view to restoring the ecological balance and improving the economic condition of rural poor in Orissa, the National Wasteland Development Board, New Delhi sponsored four schemes viz. (a) Rural Fuelwood Plantation and Afforestation of Eco-sensitive Non-Himalayan Areas, (b) 'Decentralised Peoples' Nursery, (c) Establishment of Silvi-pasture Farms and (d) Minor Forest Produce Plantations. During the seventh plan period (1985-90) these schemes were implemented through Orissa Plantation Development Corporation Limited (OPDC).

Expenditure of Rs.61 lakhs incurred for raising plantations in Koraput and Kalahandi districts during 1985-86 under National Rural Employment Programme and Rural Landless Employment Guarantee Programme was adjusted against assistance received under the wasteland development Scheme.

A sum of Rs.61.08 lakhs under Rural Fuelwood Plantation Scheme (RFPW) meant for chronically deficient districts was diverted for plantations in districts not declared as fuelwood deficient.

Seedlings raised worth Rs.10.43 lakhs were damaged due to lack of departmental initiative for their utilisation.

Though not connected with the implementation of the Rural Fuelwood Plantation Scheme, the Principal Chief Conservator of Forests utilised Rs.69.45 lakhs of the scheme funds for salaries of staff of his organisation.

Rupees 6.22 lakhs under Decentralised People's Nursery (DPN) Scheme were unauthorisedly spent on raising departmental nurseries and free distribution of seedlings. Grass and fodder plantations raised under the scheme of establishment of silvi-pasture at a cost of Rs.15.43 lakhs did not yield any income and were grazed by cattle.

(Paragraph 7.3)

8. Other points of interest

(i) Cash of Rs.2.06 lakhs was found short in the accounts of Principal, Medical College, Burla due to failure to follow the rules prescribed.

(Paragraph 3.11)

(ii) Expenditure of Rs.1.14 lakhs was incurred on employment of a driver, without a vehicle by the Principal, SCB Medical College, Cuttack.

(Paragraph 3.12)

(iii) Expenditure of Rs.22.35 lakhs on avenue plantation proved unfruitful due to low survival in 16 Blocks of Balasore district.

(Paragraph 3.13)

(iv) An amount of Rs.149.63 lakhs towards machinery/mobilisation advances, cost of materials and other recoveries remained outstanding from a contractor on the closure of the contract for construction of Right head regulator of the Mahanadi Birupa Barrage Project.

(Paragraph 4.3)

(v) Hire charges of Rs.4.33 lakhs for 7 dozers lent to a contractor in 1986-89 for the construction of the Upper Jonk Irrigation Project remained unrecovered.

(Paragraph 4.6)

(vi) Works executed at a cost of Rs.91.78 lakhs under the Kusei Medium Irrigation Project had to be abandoned as they were executed on reserved forest land without the permission of Government of India.

(Paragraph 4.9)

(vii) Injudicious and irregular purchase of forms by the Project Officer, DRDA, Baripada in Mayurbhanj district without requirement resulted in forms worth Rs.5.79 lakhs remaining unutilised. Forms worth Rs.6.60 lakhs procured were not accounted for in the stock registers.

(Paragraph 7.6)

CHAPTER I

OVERALL ANALYSIS OF STATE FINANCE

1.1 Summary of accounts

The summarised position of the Accounts of the Government of Orissa emerging from the Appropriation Accounts and the Finance Accounts for the year 1989-90 is indicated in the statements following:

I-Statement of financial position of the

Amount as on 31st March, 1989 (Rupees in crores)	Liabilities	Amount as on 31st March, 1990 (Rupees in crores)
732.39	Internal Debt including Ways and Means Advances (Market loans, Loans from Life Insurance Corporation and other Autonomous bodies)	942.26
2044.12	Loans and Advances from Central Government	2267.48
	Non-Plan Loans	455.72
	Loans for State Plan Schemes	889.88
	Loans for Central Plan Schemes	15.85
	Loans for Centrally Sponsored Plan Schemes	49.11
	Pre-1984-85 loans	856.92
10.80	Contingency Fund	15.73
607.3	Small Savings	720.61
372.66	Deposits	359.50

Government of Orissa as on 31st March, 1990

Amount as on 31st March, 1989 (Rupees in crores)	Assets	Amount as on 31st March, 1990 (Rupees in crores)
3252.51	Gross Capital outlay on fixed assets	3679.17
	Investment in shares of Companies, Corporations, Co-operatives, etc. 506.35	
	Other Capital outlay 3172.82	
386.35	Loans and advances	428.08
	Loans for Power Projects 185.61	
	Other development loans 211.77	
	Loans to Government servants and miscellaneous loans 30.70	
4.79	Other advances	3.17
86.18	Remittance balances	70.16
223.12	Deficit on Government Account	328.51
	Deficit as on 31.3.89 223.12	
	Add : Current deficit 105.39	

[Contd.]

I-Statement of financial position of the

Amount as on 31st March, 1989 (Rupees in crores)	Liabilities	Amount as on 31st March, 1990 (Rupees in crores)
12.02	Reserve Funds	12.62
121.24	Suspense and Miscellaneous balances	66.52
75.79	Overdraft from the Reserve Bank of India*	147.04
<u>3976.40</u>		<u>4531.76</u>

* Represents minus deposit with the Reserve Bank of India under cash balance in the Finance Accounts.

Government of Orissa as on 31st March, 1990

Amount as on 31st March, 1989 (Rupees in crores)	Assets	Amount as on 31st March, 1990 (Rupees in crores)
23.45	Cash	22.67
	Cash in Treasuries and local remittances	2.19
	Departmental Cash balances including permanent advances	5.62
	Cash balance investment, security deposits and investment of ear- marked funds	14.86
<u>3976.40</u>		<u>4531.76</u>

GOVERNMENT

II-Abstract of Receipts and

Receipts	Amount
	(Rupees in crores)

SECTION-A-REVENUE

I.	Revenue Receipts	1740.72
(i)	Tax Revenue	524.84
(ii)	Non-tax Revenue	198.64
(iii)	State's share of divisible Union Taxes	572.59
(iv)	Grants from Central Government	444.65
	a) Non-Plan Grants	187.69
	b) For State Plan Schemes	121.28
	c) For Central Plan and Centrally sponsored Plan Schemes	135.68
II.	Revenue deficit carried down to Section 'B'	105.39

1846.11

OF ORISSA

Disbursements for the year 1989-90

Disbursements		Amount (Rupees in crores)		
I.	Revenue Expenditure			1846.11
		<u>Non-plan</u>	<u>Plan</u>	<u>Total</u>
(i)	General Services	620.42	9.87	630.29
(ii)	Social Services	515.95	257.81	773.76
(iii)	Agricultural and Allied Services	90.00	80.15	170.15
(iv)	Rural Development	19.50	84.10	103.60
(v)	Irrigation and Flood Control	22.41	28.01	50.42
(vi)	Energy	0.29	4.78	5.07
(vii)	Industry and Minerals	19.75	25.61	45.36
(viii)	Transport	36.19	0.89	37.08
(ix)	Science, Technology and Environment	-	2.54	2.54
(x)	General Economic services	9.44	10.87	20.31
(xi)	Grants-in-aid and Contributions	6.40	1.13	7.53
		<u>1340.35</u>	<u>505.76</u>	<u>1846.11</u>
				<u>1846.11</u>

Receipts	Amount (Rupees in crores)
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SECTION-B - OTHERS

III.	Opening cash balance including departmental cash balance, permanent advances, cash balance investment, security deposit and investment of earmarked funds	23.45
IV.	Recoveries of Loans and Advances	17.15
	(i) From Government servants	4.11
	(ii) From others	13.04
V.	Public Debt Receipts	1107.53
	(i) Internal Debt of the State Government	169.43
	(ii) Ways and Means Advances	582.79
	(iii) Loans and Advances from Central Government	355.31

1148.13

Disbursements		Amount (Rupees in crores)
II.	Revenue deficit brought down from Section - A	105.39
III.	Opening overdraft from Reserve Bank of India	75.79
IV.	Capital outlay	426.66
	(i) General services	14.66
	(ii) Social Services	42.79
	(iii) Agriculture and Allied activities	17.47
	(iv) Irrigation and Flood Control	171.23
	(v) Energy	88.63
	(vi) Industry and Minerals	29.86
	(vii) Transport	59.29
	(viii) Rural Development	0.51
	(ix) General Economic Services	2.22
V.	Loans and Advances disbursed	58.89
	(i) For various projects	43.78
	(ii) To Government servants	6.03
	(iii) To others	9.08
VI.	Repayment of Public Debts	674.29
	(i) Internal debt of the State Government	11.82
	(ii) Ways and Means Advances	530.53
	(iii) Loans and Advances from the Central Government	131.94
		<u>1341.02</u>

Receipts	Amount (Rupees in crores)	
VI.	Public Account Receipts	1553.53
	(i) Small Savings and Provident Funds	248.25
	(ii) Reserve Funds excluding investments	24.12
	(iii) Deposits and Advances	624.65
	(iv) Suspense and Miscellaneous excluding cash with departmental officers, permanent advances, cash balances investment and investment of earmarked funds	(-) 30.83
	(v) Remittances	687.34
VII.	Closing overdraft from the Reserve Bank of India	147.04
VIII.	Receipts from Contingency Fund	5.37

2854.07

Disbursements		Amount (Rupees in crores)
VII.	Public Account Disbursements	1489.94
	(i) Small Savings and Provident Funds	135.03
	(ii) Reserve Funds excluding investments	23.52
	(iii) Deposits and Advances	636.19
	(iv) Suspense and Miscellaneous excluding cash with departmental officers, permanent advances, cash balance investment and investment of ear-marked funds	23.88
	(v) Remittances	671.32
VIII.	Advances from Contingency Fund	0.44
IX.	Cash balance at end	22.67
	(i) Cash in treasuries and local remittances	2.19
	(ii) Departmental cash balance including permanent advances	5.62
	(iii) Cash balance investment, security deposits and investment of ear-marked funds	14.86
		<u>2854.07</u>

Sources and application of funds for 1989-90

	Amount (Rupees in crores)
I. Sources:	
1. Revenue Receipts	1740.72
2. Increase in Public Debt and Small Savings	546.46
3. Increase in Contingency Fund balances	4.93
4. Increase in overdraft with Reserve Bank of India	71.25
5. Adjustments	(-) 48.86
i) Increase in deposits and advances	(-) 11.54
ii) Increase in Reserve Funds	(+) 0.60
iii) Effect on suspense balance	(-) 54.72
iv) Effect on remittance balance	(+) 16.02
v) Reduction in cash balance	(+) 0.78
6. Net funds available	<u>2314.50</u>
II. Application:	
1. Revenue expenditure	1846.11
2. Capital expenditure	426.66
3. Lending for development and other programmes	41.73
	<u>2314.50</u>

Explanatory Notes

1. The summarised financial statements are based on the statements of Finance Accounts and the Appropriation Accounts of the State Government; and are subject to notes and explanations contained therein.

2. Government accounts being mainly on cash basis, the revenue deficit has been worked out on cash basis. Consequently items payable or receivable or items like depreciation or variation in stock figures, etc., do not figure in the accounts.

3. Finance Accounts contain information on progressive Capital expenditure outside the revenue account. Prior to rationalisation of accounting classification, small expenditure of Capital nature was also met out of revenue. Information on such capital expenditure being not available, is not reflected in the accounts.

4. Although a part of the revenue expenditure and the loans are used for capital formation by the recipients, its classification in the accounts of the State Government remains unaffected by end use.

5. There was a difference of Rs.54 crores between the figures reflected in the accounts and those intimated by the Reserve Bank of India under deposits with the Reserve Bank as of 31 March 1990 which has been brought down to Rs.8.93 crores after reconciliation and adjustment (July 1990).

1.2 Analysis of Accounts of the Government of Orissa 1989-90

1.2.1 The net addition to public debt (as adjusted by the effect on remittances, suspense balances, deposits and drawals from reserve funds during the year) was Rs.497.60 crores. After meeting the capital expenditure of Rs.426.66 crores and net disbursement of Rs.41.73 crores under loans and advances for development and other programmes, the balance of Rs.29.21 crores was insufficient to absorb the revenue deficit of Rs.105.39 crores. The gap was met by increase in overdraft of Rs.71.25 crores and increase in Contingency Fund of Rs.4.93 crores.

1.2.2 Under the agreement with Reserve Bank of India (RBI) the State Government has to maintain a minimum balance of Rs.0.60 crore on all working days. If the balance falls below the agreed minimum the deficiency is made good by taking ways and means advance from the RBI up to the limit mutually agreed upon. The limit for ordinary ways and means advance and special ways and means advance has been fixed at Rs.24 crores and Rs.12 crores respectively. Even after availing maximum ways and means advance if the short-fall remains uncovered, overdraft is allowed by RBI to maintain the minimum balance. During 1989-90 minimum balance was maintained in the normal course on 191 days, by taking ways and means advance on 133 days and availing of overdraft on 41 days. In addition to ways and means advance of Rs.5.41 crores outstanding at the beginning of the year, Government obtained Rs.417.77 crores and repaid Rs.379.13 crores during the year, leaving a balance of Rs.44.05 crores. Overdraft of Rs.165.01 crores was availed of during the year and Rs.151.40 crores was repaid leaving a balance of Rs.13.61 crores. Interest of Rs.1.18 crores (Rs.1.00 crore on ways and means advance and Rs.0.18 crore on overdraft) was paid during the year.

1.2.3 The revenue raised by the State was Rs.723.48 crores against the revised estimate of Rs.716.54 crores, resulting in a higher level of recoveries by Rs.6.94 crores under tax revenue (Rs.1.74 crores) and non-tax revenue (Rs.5.20 crores).

1.2.4 In the original budget estimates, a revenue deficit of Rs.174.95 crores was anticipated, and in the revised budget estimates a revenue deficit of Rs.136.31 crores was expected; but actual revenue deficit was Rs.105.39 crores. The revenue deficits for the years 1987-88 and 1988-89 were Rs.74.51 and Rs.107.79 crores respectively.

1.2.5 The State's share of divisible Union Taxes increased from Rs.428.71 crores in 1988-89 to Rs.572.59 crores in 1989-90 (increase of 34 per cent).

1.2.6. According to the information received from 9 Departments, the uncollected revenues as on 31st March 1990, amounted to Rs.431.33 crores, of which Rs.194.89 crores was due to stay orders (Rs.145.95 crores), certificate cases (Rs.46.01 crores), write off (Rs.2.79 crores) and disputes (Rs.0.14 crore).

1.2.7 The progressive capital outlay of Rs.3679.17 crores to the end of 1989-90, including Rs.1279.52 crores of 44 multipurpose major and medium irrigation projects under execution, formed 86 per cent of the public debt, small savings and deposits (Rs.4289.85 crores).

1.2.8 The working expenses (Direct) of 30 irrigation projects were Rs.8.57 crores. Even without levying interest on capital outlay (discontinued from 1979-80), the loss sustained during the year by these projects worked out to Rs.11.50 crores, except in respect of Dadarghati Irrigation Project where the working expenses were less than the revenue receipts.

1.2.9 In respect of loans and advances given by the State Government for which detailed accounts are maintained by Departmental officers, information was received till October, 1990 from 4 out of 16 Departments. Recovery of Rs.0.71 crore (Principal : Rs.0.32 crore and interest : Rs.0.39 crore) was over-due on 31st March 1990.

In respect of loans and advances, the detailed accounts of which are maintained by the Accountant General (A&E), the amount over-due for recovery at the end of 1989-90 was Rs.6.31 crores (Principal : Rs.2.24 crores, interests : Rs.4.07 crores); of this Rs.3.92 crores represented interest due from Municipalities, Corporations, etc.

1.2.10 There was an unreconciled difference of Rs.1.09 crores between the figures of outstanding loans shown in the detailed records maintained by the Departments/treasuries and those shown under broad categories in the books of Accountant General. The earliest year to which the difference relates was 1966-67.

1.2.11 Annual certificates of acceptance of balances in respect of loans and advances as on 31st March 1990, were not received in 2,389 cases involving loan of Rs.2.10 crores, out of which 2,051 cases for Rs.0.84 crore were more than five years old.

1.2.12 Public debt included Rs.18.76 crores representing undischarged market loans which matured during 1989 or earlier years and did not carry any interest.

1.2.13 The interest paid on debt and other obligations during the year was Rs.310.34 crores, which constituted 18 per cent of the total revenue receipts. The interest received on loans and advances, investments of cash

balance etc., together with dividends on investments in commercial undertakings and certain other receipts totalled Rs.6.22 crores. The net interest burden was thus Rs.304.12 crores. The interest paid on small savings, Provident Fund, etc., was Rs.71.96 crores, while the net accretion to the balance during the year was Rs.113.23 crores.

1.2.14 Against the Plan provision of Rs.678.75 crores, the actual expenditure on Plan schemes on all accounts was Rs.958.34 crores during the year which exceeded the Plan provision by Rs.279.59 crores. The non-Plan revenue expenditure of Rs.1340.35 crores fell short of the provision of Rs.1354.90 crores by Rs.14.55 crores.

1.2.15 The total expenditure under non-Plan (including capital) during the year was Rs.1373.32 crores, as compared to Rs.1169.43 crores in the previous year. The increase was mainly on account of General Services (Rs.62.88 crores) and Social Services (Rs.127.56 crores).

1.2.16 In 1989-90 Government invested Rs.43.95 crores in various Statutory Corporations, Government Companies and Co-operative institutions. The total investment of the Government at the end of the year was Rs.506.35 crores (shares and debentures : Rs.506.10 crores, bonds : Rs.0.25 crore). Interest and dividend received on such investment during the year was only Rs.0.22 crore, representing 0.04 per cent of the amount invested.

1.2.17 The contingent liability for guarantees given by the State Government for repayment of loans by the Statutory Corporations, Companies and Co-operatives etc., as on 31 March 1990 was Rs.1466.86 crores including interest and dividend (Rs.5.26 crores). Government

paid Rs.0.20 crore during the year in cases where guarantees were invoked, and no amounts were recovered from the principal debtors. Guarantee commission of Rs.0.05 crore was due for recovery in two cases as on 31st March 1990.

No law under Articles 293 of the Constitution has been passed by the State Legislature laying down the limit within which the Government may give guarantees on the security of the Consolidated Fund of the State.

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1 General

2.1.1 Summarised position of actuals during 1989-90 against provision is as follows:

	Original grant /ap- propria- tion (	Supple- mentary	Total	Actual expen- diture	Variation Savings(-) Excess(+))
	in crores of rupees					
	(1)	(2)	(3)	(4)	(5)	
I. Revenue						
Voted	1768.43	197.17	1965.60	1644.43	(-) 321.17	
Charged	335.43	0.82	336.25	336.89	(+) 0.64	
II. Capital						
Voted	514.09	70.86	584.95	523.07	(-) 61.88	
Charged	0.36	0.25	0.61	0.48	(-) 0.13	
III. Public Debt						
Charged	806.99	39.52	846.51	674.29	(-) 172.22	
IV. Loans and Advances						
Voted	75.65	(-) 7.57	68.08	58.89	(-) 9.19	
Grand Total	<u>3500.95</u>	<u>301.05</u>	<u>3802.00</u>	<u>3238.05</u>	<u>(-) 563.95</u>	

2:2 Results of Appropriation Audit

The following results emerge broadly from the Appropriation Audit.

2.2.1 *Supplementary provision*

Supplementary provision of Rs.301.05 crores obtained during the year constituted 9 per cent of the original budget provision (20 per cent of provision in the previous year).

2.2.2 *Unnecessary/excessive/inadequate supplementary provision*

(a) The total supplementary provision of Rs.301.05 crores made in September 1989 (Rs.170.32 crores) and March 1990 (Rs.130.73 crores) proved excessive in view of the overall savings of Rs.563.95 crores.

(b) In 21 cases, though the saving was more than Rs.0.50 crore in each case as detailed in *Appendix I*, supplementary provision of Rs.207.93 crores (Revenue : Rs.142.54 crores, Capital : Rs.65.39 crores) was made. The expenditure (Rs.2140.15 crores) did not come up even to the original provision (Rs.2506.35 crores).

(c) In 11 other cases against the actual requirement of Rs.39.16 crores (Revenue : Rs.21.48 crores, Capital : Rs.17.68 crores), the supplementary provision of Rs.79.82 crores (Revenue : Rs.45.90 crores, Capital : Rs.33.92 crores) made resulted in saving of Rs.10 lakhs or more in each case and Rs.40.66 crores on the aggregate (vide *Appendix II*).

(d) The supplementary provision of Rs.5.89 crores (Revenue : Rs.2.79 crores, Capital : Rs.3.10 crores) obtained in 3 cases (*Appendix III*) proved inadequate to the extent of more than Rs.10 lakhs in each case, with a total uncovered expenditure of Rs.55.93 crores.

2.2.3 *Saving/Excess over provision*

The overall savings of Rs.563.95 crores was the result of saving of Rs.620.69 crores in 26 grants (Rs.448.18 crores) and 2 charged appropriations (Rs.172.51 crores), partly off-set by excess of Rs.56.74 crores in 3 grants and 2 appropriations. The excess of Rs.56,73,93,513 as detailed in *Appendix IV* requires regularisation under Article 205 of the Constitution. Excess over grants/appropriations to the tune of Rs.303.46 crores for the years 1986-87 (Rs.58.20 crores), 1987-88 (Rs.126.79 crores) and 1988-89 (Rs.118.47 crores) have not yet been regularised.

2.2.4 *Unutilised provision*

In 25 grants/appropriations the expenditure fell short by more than Rs. one crore and also by 10 per cent and more of the total provisions as detailed in *Appendix V*.

2.2.5 *Saving under Plan scheme*

Substantial savings exceeding Rs.1 crore each occurred in the following cases, owing to non-implementation or slow implementation of Plan schemes:

[Statement

Ser- ial num- ber	Grant number	Department	Scheme	Amount of sav- ing	Percen- tage of the pro- vision
(1)	(2)	(3)	(4)	(5)	(6)
				(in crores of rupees)	
REVENUE SECTION					
Central Plan					
1.	3	Revenue and Excise	Other Rehabili- tation Schemes	12.38	90
State Plan					
2.	10	Education and Youth Services	University and Higher Education	3.23	58
Central Plan					
3.	12	Health and Family Welfare	Compensation	3.04	45
4.	18	Community Deve- lopment and Rural Recon- struction	Social Welfare	1.16	25
State Plan					
5.	18	Community Deve- lopment and Rural Recon- struction	National Rural Employment Prog- ramme	9.78	100
Central Plan					
6.	18	Community Deve- lopment and Rural Recon- struction	Other Expen- diture	6.97	100

Se- ri- al num- ber	Grant number	Department	Scheme	Amount of sav- ing	Percen- tage of the pro- vision
(1)	(2)	(3)	(4)	(5) (in crores of rupees)	(6)

**Centrally Spon-
sored Plan**

7.	18	Community Deve- lopment and Rural Recon- struction	National Rural Employment Programme	9.69	96
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State Plan

8.	19	Industry	Other loans	3.41	35
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CAPITAL SECTION

State Plan

1.	2	General Admi- nistration	Other build- ings Construc- tion	1.00	100
2.	20	Irrigation and Power	Subarnarekha Irrigation Project	14.59	43

Se- ri- al num- ber	Grant number	Department	Scheme	Amount of sav- ing	Percen- tage of the pro- vision
(1)	(2)	(3)	(4)	(5) (in crores of rupees)	(6)

Central Plan

3.	20	Irrigation and Power	Tribal area Sub-Plan	6.63	68
4.	22	Forest, Fisheries and Animal Hus- bandry	Marine Fish- eries	1.71	71

Central Plan

5.	23	Agriculture and Co-operation	Tribal area Sub-Plan	1.81	79
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2.2.6 Persistent savings

Persistent savings of 10 *per cent* and above were noticed in the following grants:

Serial number	Grant number	Department	Percentage of savings		
			1987-88	1988-89	1989-90
(1)	(2)	(3)	(4)	(5)	(6)

REVENUE SECTION
(Voted)

1.	3	Revenue and Excise	41	27	20
2.	5	Finance	45	25	21
3.	12	Health and Family Welfare	12	12	23
4.	15	Tourism, Sports and Culture	16	19	31

Serial number	Grant number	Department	Percentage of savings		
			1987-88	1988-89	1989-90
(1)	(2)	(3)	(4)	(5)	(6)
5.	16	Planning and Co-ordination	40	15	13
6.	19	Industry	12	12	12
7.	27	Science, Technology and Environment	37	23	18

CAPITAL SECTION

(Voted)

8.	7	Works	14	15	15
9.	12	Health and Family Welfare	100	99	62
10.	14	Labour and Employment	96	98	46
11.	15	Tourism, Sports and Culture	19	46	61
12.	16	Planning and Co-ordination	27	24	24
13.	17	Community Development and Rural Reconstruction (GP)	46	60	100
14.	19	Industry	22	11	14
15.	20	Irrigation and Power	11	18	16
16.	23	Agriculture and Co-operation	35	30	22
17.	25	Information and Public Relations	99	100	60
18.	26	Excise	100	100	100
19.	27	Science, Technology and Environment	85	100	100

2.2.7 *Significant cases of excesses*

In the following grants the expenditure exceeded the approved provision by more than Rs. one crore and also by more than 10 per cent of the total provision.

Serial number	Grant number	Name of the Department	Amount of excess	Percentage to total provision	Reasons for excess
(1)	(2)	(3)	(4)	(5)	(6)
			(in crores of rupees)		

REVENUE SECTION

1.	7	Works	26.70	29	Reasons have not been intimated.
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CAPITAL SECTION

2.	22	Forest, Fisheries and Animal Husbandry	28.95	83	Reasons have not been intimated
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2.2.8 *Persistent excesses*

Excesses were noticed to be persisting in the following grants:

Serial number	Grant number	Name of the Department	Percentage of excesses		
			1987-88	1988-89	1989-90
(1)	(2)	(3)	(4)	(5)	(6)

Revenue Section

1.	7	Works	36	40	29
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Capital Section

2.	22	Forest, Fisheries and Animal Husbandry	63	58	83
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2.2.9 *Expenditure without provision*

An expenditure of Rs.0.67 crore was incurred in the following grants/appropriations without any provision:

Grant number	Head of account	Amount (in crores of rupees)
13	2225 - Welfare of SC/ST and OBC - OSP - State Sector	
	01 - Welfare of SC	
	BBBB - Other expenditure Welfare of ST	0.58
	BBBBB - Other expenditure	<u>0.09</u>
		<u>0.67</u>

2.2.10 Surrender of Savings

(a) The rules require that all anticipated savings should be surrendered as soon as the possibility of saving is foreseen from the trend of expenditure. Such surrender, is however, generally made only in the last month of the year when it cannot be purposefully utilised. Although actual saving of Rs.620.69 crores was available during the year, only Rs.495.66 crores were surrendered on 31st March 1990.

(b) Significant savings exceeding Rs. one crore remained unsurrendered in the following grants/appropriations:

Grant number	Department	Total saving	Amount surrendered	Un-surrendered amount
(Rupees in crores)				
(1)	(2)	(3)	(4)	(5)
REVENUE SECTION				
1	Home	9.92	7.32	2.60
3	Revenue and Excise	27.94	1.85	26.09
10	Education and Youth Services	102.45	25.87	76.58
12	Health and Family Welfare	35.74	23.72	12.02
15	Tourism, Sports and Culture	3.74	2.64	1.10
19	Industries	6.95	4.74	2.21
20	Irrigation and Power	6.27	1.97	4.30

Grant number	Department	Total saving	Amount surrendered	Un-surrendered amount
(1)	(2)	(3)	(4)	(5)
(Rupees in crores)				

22	Forest, Fisheries and Animal Husbandry	10.29	6.15	4.14
23	Agriculture and Co-operation	16.39	9.50	6.89
24	Mining and Geology	1.54	0.19	1.35

CAPITAL SECTION

	Internal debt	172.06	165.66	6.40
20	Irrigation and Power	58.61	48.69	9.92

(c) Surrender of funds (exceeding Rs.50 lakhs in each case) made in the following cases were more than the saving actually available:

Grant number/ Appropriation	Department	Amount of saving available	Actual surrender	Excess surrender made
(1)	(2)	(3)	(4)	(5)
(in crores of rupees)				

REVENUE SECTION

5	Finance	22.27	43.43	21.16
11	Harijan and Tribal Welfare	10.07	12.02	1.95
13	Housing and Urban Development	6.76	13.13	6.37

(d) Although the expenditure exceeded the total provision and no saving was available, amount exceeding Rs.50 lakhs in each case was surrendered in the following cases:

Grant number/ Appropriation	Department	Total excess	Amount surrendered
(1)	(2)	(3)	(4)
(Rupees in crores)			
(5)			
REVENUE SECTION			

7	Works	26.70	1.74
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CAPITAL SECTION

22	Forest, Fisheries and Animal Husbandry	28.95	0.83
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2.3 Injudicious re-appropriation

Re-appropriation is transfer of funds within a grant from one unit of appropriation where savings are anticipated to another where additional funds are needed. It is permissible only when there is definite or reasonable chance of saving under the unit from which funds are proposed to be re-appropriated, or it is meant to curtail expenditure under the unit to meet more urgent expenditure under another unit. These aspects were not taken into consideration in several cases when re-appropriation orders were issued during 1989-90. In 19 cases re-appropriation for sums exceeding Rs.50 lakhs in each case turned out to be inadequate or injudicious on account of the final savings or excess as detailed in *Appendix VI*.

2.4 Advances from Contingency Fund

The corpus of the State Contingency Fund is Rs.20 crores from which advance is being sanctioned by Government for meeting unforeseen expenditure of an emergent nature as cannot be postponed till the vote of the Legislature is taken.

Out of 57 sanctions of advances involving Rs.12.32 crores issued during the year, one sanction was cancelled in September 1989 (Rs.0.35 crore). Advances of Rs.0.44 crore drawn against six sanctions issued between February 1990 to March 1990 remained unrecouped, in addition to un-recouped advance of Rs.3.83 crores of earlier years from 1978-79 to 1986-87, though they were required to be recouped within the financial year by means of supplementary grants.

2.5 Trend of recoveries and credits

Under the system of gross budgeting by Government, the demands for grants presented to the Legislature are for gross expenditure, and exclude all credits and recoveries which are adjusted in the accounts in reduction of expenditure; the anticipated recoveries and credits are shown separately in the budget estimates. Actual recoveries exceeded under both Revenue and Capital Sections during last six years. In 1989-90, against the anticipated recovery of Rs.166.63 crores (Revenue : Rs.104.84 crores, Capital : Rs.61.79 crores), the actual recovery was Rs.232.09 crores (Revenue : Rs.135.21 crores, Capital : Rs.96.88 crores) which resulted in an additional recovery of Rs.65.46 crores.

In the Revenue Section the additional amount recovered was mainly under Public Works (Rs.28.76 crores) and Housing and Urban Development (Rs.1.85 crores).

In the Capital Section additional recovery was under Irrigation and Power Department (Rs.7.40 crores); Forest, Fisheries and Animal Husbandry Department (Rs.26.44 crores); Commerce Department (Rs.0.65 crore) and Works Department (Rs.0.49 crore).

2.6 Non-receipt of explanations for savings/excesses

After closure of accounts of each financial year, the detailed Appropriation Accounts showing the final grant/appropriation, the actual expenditure and the resultant variations are sent to the controlling officers, requiring them to explain the variations, in general and those under important sub-heads in particular. The State Budget Manual also requires the controlling officers to furnish promptly all such information to the Accountant General (A&E) for preparation of Appropriation Accounts. It is, however, seen that the reasons for variations were not furnished in time. For the Appropriation Accounts 1989-90, explanations were called for by the Accountant General (A&E) in October 1990 in respect of 3836 cases (Savings : 2320 for Rs.358.21 crores Excesses : 1516 for Rs.309.80 crores). Explanations were received (by November 1990) only in 131 cases (3 per cent). Explanations were due to be received from almost all the Departments.

CHAPTER III

CIVIL DEPARTMENTS

AGRICULTURE AND CO-OPERATION DEPARTMENT

3.1 Technology mission on oilseeds

3.1.1 *Introduction*

The Technology Mission on Oilseeds (TMO) was launched in May 1986 as a consortium of all implementing Government Departments and non-Government agencies, to function as an agency for formulating policies for implementing the ongoing National Oilseeds Development Programme (NODP). Another programme, namely the Oilseeds Production Thrust Project (OPTP), was launched under the TMO during 1987-88. The major objective of the TMO was to increase production of oilseeds, and to reduce the import of edible oils by the end of the Seventh Plan. The strategy adopted by the Mission was (i) improvement of crop production technology for stepping up yield, (ii) improved processing and post-harvest technology for better oil recovery, (iii) strengthening of services to farmers by transfer of technology, supply of improved seeds, fertilisers, plant protection chemicals, etc. at their door-step and (iv) providing price support and post-harvest technology infrastructure.

The National Oilseeds Development Project (NODP) was already under implementation in seven* out of 13 districts of the State from April 1985. It provided

All abbreviations used in this Review are listed alphabetically and expanded in the Glossary at Appendix X (Page 202).

* Puri, Cuttack, Ganjam, Dhenkanal, Kalahandi, Koraput and Phulbani.

100 *per cent* central assistance for foundation seed production and 50 *per cent* assistance for demonstration of improved technology, distribution of seeds, fertilisers and pesticides, etc.

The Oilseeds Production Thrust Project (OPTP) was aimed at accelerating the production of four major oilseed crops in the State, viz. groundnut, rape seed-mustard, soyabean and sunflower, which constituted 85 *per cent* of the total oilseed production of the State. Under the project, which was implemented in all the 13 districts, the cost of seed production, demonstration, plant protection, etc. was fully met by the Government of India.

The schemes envisaged supply of inputs like quality seeds, fertilisers, pesticides, plant protection equipment and chemicals, and improved agricultural implements to the farmers at their door-step through retail outlets, apart from transfer of technology through large-sized demonstrations in fields in the usage of quality seeds, fertiliser application, timely plant protection measures and in the improved methods of cultivation.

Under Seed Village Scheme, villages and progressive farmers were identified with the help of extension staff. The farmers were provided with necessary support services for production of certified seeds. The Seed Villages were to be organised for each area on the basis of projections of demand for seeds. Subsidy was given to farmers from whom the seeds were procured.

3.1.2 *Organisational set-up*

The Secretary to the Government of Orissa, Agriculture and Co-operation Department was the State Mission Co-ordinator (Nodal Officer), and was assisted by the Director of Agriculture and Food Production, Orissa (DAFP), Assistant Project Officer, Oilseeds (APO Oilseeds) at the State level, by the Deputy Directors of Agriculture and District Agriculture Officers at the district level, by the Agriculture Extension Officers (AEOs) at the Block level, and by the Village Agricultural Workers (VAWs) at the village level.

3.1.3 *Audit coverage*

A test-check was conducted during the period from April 1990 to July 1990 in the Agriculture Department, Directorate of Agriculture including APO (Oilseeds), Offices of the Deputy Directors of Agriculture (DDA) at Puri, Cuttack, Dhenkanal, Phulbani and Ganjam (Berhampur) and their offices at Block and village levels, covering the period of four years from 1986-87 to 1989-90. The results of the test-check are enumerated in the succeeding paragraphs.

3.1.4 *Highlights*

- A sum of Rs.960 lakhs reported to Government of India as expended on the programme included Rs.290 lakhs which remained unspent.

[Paragraph 3.1.5(ii)]

- Though the area under oilseed crops increased from 10.08 lakh hectares in 1986-87 to 11.04 lakh hectares in 1989-90, there

was a cumulative shortfall over the period in the targeted production of oilseed to the extent of 19 per cent, which was mainly due to less yield per hectare in the production of groundnut, the main oilseed crop.

[Paragraph 3.1.6]

- The variety of groundnut seeds in use in the State for over twenty-five years were not changed, and new varieties were not introduced under the TMO.

[Paragraph 3.1.7(a)]

- Sub-standard seeds worth Rs.31.74 lakhs were distributed during 1986-87 to 1989-90 by the Department to farmers in Cuttack, Dhenkanal, Ganjam and Phulbani ranges.

[Paragraph 3.1.7(d)]

- The off-take of certified seeds to be supplied by the Department to farmers was very poor. Due to poor off-take and long storage, there was loss of Rs.19.99 lakhs in the disposal of unutilised oilseeds.

[Paragraph 3.1.7(e)]

- Rupees 73.92 lakhs out of Rs.80 lakhs advanced to Orissa State Seed Corporation (OSSC) for construction of two refrigerated storage godowns were lying unutilised since July 1989 and December 1989.

[Paragraph 3.1.8]

- A sum of Rs.9.30 lakhs advanced (1989-90) to OSSC and Oil Orissa for payment of incentive to oil growers remained unspent.
[Paragraph 3.1.9(a)(ii)]

- Under the seed production programme for 1988-89, Rs.28.20 lakhs was given to Oil Orissa for production of quality seeds. The seeds produced were crushed to oil instead of being distributed to farmers.
[Paragraph 3.1.9(b)]

3.1.5 *Financial outlay and expenditure*

Budget provision and expenditure incurred during the period from 1986-87 to 1989-90 under the oilseeds programmes (NODP and OPTP) were as under:

[Statement

Year	Amounts released			Actual Expenditure			Saving		
	Cent- ral (	State	Total	Cent- ral	State	Total	Cent- ral	State	Total)
	Rupees in lakhs								
(A) NODP									
1986-87	52.63	46.46	99.09	39.69	27.72	67.41	12.94	18.74	31.68
1987-88	44.78	38.13	82.91	38.02	30.02	68.04	6.76	8.11	14.87
1988-89	46.00	44.00	90.00	43.22	43.22	86.44	2.78	0.78	3.56
1989-90	56.50	52.37	108.87	40.18	29.27	69.45	16.32	23.10	39.42
TOTAL	199.91	180.96	380.87	161.11	130.23	291.34	38.80	50.73	89.53

(B) OPTP

1987-88	72.90	-	82.52	72.90	-	72.90	9.62	-	9.62
	(+) 9.62*								
1988-89	259.20	-	260.36	178.66	-	178.66	81.70	-	81.70
	(+) 1.16*								
1989-90	179.20	-	238.40	128.83	-	128.83	109.57	-	109.57
	(+) 59.20*								
TOTAL	581.28		581.28	380.39		380.39	200.89		200.89

GRAND

TOTAL		962.15				671.73			290.42
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* Although these amounts were received from Government of India, they were not exhibited by the State Government in the financial statements.

The following points were noticed during test-check:

(i) Though the State received Central assistance of Rs.781 lakhs under NODP (Rs.200 lakhs) and OPTP (Rs.581 lakhs), only a sum of Rs.541 lakhs was spent (NODP Rs.161 lakhs and OPTP Rs.380 lakhs) during 1986-87 to 1989-90, resulting in unutilised Central assistance.

(ii) Though the entire provision in the State Budget and Central assistance aggregating Rs.962.15 lakhs was drawn, only Rs.671.73 lakhs were distributed to various executing agencies during the period. But the State Government reported to the Government of India that a sum of Rs.960.05 lakhs had been spent on the programme.

The unutilised balance of Rs.290.42 lakhs was kept in cash (Rs.2.10 lakhs) and Civil deposits (Rs.180.57 lakhs) or paid as advances to Orissa State Seeds Corporation (OSSC) (Rs.107.75 lakhs). The unutilised balance was approximately 30 *per cent* of the total provision.

(iii) Moreover, the executing agencies also had unspent balances of monies given to them under the programme. In the offices of five DDAs test-checked it was noticed that out of Rs.38.71 lakhs drawn by them during 1986-87 to 1989-90, only Rs.25.45 lakhs were utilised, leaving a balance of Rs.13.26 lakhs as of March 1990 (Puri : Rs.3.30 lakhs, Cuttack : Rs.2.23 lakhs, Dhenkanal : Rs.2.85 lakhs, Phulbani : Rs.0.63 lakh, Ganjam : Rs.4.25 lakhs).

The records of the Assistant Project Officer (Oilseed's) also revealed that Rs.107.75 lakhs advanced to Orissa Agro Industries Corporation (OAIC) (Rs.0.98 lakh), Oil Federation (Rs.6.08 lakhs) and OSSC (Rs.100.69 lakhs) remained outstanding as of March 1990.

(iv) Though NODP did not contemplate payment of subsidy for irrigation, a sum of Rs.3.22 lakhs was utilised for payment of water tax on behalf of farmers for growing groundnuts in the ayacut of Lift Irrigation Project in Cuttack Range.

3.1.6 *Physical targets and achievements*

The physical targets and achievements in oilseed crop production for the period from 1986-87 to 1989-90 were as follows:

Year	Target		Achievement	
	Area (in lakh hect-ares)	Seeds produc- tion (lakh tonnes)	Area (in lakh hec- tares)	Seeds produc- tion (lakh tonnes)
(1)	(2)	(3)	(4)	(5)
1986-87	10.48	9.23	10.08	6.97
1987-88	10.86	9.40	10.89	7.21
1988-89	10.78	9.24	10.90	8.48
1989-90	11.59	10.32	11.04	8.29

Crop-wise details of area and production during the period were as under:

Crop	Target			Achievement		
	Area cover- age in lakh hectares	Produc- tion in lakh tonnes	Yield in quin- tals per hectare	Area cover- age in lakh hectares	Produc- tion in lakh tonnes	Yield in quintals per hec- tare
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1) Groundnut	14.97	24.39	16.29	14.83	18.07	12.18
2) Sesame	11.32	5.79	5.11	11.89	6.06	5.10
3) Castor	1.47	0.81	5.51	1.33	0.72	5.41
4) Mustard	6.01	3.28	5.46	5.56	2.63	4.73
5) Niger	7.92	2.98	3.76	7.35	2.67	3.63
6) Linseed	1.37	0.52	3.79	1.44	0.54	3.75
7) Sunflower	0.07	0.03	4.28	0.12	0.05	4.16
8) Safflower	0.15	0.06	4.00	0.13	0.05	3.85
9) Soyabean	<u>0.43</u>	<u>0.33</u>	7.67	<u>0.26</u>	<u>0.16</u>	6.15
	<u>43.71</u>	<u>38.19</u>		<u>42.91</u>	<u>30.95</u>	

Though the area under oilseed crops increased from 10.08 lakhs ha. in 1986-87 to 11.04 lakhs ha. in 1989-90, there was shortfall in the planned production of oilseeds. The cumulative shortfall over the period in targeted production was 19 per cent, which was mainly due to less yield per hectare in groundnut, the main oilseed crop.

The targets and achievements, both financial and physical, of 3 important components under NODP/OTTP for the period from 1986-87 to 1989-90 were as given below:

Component	Target		Achievement		Shortfall	
	NODP	OTTP	NODP	OTTP	NODP	OTTP
1. Seed Village Scheme						
a) Financial (Rupees in lakhs)	45.49	34.00	15.62	2.34	29.87	31.66
b) Procurement of certified/quality seeds (in quintals)	33,325	2,000	17,745	936	15,580	1,064
2. Block Demonstrations						
a) Financial (Rupees in lakhs)	160.69	160.00	156.83	123.46	3.86	36.54
b) Area (in hectares)	21,966	20,881	21,632	16,401	334	4,480
3. Construction of godowns						
a) Financial (Rupees in lakhs)	Nil	120.70	Nil	9.50	Nil	111.20
b) Number of godowns	Nil	3	Nil	Nil	Nil	3

The following irregularities were noticed in the reporting of production figures of oilseeds. It is relevant to mention here that in order to assess the impact of NODP and OPTP on production of oilseeds, the scheme envisaged joint inspection of crop cuttings by the representatives of the Director of Agriculture and Food Production (DAFP) and Bureau of Statistics and Economics (BSE) in respect of at least one crop cutting of an area of 5 x 5 square metres in each village covered by the project separately during kharif and rabi seasons.

(i) The area coverage reported was based on eye estimates only, and did not represent a realistic assessment of the area brought under oilseed crops by the different farmers in the State. The figures reported were, therefore, not reliable.

(ii) Against a requirement of 28,840 joint inspections of crop cuttings during 1986-87 to 1989-90 in the Ganjam range, only 1,976 departmental inspections were conducted.

(iii) Against the requirement of 24,000 joint inspections in 3,000 villages of Phulbani range covered under the oilseed growing schemes, only 440 joint and 1,675 departmental inspections were conducted during 1986-87 to 1989-90 (9 per cent).

(iv) In Cuttack Range, the records in support of the production figures communicated to higher authorities were not produced to Audit.

(v) The expected yield of groundnut per hectare is 15 quintals under ideal conditions. The production reports of demonstration plots of Puri Range, however, indicated wide variations. During 1986-87, in Puri Sadar Block in 7 demonstration plots the yield of groundnut was reported as 15 to 35 quintals per hectare. In three plots of Brahmagiri Block under minikit (demonstration) plots, the yield per hectare during 1987-88 was reported as 44 to 49 quintals. Yield of other plots was only 4 to 10 quintals per hectare. The average yield for the State was 12.18 quintals per hectare.

(vi) The production of oilseeds under NODP and OPTP demonstration plots were reported in weight of green seeds instead of dry seeds. The excess weight reported on this account in the demonstration plots in Kukudakhanda and Chikiti blocks of Ganjam Range was noticed to be 853.24 quintals groundnuts and 63.37 quintals sesame respectively.

3.1.7 *Production and supply of seeds*

(a) *Non-introduction of improved variety of certified seeds*

The guidelines of both NODP and OPTP provided for the use of new varieties of groundnut seeds for optimising production. But it was noticed that the same type of seeds (AK-12-24) in use in the State for over 25 years, were continued under the TMO and no efforts were made to introduce newer varieties. It was stated by DDA, Dhenkanal that due to usage of the same variety of seeds, the production was not upto the expectation.

(b) *Departmental supply of seeds*

Quality tested seeds required by the farmers were to be supplied by the Department only. It was, however, seen from the records that departmental supply of seeds was negligible in 3 districts test-checked, and ranged from nil to 5 per cent during the years 1986-87 to 1989-90, as detailed below:

Range	Year	Variety of seed	Percentage of supply from Department
Ganjam	1986-87	Groundnut	Nil
	1987-88	Groundnut	1
	1988-89	Groundnut	3
Phulbani	1986-87	Groundnut	5
	to	Mustard	3
	1989-90	Niger	Nil
Dhenkanal	1986-87		
	to	Groundnut	1 to 3
	1989-90		

The DDAs stated that the supply from departmental sources was limited to the procurement of quality seeds from OSSC. The DDA, Ganjam also stated that farmers were reluctant to buy departmental seeds due to higher prices. A considerable quantity of stock of departmental seeds had to be auctioned as mentioned in sub-para (e) below, at a loss.

(c) *Non-testing of seeds*

To ensure the use of tested seeds by the farmers, the DAFP, Orissa issued instructions in January 1985 to the DDAs to collect samples of seeds used by the farmers for testing in the State Seed Testing Laboratory. It was, however, noticed that no follow-up action was taken in this regard by field offices, and quality of seeds used by the farmers was not known to the Department.

(d) *Distribution of sub-standard seeds*

(i) The viability of the seeds supplied by the Department is tested by the Seed Testing Laboratory (STL), Bhubaneswar, to whom samples of seeds are sent by the DDAs as soon as they are received by them from OSSC and Oil Orissa. Seeds with 70 per cent germination are treated as viable. In the following ranges the results of analysis of samples of departmental supplies by STL during 1986-87 to 1989-90 indicated that they were not upto the standard, as shown below:

Range	Quantity of seeds found sub-standard (in quintals)	Percentage of germination as per reports of STL	Value of sub- standard seeds (Rupees in lakhs)
Dhenkanal	1,418	0 to 60	16.32
Ganjam	926	0 to 66	10.48
Cuttack	382	9 to 13	4.39
Phulbani	45	0 to 35	0.55
	<u>2,771</u>		<u>31.74</u>

The seeds were nevertheless supplied to the farmers. While DDA, Cuttack accepted that the seeds were sub-standard, the DDAs of Dhenkanal, Ganjam and Phulbani contended that the seeds were found viable on local tests conducted before distribution to farmers. Their contention could not be accepted in view of the reports of analysis of the seeds by STL.

(e) *Loss due to auction sale of seeds*

Seeds remaining unutilised at the end of a season cease to be viable, and are required to be sold in auction. During the period from 1986-87 to 1989-90, seeds valued at Rs.31.11 lakhs were sold at Rs.11.12 lakhs, resulting in a loss of Rs.19.99 lakhs as detailed below, due to their accumulation beyond their period of viability on account of poor off take (sub-para 3.1.7(b) also refers).

Range	Name of the seeds	Quantity of seeds sold (in quintals)	Cost of procurement (Rupees in lakhs)	Sale value	Loss to Government
1. Kalahandi	Soyabean	1,280.115	15.51	4.27	11.24
2. Phulbani	i) Soyabean	17.305	0.22	0.05	0.17
	ii) Groundnut and Mustard	404.155	4.76	1.47	3.29
3. Ganjam	Groundnut and Sesame	408.610	5.02	2.02	3.00
4. Cuttack	Groundnut and Mustard	560.840	5.10	3.00	2.10
5. Dhenkanal	Groundnut and Mustard	47.230	0.50	0.31	0.19
	Total	<u>2,718.255</u>	<u>31.11</u>	<u>11.12</u>	<u>19.99</u>

3.1.8 *Construction of de-humidified refrigerated storage godowns*

In order to create proper facilities for storage of groundnuts at Bhubaneswar, it was decided in September 1985 to construct two de-humidified refrigerated godowns each of 1,000 tonnes capacity. Against an estimated cost of Rs.90 lakhs for construction of the godowns, the first instalment of Rs.32 lakhs was released by DAFP to OSSC in July 1989, for undertaking the construction. The balance amount was to be released in two instalments on the basis of the progress of work. However, in December 1989, Government released a further amount of Rs.48 lakhs, on the plea that OSSC had ordered for machinery and equipment necessary for the construction. Though the construction was to be completed within ten months from the date of release of funds, it was noticed that OSSC had spent only Rs.6.08 lakhs as of March 1990 on purchase of 2 acres of land, and the balance amount of Rs.73.92 lakhs was still lying with it unutilised (July 1990).

3.1.9 *Seed Village Scheme*

(a) *Non-payment of incentive to oilseed growers*

The scheme envisages procurement of quality seeds from selected villages by the departmental agencies (OSSC and Oil Orissa) by paying Rs.150 per quintal, as an incentive, over and above the procurement price fixed by Government.

(i) For the implementation of NODP, OSSC received in November 1986 a sum of Rs.11.19 lakhs towards subsidy to be paid to farmers for procurement of 7,458 quintals of groundnut seeds @ Rs.150 per quintal. OSSC

procured and supplied only 2,202 quintals of groundnut seeds, utilising Rs.3.30 lakhs towards payment of subsidy during 1986-87. Balance of Rs.7.89 lakhs were yet to be refunded by OSSC as of June 1990.

(ii) During the year 1989-90, a sum of Rs.9.30 lakhs was received by OSSC (Rs.6 lakhs) and Oil Orissa (Rs.3.30 lakhs) for payment of incentive to the farmers. The amount was however not passed on to the farmers, but was utilised by the undertakings. For the groundnut procured from them the farmers were also paid less, at the rate of Rs.620 per quintal by OSSC and Rs.720 per quintal by Oil Orissa as against procurement price of Rs.957 per quintal fixed by Government.

(b) *Misutilisation of seed money*

Under the seed production programme of OPTP (1988-89), Oil Orissa was advanced Rs.28.20 lakhs for production of 9,400 quintals of certified groundnut seeds @ Rs.300 per quintal. The seeds were meant for distribution to various ranges. Instead, the groundnut seeds produced were crushed into oil by Oil Orissa, for reasons which were not explained (July 1990). The APO stated in June 1990 that Oil Orissa was being asked to clarify the position. The amount of Rs.28.20 lakhs was yet to be recouped by the agency.

3.1.10 *Field demonstrations*

For effective transfer of technology to farmers, it was proposed to organise large-sized demonstrations of different oilseed crops in compact areas under NODP

and OPTP schemes. The details of targets and achievements in this regard are given below:

Year	Target		Achievement		Shortfall	
	Physi- cal	Finan- cial	Physi- cal	Finan- cial	Physi- cal	Finan- cial
	(in num- bers)	(Rupees in lakhs)	(in num- bers)	(Rupees in lakhs)	(in num- bers)	(Rupees in lakhs)
1986-87	5,230	35.50	5,230	35.50	Nil	Nil
1987-88	11,251	54.50	10,151	51.54	1,100	2.96
1988-89	14,491	123.19 [*]	14,491	121.49	Nil	1.70
1989-90	11,875	107.50	8,161	71.76	3,714	35.74
Total	<u>42,847</u>	<u>320.69</u>	<u>38,033</u>	<u>280.29</u>	<u>4,814</u>	<u>40.40</u>

The farmers were supplied with inputs like seeds, plant protection chemicals and fertilisers free or at subsidised rates. Rs.280.29 lakhs were spent during 1986-87 to 1989-90 on holding 38,033 demonstrations. The position in test-checked Blocks was as under:

(a) *Unsuccessful demonstrations*

(i) During 1988-89 in Cuttack range the yield of groundnut and mustard was only 40 to 50 per cent of the target due to improper use of seeds meant for kharif and rabi, and supply and use of gypsum after the sowing instead of in advance.

(ii) In three Blocks, viz. Bolagarh, Khurda and Begunia of Puri range, in 49 hectares of demonstration plots during 1988-89 (kharif) the yield of groundnut was 7 to 14 quintals against a target of 15 quintals due to delay in supply of seeds, late sowing, non-treatment of seeds with Rhizobium culture, delayed supply of plant protection implements/chemicals and non-supervision.

(iii) In six other Blocks viz. Nayagarh, Odagaon, Kendrapara, Dhapur, Rampur and Gania of the same range, the yield of groundnut was between 5 to 10 quintals per hectare due to crop diseases like leaf minor, callor rot, etc., delayed procurement and supply of plant protection chemicals to farmers, selection of unirrigated plots and failure to supply necessary inputs in time.

(iv) In Ganjam range, the yield per hectare obtained in most of the demonstration plots of groundnut was only 9 to 10 quintals per hectare due to late supply of inputs to the beneficiary farmers.

Thus, the expenditure incurred on these demonstration plots did not yield satisfactory results.

(b) *Excess expenditure on demonstration*

(i) Under NODP and OTP schemes, financial limits of Rs.1,000 / 1,200 were fixed for kharif and rabi seasons respectively per hectare of demonstration of groundnut as an incentive to the beneficiary farmers. Similarly Rs.600 per hectare was fixed for demonstration of mustard. It was noticed that a sum of Rs.0.62 lakh was spent in excess of the above limits in the districts test-checked

as detailed below:

Range	Block	Admissible expenditure	Expenditure incurred	Excess expenditure
(Rupees in lakhs)				
Ganjam (Berham- pur)	Kukudakharidi (1986-87 to 1989-90)	1.06	1.40	0.34
Cuttack	Kantapada (1987-88)	0.24	0.36	0.12
Dhenkanal	Dhenkanal (Sadar) (1989-90)	<u>0.62</u> <u>1.92</u>	<u>0.78</u> <u>2.54</u>	<u>0.16</u> <u>0.62</u>

(c) Under NODP scheme, Orissa University of Agriculture and Technology (OUAT) was required to conduct 500 and 445 groundnut block demonstrations during kharif and rabi seasons of 1989-90 respectively. It was, however, noticed that no demonstrations were held, and the sum of Rs.10.34 lakhs advanced to OUAT for the purpose remained unutilised.

OUAT stated that they were planning to conduct the demonstrations during 1990-91.

(d) *Repetition of demonstrations*

Under the programme, the same plot/farmer was not to be selected more than once for demonstration purposes.

A scrutiny of records during test-checks revealed that the same eight plots/farmers in three blocks (Chikiti : 4, Kukudakhandi 1 and Odapada : 3) were selected for demonstrations in 2 successive years 1987-88 and 1988-89 which was irregular.

3.1.11 *Inadequate testing of soil samples*

Soil-testing in demonstration and minikit fields, were to be conducted well in advance of sowing, and the results communicated to the farmers for application of right dosage of fertilisers.

In Phiringia Block of Phulbani range, no soil-testing was conducted during the years 1986-87 to 1988-89 and kharif 1989-90. For mustard (rabi crop : 1989-90) 81 soil samples were collected in October 1989 and sent for testing, the results of which were received and communicated to farmers in November and December 1989 when it was time for cutting the crops.

250 soil samples were collected before rabi season for sowing groundnuts from Puri Sadar and Brahmagiri Blocks and sent for testing in January 1990. Results of analysis were not communicated to the field officers (AEOs) for follow-up action (May 1990).

In Cuttack range, no soil-testing was conducted during 1986-87 to 1989-90 for demonstrations conducted in fields where minikits were supplied. During 1989-90 rabi crop, 160 soil samples from such fields were sent for analysis in May 1989, the results of which were not received even a year later in 1990.

3.1.12 *Non-accountal of cash collected on sale of seeds*

In Krishnaprasad Block of Puri Range, out of Rs.0.54 lakh collected by the 'Agricultural Overseer towards sale proceeds of groundnut seeds during 1983-84 to 1986-87, an amount of Rs.0.15 lakh only was deposited into the treasury, and the balance of Rs.0.39 lakh was not accounted for.

In Cuttack range, in March 1988 during physical verification 11 quintals of groundnuts worth Rs.0.12 lakh were found short. No action was taken as of May 1990 to fix the responsibility for the loss.

3.1.13 *Monitoring and evaluation*

Under these schemes, it was the responsibility of the TMO to undertake an evaluation of the scheme as a whole for corrective action for vigorous and speedy implementation of the schemes. But no such evaluation was conducted except consolidating the performance reports received from different range offices for reporting progress to Government of India. Even the reports sent to Government of India were factually incorrect. For instance, under the Seed Village programme the target of procurement was shown as fulfilled even though there was shortfall of 16,644 quintals. In Block demonstrations and construction of godowns, the total amounts provided were shown to have been spent even though Rs.40.40 lakhs under demonstrations and Rs.111.20 lakhs under godowns were held in Civil Deposits or were advanced to OSSC. The impact of the various schemes had also not been evaluated by any authority.

3.1.14 The points mentioned in this Review were referred to Government in October 1990; their reply has not been received (August 1991).

3.2 **Avoidable loss on procurement of maize seeds**

Deputy Director of Agriculture, Keonjhar (DDA) procured 1,502.58 quintals of certified maize seeds valued at Rs.7.92 lakhs between October and December 1987. Indents of 1,102.75 quintals only had been received from Agricultural Officers of his range and a procurement quota of 1,347 quintals had been fixed by the Director of Agriculture and Food Production (DAFP), Orissa. The DDA increased the quantity in order to recoup the loss arising from the failure of maize crops during kharif season of 1987-88 due to drought even though the factor had been taken into consideration by the DAFP in fixing the quota. However, only 1,132.72 quintals of seeds were sold and used in demonstrations during 1987-88 rabi season. 328.75 quintals of seeds valued at Rs.1.81 lakhs were stored without use, and had to be destroyed in November 1988 as they showed a low rate of germination of 0 to 44 per cent as against 80 per cent prescribed, and were also found to be unfit for consumption. The balance of 41.11 quintals of seeds were found short which was within permissible limit of shortage in storage/handling allowed by Government.

The matter was reported to Government in August, 1989 and their reply had not been received as of December 1990.

3.3 **Loss on account of departmental collection of cashew nuts**

The tenders received by the Soil Conservation Officer, Puri for collection of cashew nuts during the 1989 harvest in 9 patches of plantation in Puri District in March 1989 were found to be lower than the upset price of Rs.2.83 lakhs fixed by the Director of Soil Conservation. Consequently, the Soil Conservation Officer,

Puri, proposed in March 1989 to the Director that collection of cashew nuts be entrusted to private parties at negotiated rates. The negotiated offer of Rs.1.21 lakhs was also lower than the upset price and was not accepted by the Director. Under his instructions, departmental collection of cashew nuts was undertaken during March to May 1989. The Assistant Soil Conservation Officer, Khurda spent Rs.0.31 lakh on collection of 69.64 quintals of cashew nuts and realised Rs.0.77 lakh in September 1990 on their sale. The realisation in the 2 earlier years (1987 and 1988), however, were Rs.1.86 lakhs and Rs.2.37 lakhs respectively. Reason for less realisation in 1989 was attributed by the Department (in January 1991) to pilferage and interference by the local unsuccessful bidders.

3.4 Vegetable Seed Farm at Punanga, Jagatsinghpur - Infructuous expenditure

In order to produce and supply vegetables to Jagatsinghpur town in Cuttack District, a vegetable seed multiplication farm on 4.80 hectares of *patha* land (land adjacent to a river) was established at Punanga in 1982-83. Out of the total area, only a portion (0.80 hectare) was capable of being irrigated through lift irrigation. In his report of February, 1981, the Soil Chemist, Cuttack had pointed out that the land was mainly sandy in texture and required to be surveyed in collaboration with the Soil Conservation Department. No action was taken on that, but the development of the farm site was taken up and a sum of Rs.1.05 lakhs was spent by the Deputy Director of Agriculture (DDA) on levelling, layout, reclamation, approach roads, etc. during 1983-84 to 1987-88. In addition, a sum of Rs.1.27 lakhs was spent on the staff employed on the farm during 1986-87 to 1989-90. Besides, Rs.0.22 lakh was spent during the years 1983-84 to 1989-90 for raising various types of crops like groundnuts,

kulthy, etc. on 2 hectares of land. The produce yielded a revenue of Rs.0.01 lakh. 160 coconut plants were planted in 1983-84 at a cost of Rs.0.03 lakh, of which only 9 survived. Though the farm was established to produce vegetables, no vegetables were produced.

The DDA, Cuttack stated (August 1988) that the soil of the farm was extremely porous, sandy and devoid of humus, and attempts made to grow vegetables, pulses and jute failed due to the poor soil condition. Irrigation facilities were not provided to all the plots of the farm.

Thus, owing to inadequate evaluation and lack of proper planning despite known shortcomings, an expenditure of Rs.2.57 lakhs was incurred in the establishment of the vegetables seed farm which has largely proved infructuous.

The matter was reported to Government in July 1990. Government stated (December 1990) that cultivation of vegetables was not possible as no money was allotted to develop irrigation sources. The low level of water in the existing canal, which turned dry during summer months, was not useful for supplying water to the farm at the time of need. The high mortality of coconut plants was attributed by Government to moisture stress condition which prevailed in the farm for 6 to 7 months in a year. It was also stated that the farm had taken up testing of a few crops, but the entire area of the farm could not be utilised for cultivation due to non-availability of irrigation facilities.

3.5 Loss due to procurement of sub-standard seeds

The Deputy Director of Agriculture, Balasore (DDA) procured 1,462.64 quintals of groundnut seeds

valued at Rs.13.82 lakhs from OSSC during October 1988 and November 1988, and supplied 1,387.74 quintals to sixteen sale centres.

Simultaneously, five random samples of the seeds were also sent by the DDA to the State Seed Testing Laboratory (STL) for testing. This disclosed in November 1988 that in 2 of the samples the germination percentage was less than 44, but the remaining 3 samples conformed to the standard. No further action was taken by the DDA. Meanwhile, the sale centres sold 1069.08 quintals of the seeds to cultivators at the subsidised price of Rs.700 per quintal. Soon thereafter, complaints were received from cultivators about low germination of the seeds. Further tests were conducted by the Agriculture Extension Officer, Chandbali, which disclosed 5 to 10 per cent germination. In some of the fields of complainants visited by him in November 1988 there was no germination at all. Joint inspections conducted in December 1988, by three departmental officers in the fields of ten cultivators also revealed that the germination percentage was between zero and 3. Failure to follow up the results of the tests conducted at STL in November 1988 before sale of the seeds resulted in sub-standard seeds being sold to the cultivators besides loss to the State on subsidy (Rs.4.52 lakhs) paid to the farmers which did not yield the desired results.

The balance stock of 318.66 quintals of seeds with the sale centres were disposed of in auction at Rs.1.53 lakhs, involving a loss of Rs.1.77 lakhs. Of the undistributed seeds with the DDA (February 1991), 59.24 quintals of seeds (Rs.0.67 lakh) were stated (February 1991) to have been utilised for demonstration purposes and the balance (15.66 quintals) was allowed as normal shortage due to dryage etc., as admissible (December 1990).

The DDA stated in February 1991 that the low germination could also be due to (i) non-maintenance of proper moisture in soil, (ii) not sowing the seeds at proper depth, (iii) non-treatment of the seeds with chemicals before sowing. But the fact remains that the samples tested under laboratory conditions before and after sale showed poor germination.

The matter was reported to Government (July 1989); their reply has not been received (September 1991).

REVENUE AND EXCISE DEPARTMENT

3.6 Avoidable expenditure

The Revenue Board's Excise Rules, 1965 provide for posting of excise staff by the Commissioner of Excise at distilleries for the purpose of levy of excise duty. The rules also authorise the Commissioner, in the event of a distillery closing down or being delicensed, to take over or permit the distiller's successor to take the stock of liquor lying in the distillery at 20 per cent below the contract* rate, or allow the distiller to remove all liquor remaining within the distillery on payment of full duty within a period of one month from the date of expiry of the licence.

* The price at which the spirit is to be sold as agreed upon by the Commissioner of Excise and the distiller before commencement of the excise year.

A private distillery at Jharsuguda in Sambalpur District worked sporadically for 54 days during the years 1980-81 to 1986-87 (1980-81 : 36 days, 1981-82 : 7 days, 1982-83 : 6 days and 1986-87 : 5 days), and Rs.0.18 lakh was realised from it as duty on production of liquor. The Superintendent of Excise (SEI), Sambalpur had posted excise staff consisting of one inspector and four constables during 1980-81 at the distillery. The licence of the distillery was not removed in 1987-88 by the Inspector General of Registration-cum-Excise Commissioner as the liquor produced by it was sub-standard and the distillery needed modernisation.

The Excise Inspector and two constables were withdrawn in 1987-88 following the de-licencing of the distillery, leaving 2 constables at the distillery.

The Department incurred an expenditure of Rs.0.99 lakh from April 1987 to October 1990 on the pay and allowances of the 2 constables who continued to remain deployed in the distillery to keep a watch over the stock of liquor. Failure to forfeit the stock (0.79 lakh litres, value Rs. 5.53 lakhs) soon after the decision in July 1987 to disallow the renewal of the licence resulted in avoidable expenditure of the pay and allowances of the excise staff.

The matter was reported to Government in August 1990 and their reply has not been received (September 1991).

3.7 Delay in utilisation of a generator

To operate a printing machine in the Map Printing Factory at Cuttack in the event of failure of electricity, the Director, Survey and Map Publications, Cuttack purchased in September 1987 a diesel generator

(Rs.1.18 lakhs). In December 1987 the Executive Engineer, General Electrical Division-II, Cuttack, was requested to provide the necessary facilities to run the generator. But an estimate of Rs.17,760 for the works needed was prepared by the Executive Engineer only in January 1991 and it still awaited approval as of June 1991. Consequently the investment of Rs.1.18 lakhs on the generator was yet to prove fruitful.

The matter was reported to Government (January 1990); their reply has not been received (September 1991).

PANCHAYATI RAJ DEPARTMENT

3.8 Programme of supply of special aids to physically handicapped

The Community Development and Rural Reconstruction Department, (since reorganised as Panchayati Raj Department) launched in 1979-80 a programme for supply of special aids to the physically handicapped persons for their welfare. The special aids included sticks and braille slates for the blind, and wheel chairs, two-wheelers, orthotic and prosthetic equipment for the handicapped. In April 1985 Government decided to open Fitment Centres in the Orthopaedic Departments of the 13 district headquarters hospitals with facilities to fit artificial limbs to the handicapped. The Centres with infrastructure facilities such as special aids (Rs.5.06 lakhs) and fitness rooms (Rs.3.90 lakhs), furniture/equipment, etc. (Rs.4.42 lakhs) were to be ready by October 1986. To facilitate the working of the Centres, Government also sanctioned one post each of Prosthetic/Orthotic Technician, Multipurpose Rehabilitation Assistant and

Attendant in August 1986 and an Ear-mould Technician in February 1987 for each Centre. It was decided (November 1987) that the Centres at Cuttack and Berhampur would be attached to the medical colleges situated there. A sum of Rs.3.30 lakhs was provided during 1985-86 to 1987-88 for the construction of the remaining 11 Centres.

Buildings for 10 Fitment Centres have been completed, but work on the remaining one Centre at Bolangir has not been commenced (March 1991). 6 of the completed Centres (at Puri, Bhawanipatna, Keonjhar, Phulbani, Baripada and Dhenkanal) have not yet been provided with electrical and/or sanitary fittings; no technicians have been posted to two Centres (Sundargarh and Koraput) (March 1991), thus rendering these 8 Centres incapable of effectively functioning as fitment centres.

The investment of Rs.5.12 lakhs made on the construction of 8 Centres (Rs.2.40 lakhs) and supply of furniture, equipment etc. (Rs.2.72 lakhs) has remained unfruitful. Only the Centres at Cuttack, Berhampur, Balasore and Sambalpur are functional fully.

Test-check of records of District Social Welfare Officer, Puri (DSWO) also revealed the following:

(i) Acknowledgements were not available for 55 hearing aids (Rs.0.37 lakh) and 9 two-wheelers (Rs.0.13 lakh) which were stated to have been distributed to beneficiaries at Bhubaneswar during March - August 1986.

(ii) Of the 267 hearing aids received at Puri Centre, 208 were distributed after test, during a camp organised by DSWO, Puri during 1985-86. Thereafter the balance of 59 (Rs.0.39 lakh) could not be distributed as of March 1991 for want of a technician to conduct audio meter tests on the beneficiaries, and incomplete facilities.

Thus, the benefits intended under the programme did not largely reach the needy persons defeating the purpose of the scheme.

The matter was reported to Government in March 1989; their reply has not been received (September 1991).

3.9 Disability pension

With a view to weaning away a large number of disabled persons from begging, the Government of Orissa introduced (January 1985) a scheme of Disability Pension with effect from 2 October 1984. The scheme envisaged granting a pension of Rs.40 per month to each disabled person, which was enhanced to Rs.60 per month from 1 December 1989 and Rs.100 per month from 2 October 1990. A person fulfilling the following criteria is eligible for the pension:

- totally blind or orthopaedically handicapped and incapable of leading a normal life because of disability;
- over 5 years of age;
- a destitute;
- had not been convicted of criminal offence involving moral turpitude;

- a permanent domicile of Orissa and not in receipt of any financial help under any other scheme.

The beneficiaries under the scheme were to be selected at the Block/Urban/Local Body level by a committee consisting of the Block Development Officer (BDO) or the Executive Officer (EO) of the local body, the Tahsildar and the Medical Officer of the Public Health Centres. The committee was to prepare and recommend to the Sub-Divisional Officer (SDO) for sanction of pension, a list of deserving persons in the order of seriousness of disability on the basis of medical certificates.

As seen from the records of the Department, during the years 1984-85 to 1989-90 a sum of Rs.352.20 lakhs was allotted for the scheme, against which Rs.347.45 lakhs were spent during the said period. The number of persons covered by the scheme were as follows:

Years	No. of Persons
1984-85	7,787
1985-86	9,139
1986-87	9,547
1987-88	9,800
1988-89	16,927
1989-90	18,825

Test-check of records in the districts of Cuttack, Puri and Berhampur revealed the following:

(i) An amount of Rs.0.60 lakh allotted to Cuttack Municipality during 1984-85 and 1985-86 remained unspent due to non-finalisation of lists of beneficiaries.

(ii) Pension was sanctioned to 97 persons in Cuttack Municipality (70) and Cuttack Sadar Block (27) involving a sum of Rs.3,880 per month with effect from 2 October 1984 (Rs.5,820 per month from 1 December 1989) without insisting on the production of medical certificates of disability. The total payment made on this account for the period from October 1984 to March 1990 worked out to Rs.2.64 lakhs.

(iii) In Berhampur Sub-Division of Ganjam district, out of 363 beneficiaries recommended in January 1985 to the Sub-Division, 222 were covered only from February 1986 due to delay in the implementation of the scheme.

(iv) In Khurda Notified Area Council, the committee for recommending the persons was not formed. Pension was sanctioned to 8 persons during 1984-85 on the basis of discussions held by the SDO with the EO and the Orthopaedic specialist without insisting on proper medical certificates of disability.

(v) In Cuttack and Puri Municipalities, Pipli and Khurda Notified Area Councils and BDO, Balipatna, there were delays of 2 to 9 months in the remittance of pension through money orders, though under rules pension is to be remitted every month.

(vi) In 6 cases in Cuttack Municipality, money orders for pension (Rs.560 per month) remitted since October 1984 were being received by persons other than the pensioners. No enquiry was conducted to verify if the pensioners were alive, and if so why the money orders were being received by other persons.

(vii) Annual verification of pensioners was not conducted by the EO, Pipli and Municipalities of Puri, Cuttack and Berhampur. As a result, in 17 cases of death of pensioners, where the money orders were received back during November 1986, January 1987, March 1987, August 1987 and December 1987, no efforts were made to obtain death certificates and cancel their pension. In Cuttack Municipality, payment of pension being made through a voluntary organisation was continued till November 1987 in two cases even though the pensioners had expired on 30 March 1987 and 9 April 1987.

The irregularities were reported to Government in March 1989; their reply has not been received (September 1991).

HEALTH AND FAMILY WELFARE DEPARTMENT

3.10 Non-utilisation of building

Government accorded in September 1982 administrative approval for the construction of a 20-Bedded (Leprosy) Ward at Keonjhar at a cost of Rs.1.79 lakhs.

The building including water supply and sewerage disposal arrangement, completed in September 1984 at a cost of Rs.1.90 lakhs, was taken over by the Chief District Medical Officer, Keonjhar in December 1985.

But the leprosy ward for which the building was intended has not started functioning, as of December 1990, for want of the medical staff. Proposals in this regard had been sent to the Director of Health and Family Welfare, Orissa in October 1986 but the approval of the Government has not been received. Consequently, the building constructed at a cost of Rs.1.90 lakhs has been lying vacant for over 5 years.

The matter was reported to Government in June 1990; their reply has not been received (September 1991).

3.11 Misappropriation of money

A sum of Rs.1.56 lakhs was disbursed on 1 February 1989 but the payment was entered twice in the cash book of the Principal, V.S.S. Medical College, Burla on 31 January 1989 and 1 February 1989. The error remained undetected till it was pointed out by Audit during May 1990.

A physical verification of cash conducted by the Principal on 2 March 1990 revealed that against a book balance of Rs.2.62 lakhs, the actual cash held was only Rs.2.12 lakhs, resulting in further shortage of cash.

The total shortage of cash was thus Rs.2.06 lakhs. It was observed by Audit that no physical verification of cash was carried out between February 1989 and February 1990.

Responsibility for the shortage is yet to be fixed. The misappropriation/shortage was not reported to Government and to the Accountant General.

The Principal stated in May 1990 that the matter was under investigation and the developments would be intimated after the investigation was completed.

The case was reported by Audit to Government (September 1990); their reply has not been received (September 1991).

3.12 Unfruitful expenditure on idle staff

(a) Services of one driver was placed in May, 1979 by the Director of Medical Education and Training, Orissa, Bhubaneswar at the disposal of the Principal, SCB Medical College, Cuttack. There were two vehicles with the College, for which two drivers had already been employed.

The manner of utilisation of the services of the third driver posted in May 1979 could not be stated by the Department (October 1990). An expenditure of Rs.1.14 lakhs incurred on pay and allowances of the driver (except for the period from 5 December 1988 to April 1990 during which he was on deputation to another organisation) was thus unfruitful.

(b) Based on an offer made by Rotary Club, Balasore in August 1985 to donate the first floor of their building for opening an eye hospital, Government sanctioned in February 1987 creation of two posts each of Medical Officer, Staff Nurse, Ward Attendant and Sweeper for the hospital, with the stipulation that the posts should be filled after execution of an agreement with the club that the donation of the building would be on a permanent basis without any claim for rent.

The club neither handed over the building nor executed any agreement, as it was not in favour of making necessary additions/alterations like partitions, construction of operation theatre, provision of additional toilets, water supply facilities, kitchen and staff quarters,

as proposed by the Joint Director of Health Services. However, the staff complement sanctioned for the eye hospital were posted between May 1987 and April 1988 (except one who joined in May 1989). These staff remained largely idle as the hospital was not functional, and Government had incurred an expenditure of Rs.4.13 lakhs on their pay and allowances as of November 1990.

The Chief District Medical Officer, Balasore stated in January 1991 that the staff appointed for the hospital in the Rotary Club Building were utilised in the existing eye ward in the Balasore Headquarters Hospital and for mobile eye camps. However, the Balasore Hospital had the full sanctioned complement of staff, and additional strength was not warranted. It was also verified in Audit that service of only one staff nurse from the additional complement was utilised in three eye camps in 1989-90 and two in 1990-91.

The cases were reported to Government in October 1987 and September 1990; their reply has not been received (September 1991).

FOREST AND ENVIRONMENT DEPARTMENT

3.13 Unfruitful expenditure on avenue plantation

Under the scheme on Coastal Shelter Afforestation, the Department incurred an expenditure of Rs.30.74 lakhs during the period from 1985-86 to 1986-87 in 16 Blocks of Balasore District on avenue plantation alongside a stretch of 86 km. Based on Government of India guidelines, the State Government had prescribed 75 per cent survival as the norm for a successful planta-

tion. The Forestal Shelter Belt Afforestation Division, Barisal, however, revealed in March 1989 that the survival percentage in the avenue plantations ranged between zero and 47, as shown under:

Length of Avenue (km.)	Percentage of survival	Proportionate expenditure on an unsuccessful plantation (Rupees in lakhs)
7.96	Nil	3.53
18.04	14 to 20	7.28
60.00	29 to 47	<u>11.54</u>
		<u>22.35</u>

Out of Rs.30.74 lakhs expended, the amount of Rs.22.35 lakhs (proportionate) spent on plantation with poor rate of survival was thus unproductive.

The low survival of plantation was attributed (March 1989) by the Divisional Forest Officer to:

- (i) biotic interference caused by heavy cattle population with inadequate grazing area,
- (ii) damages due to accidents of vehicles,
- (iii) frequent cyclones and high tides, and
- (iv) inadequate funds for maintenance.

The case was reported to Government in August 1990; their reply has not been received (September 1991).

FISHERIES AND ANIMAL
RESOURCES DEPARTMENT

3.14 Avoidable loss on sale of fish

For disposal of marine fish caught at Paradeep during 1988-89 - fishing season (September - March) the Assistant Director of Fisheries (Marine), Kujang (ADF) called for tenders on 8th August 1988, to be received by 10th August. Five offers were received. One of the tenderers who had offered the highest rates for four (out of eight) varieties of fish reduced, on 10th August 1988, his offered rate of Rs.3 per kg for the fifth (Miscellaneous) variety to Re.1 per kg. If not acceptable the offer was to be treated as withdrawn. All the offers received were forwarded in September 1988 to the Director of Fisheries, Orissa for consideration. Simultaneously the ADF also instructed the Superintendent of Fisheries, Paradeep, to dispose of the periodical catches by auction as finalisation of tenders was expected to take some time.

In view of the revisions made by the highest bidder, the Director of Fisheries suggested in November 1988 negotiations with the tenderer with the next best offer. The tenderer, however, refused (December 1988) as considerable period of the fishing season had elapsed by then.

The sale of fish continued on auction basis throughout 1988-89, and Rs.1.77 lakhs were realised on sale of 0.55 lakh kg. of fish. This quantity would have fetched Rs.2.09 lakhs at the revised rates quoted by the highest bidder on 10th August 1988 in the tendering.

There was also delay in inviting tenders for the fishing seasons between September and March each year. The loss could have been avoided if the tenders had been invited well in advance of the season and finalised.

The matter was reported to the Government in July 1990 and their reply has not been received (September 1991).

FINANCE DEPARTMENT

GENERAL

3.15 Misappropriation, losses etc.

Cases of misappropriations, losses etc., of Government money reported to Audit upto the end of March 1990 and on which final action was pending at the end of September 1990 were as follows:

	Number	Amount (Rupees in lakhs)
Cases reported upto the end of March 1989 and outstanding at the end of September 1989	1527	622.72
Cases reported during April 1989 to March 1990	82	27.17
Cases disposed of till September 1990	61	9.45
Cases reported upto March 1990 but outstanding at the end of September 1990	1548	640.44

Department-wise analysis of outstanding cases is given in *Appendix VII*. The period for which these are pending finalisation are given below:

		Number	Amount (Rupees in lakhs)
(i)	Over five years (1948-49 to 1984-85)	1122	544.95
(ii)	Exceeding three years and within five years (1985-86 to 1986-87)	186	39.32
(iii)	Upto three years (1987-88 to 1989-90)	240	56.17
	Total	<u>1548</u>	<u>640.44</u>

The reasons for which the cases were outstanding were as follows:

		Number	Amount (Rupees in lakhs)
(i)	Awaiting departmental and criminal investigation	353	147.65
(ii)	Departmental action started but not finalised	789	404.33
(iii)	Criminal proceedings fina- lised but execution/certificate cases for recovery of the amount pending	51	9.33
(iv)	Awaiting orders for recovery or write off	254	41.68
(v)	Pending in courts of law	101	37.45
	Total	<u>1548</u>	<u>640.44</u>

CHAPTER IV

WORKS EXPENDITURE

IRRIGATION DEPARTMENT

4.1 Bankbal Medium Irrigation Project

4.1.1 Introduction

Bankbal Medium Irrigation Project, forming part of an inter-State agreement between the three riparian States of Bihar, Orissa and West Bengal, was taken up for construction in the year 1980-81 by the Government of Orissa for utilising its share of water resources in the Subarnarekha basin, so as to improve the economic condition of the pre-dominantly tribal people of Mayurbhanj district.

The Project envisaged construction of an earthen dam (1,900 metres long) across the river Bankbal (a tributary of river Khadkhai) intercepting a catchment area of 168.5 square kilometres with a reservoir capacity of 2,826 ha.m at full reservoir level (F.R.L.) and 2,578 ha.m at live storage level. A distributary system of 139.581 km was to be provided for irrigating 6,840 hectares in kharif and 2,976 hectares in rabi.

The original project report was approved by the Planning Commission in June 1980. The detailed project estimate of October 1980 for Rs.1,175.49 lakhs was administratively approved by Government in October 1982. In January 1982, the project was included under

All abbreviations used in this Review are listed alphabetically and expanded in the Glossary at Appendix X (Page 202).

the World Bank "Orissa Irrigation II" line of credit assistance, involving an estimated cost of Rs.1259 lakhs without price escalation and Rs.1513 lakhs with price escalation. The project estimates were further revised to Rs.2941 lakhs in May 1988. However, sanction had not been accorded as of March 1991.

4.1.2 *Organisational set-up*

The execution of the project was entrusted to the Bankbal Irrigation Division. Another Division named Bankbal Irrigation Division No.II was also formed in July 1988, for construction of one distributary and the minors and sub-minors of the left main canal beyond 10 kilometres. The project was supervised by the Superintending Engineer, Baripada Irrigation Circle under technical supervision and control by the Engineer-in-Chief, Irrigation in the Irrigation Department.

4.1.3 *Audit coverage*

Test-check of records covering the period from April 1980 to March 1990 of two Irrigation Divisions, the Office of the Chief Engineer and the Irrigation Department was conducted during the period from April 1990 to June 1990. The results are brought out in the subsequent paragraphs.

4.1.4 *Highlights*

- The project which was due for completion by 1985-86 was still in progress as of March 1991. The delay was due to improper survey, changes in design, provision of inadequate funds and stoppage of World Bank

assistance from 1988, and it resulted in increase of project cost from Rs.1175 lakhs to Rs.2941 lakhs.

[Paragraphs 4.1.5 & 4.1.6]

- Due to non-synchronisation of construction of field channels, canal and the head works, no revenue could be realised by providing available water for irrigation despite an investment of Rs.2463 lakhs as of March 1990.

[Paragraph 4.1.7]

- In the construction of the dam, hire charges of Rs.3.02 lakhs for use of departmental machinery was not realised from a contractor.

[Paragraph 4.1.8(a)]

- Inadmissible payment for Rs.1.71 lakhs was made towards cutting extra earth from slopes of the dam beyond the width prescribed in the contract.

[Paragraph 4.1.8(b)]

- Extra expenditure of Rs.4.39 lakhs was incurred towards excess consumption of fuel by departmental bulldozers in compaction works.

[Paragraph 4.1.8(c)]

- Expenditure of Rs.1.70 lakhs incurred on removal of over-burden and refilling in foundation excavation of spillway proved to be unnecessary as the location of the spillway was shifted.

[Paragraph 4.1.9(a)]

- Due to adoption of higher specification for cement concrete in spillway, the Department incurred extra expenditure of Rs.22.78 lakhs.

[Paragraph 4.1.9(b)]

- Over-excavation in foundation and refilling it with concrete resulted in extra expenditure of Rs.8.77 lakhs.

[Paragraph 4.1.9(c)]

- Expenditure of Rs.1.46 lakhs was incurred on rough stone/gravel packing of canal embankment against the instructions of the Chief Engineer.

[Paragraph 4.1.10(a)]

- Excess payment of Rs.0.52 lakh was made due to inflated measurement of work recorded.

[Paragraph 4.1.10(b)]

4.1.5 Cost over-run

As against the revised estimates (May 1988) for Rs.2941 lakhs, the expenditure upto March 1990 was Rs.2463.43 lakhs. The break-up of the original estimate/revised estimate and actual expenditure incurred

upto the end of March 1990 is given below:

Item	As in original project estimate (1980)	As in revised project estimate (1988)	Actual expenditure ending March 1990
	(Rupees in lakhs)		
1. Dam and appurtenant works	553.34	1,053.69	972.29
2. Distributary, minors, drainage and protective works	309.19	1,130.91	794.16
3. Water courses	-	86.40	-
4. Buildings	18.30	55.00	32.79
5. Special tools and plant	20.42	40.00	108.02
6. Tools and Plants (New supply)	8.03	23.91	37.81
7. Miscellaneous	162.38	275.53	304.36
8. Losses on stock	1.62	4.90	-
9. Establishment	118.74	302.51	214.00
Total	1,192.02	2,972.85	2,463.43
Receipts and Recoveries (-)	16.83 (-)	32.35 (-)	-
	<u>1,175.19</u>	<u>2,940.50</u>	<u>2,463.43</u>

The increase in the estimates by 149 *per cent* was attributed (May 1988) by the Executive Engineer to enhancement of labour rates (Rs.278.25 lakhs), increase in cost of materials (Rs.198.25 lakhs), revision of quantities of works during execution (Rs.145.39 lakhs), high tendered rates (Rs.308.64 lakhs), non-provision of items in the original estimate (Rs.228.78 lakhs), change of scope and designs of the project (Rs.81.40 lakhs), increase of land and rehabilitation cost (Rs.253.80 lakhs) and recurring establishment charges due to non-completion of the project according to the time schedule (Rs.224.77 lakhs).

4.1.6 *Time over-run*

According to appraisal report (January 1982), the project was to be completed by 1985-86, but the achievement as of March 1991 was 84 *per cent* only. The time schedule could not be adhered to because of changes in designs of structures, inadequate preliminary survey and investigation, poor staffing, insufficient allocation of funds, unrealistic estimation of works, stoppage of World Bank credit assistance, etc.

It was proposed in the appraisal report submitted (January 1982) to the World Bank that two Divisions with eight Sub-Divisions would be created for timely completion of the project. Only one Division with four Sub-Divisions were in operation till July 1988, when a second Division was created.

In the five (illustrative) instances given in Appendix VIII the Department decided to change the designs of the structures after execution of agreements with contractors for their construction mainly on account of inadequate preliminary survey and investigation.

Consequently, the execution of the works had to be suspended pending receipt of the revised designs, which resulted in cost escalation and delay in execution.

4.1.7 *Loss of irrigation potential*

The project was intended to provide an assured irrigation to 6,840 hectares in kharif, and 2,976 hectares in rabi. The net annual revenue of Rs.613 lakhs was to accrue after its completion by March 1986. Despite an investment of Rs.2463 lakhs (March 1990) and completion of the headworks by June 1987, only 47 km. of field channels (against 88 km.) and 200 canal structures (against 237 structures) had been completed, and the work on water courses involving Rs.86.40 lakhs was still to be taken up, as of June 1990. Only part irrigation had been provided to 1600 ha. (kharif) and 1609 ha. (rabi), and no revenue realised.

' Some of the irregularities noticed in the execution of the project are detailed in the following paragraphs.

4.1.8 *Earth dam*

(a) In the contract for the dam the approved rate for earthwork included the cost of spreading by manual labour, breaking clods and dressing the earth in appropriate layers.

Test-check of log books of dozers revealed that they were used for 352 hours for spreading and levelling of the earth in the dam, and for 72 hours on construction of a haul road to the borrow area and quarry site, which was the contractor's responsibility.

The recovery of hire charges amounting to Rs.3.02 lakhs @ Rs.712.35 per hour due from the contractor for the use of the dozers was not effected from him.

On this being pointed out in audit, the Divisional Officer stated that the dozers were deployed for departmental works like site clearance, levelling of downstream base for flower garden, etc. This explanation was not acceptable, as the entries in the log book indicated that the dozers were utilised for spreading and dozing of earthwork in the dam area.

(b) *Inadmissible payment*

Technical specification attached to the contract stipulated that earth in the dam should initially be laid wider than the designed section to the extent of 0.75 metre extra both in upstream and downstream sides. The extra earth so laid would be cut from the slopes later and utilised in upper layers. Accordingly the contractor was entitled for payment for cutting of earth upto 0.75 metre on both sides of the slopes @ Rs.450 per hundred cu.m.

The contractor executed 0.80 lakh cu.m. cutting against the stipulated quantity of 0.44 lakh cu.m. This included cutting of extra compacted earth for 0.33 lakh cu.m. laid and cut beyond the prescribed width of 0.75 metre, for which payment of Rs.1.48 lakhs was made to the contractor.

Apart from that, Rs.0.23 lakh was also paid for cutting of 0.05 lakh cu.m. of earth in the truncated section. This was not admissible since the cost of cutting of loose slopes of the truncated section while building

up the full section was to be borne by the contractor under the terms of the contract.

(c) *Extra expenditure towards excess consumption of diesel*

Compaction of earth fill in the dam was done departmentally by dozers and tractors. During March 1982 to March 1986, for compacting 4.80 lakh cu.m. of earth, dozers and tractors were used for 10,785 hours and 5,285 hours respectively.

Analysis of rates provided for one hour's work for a dozer of 20-ton capacity for compaction of 100 cu.m. of earth in 12 passes. The Quality Control Wing of Irrigation and Power Department in its report in July 1988 had also confirmed that adequate density of compaction was achieved with 8 to 12 passes by each dozer. Accordingly, 4,800 dozer-hours would have been required for compaction of 4.80 lakh cu.m. of earth. Against this, 10,785 dozer-hours were shown as utilised by the Department.

In reply to an audit query (May 1990), the Executive Engineer stated that the dozers being very old, 16 passes (instead of 12 passes) were required to achieve the specified compaction. Even so, the required dozer hours would have been only 6,400 hours.

Thus, due to abnormal utilisation of the equipment, there was excess consumption of 1.10 lakh litres of diesel, involving extra expenditure of Rs.4.39* lakhs.

* Extra dozer hours utilised	Rate of consumption of diesel per hour
4385	25 Lts.
Extra consumption of diesel	1,09,625 Lts.
Extra expenditure @ Rs.Rs. 4 per litre	= Rs.4,38,500

(d) *Construction of right head regulator - Extra cost*

Contract for construction of Right Head Regulator was awarded in July 1982 for Rs.13.31 lakhs for completion in 12 months. The contractor could execute work worth Rs.2.76 lakhs only (21 per cent of the contract value) by March 1984. After recording final measurement, the contract was rescinded in March 1984 for slow progress, with levy of penalty.

A part of the unfinished work (Rs.3.54 lakhs) was done departmentally. The balance work of the head regulator was ordered as extra item in December 1984, on account of urgency, to a contractor who was already executing the earth dam under a separate contract. Unfinished items of work valued at Rs.8.24 lakhs was executed by the contractor. The items of the work (of head regulator) executed were not similar to the items of work in the contract for the earth dam. Instead of making the payment for the work at current Schedule of Rates, they were paid at agreed rates derived from another work (on spillway) which was also being simultaneously executed by the same contractor. This resulted in additional payment of Rs.2.98 lakhs to the contractor, which was incorrect.

A total amount of Rs.3.24 lakhs was due for recovery from the first defaulting contractor on account of the extra cost in completion of the work and cost of material not returned.

(e) *Construction of parapet wall on top of earth dam*

The original project report envisaged construction of RCC Guard Post on the top of the dam. Instead, the Chief Engineer, Medium Irrigation-I sanctioned (February 1987) construction of a parapet wall on the top of the dam (Rs.6.33 lakhs). The Dam Safety Panel in their report (May 1987) observed that the top width of the dam should have been 6 metres instead of 4.6 metres actually provided and suggested shifting the parapet wall slightly upstream. As construction of the earth dam with top width of 4.6 metres had already been completed (March 1987) and as there was no scope for widening, the final design of the parapet wall was approved (March 1988) keeping the top width at 4.6 metres, and the estimate was revised (October 1988) to Rs.19.29 lakhs. Meanwhile the construction of the parapet wall was taken up in January 1988 and the rip-rap on the upstream side of the dam was completed to its designed section. It had to be partially dismantled (Rs.0.06 lakh) to provide space for foundation of the parapet wall. It was reconstructed (September 1988 to March 1990) at the cost of Rs.0.86 lakh.

Construction of the parapet wall was entrusted in January 1988 to a contractor for Rs.15.08 lakhs for completion by July 1988. Due to slow and unsatisfactory progress, partly attributable to departmental delays, the contract was closed in March 1989 with appropriate penalty, after work of Rs.1.62 lakhs value had been done. Balance work was awarded in March 1989 to another contractor for Rs.18.89 lakhs (October 1988).

The award of balance work at higher rates resulted in extra expenditure of Rs.4.81 lakhs which was recoverable from the defaulting contractor whose dues available with the Department were only Rs.0.47 lakh.

4.1.9 *Spillway*

(a) *Infructuous expenditure on removal of over burdens*

The work of removal of over-burden in foundation excavation of spillway was executed departmentally between September 1981 and May 1982 at RD 960 M to 1130 M.

In March 1984, the location of the spillway was shifted to RD 876 M to 958 to provide foundation on hard rock at a higher level. The expenditure of Rs.0.98 lakh on removal of over-burden incurred earlier thus proved to be unnecessary. Besides, an expenditure of Rs.0.72 lakh was incurred on filling the excavated area with good earth during construction of earth dam, thus rendering the total expenditure of Rs.1.70 lakhs nugatory.

(b) *Extra expenditure due to change in finalisation of design*

The estimate for construction of the spillway at RD 960 to 1042 M was sanctioned (September 1982) for Rs.215.09 lakhs on the basis of approved drawings. After execution of the agreement with a contractor in October 1983 the location of the spillway was changed to RD 876 M to 958 M, and the designs earlier approved in February 1982 were also revised. The revised drawings were received by the Division between April 1984 and January 1985. But the work under the contract had already commenced in March 1984 on the basis of earlier designs. The revised drawing prescribed the use of foundation concrete in M-100, whereas the contract schedule for the work had provided for use of foundation concrete in M-150. The changed specification of foundation concrete

M-100 was not adopted since the contractor had started the work with cement concrete M-150. The Executive Engineer intimated (June 1990) to Audit that by the time the revised drawing was received, excavation of foundation of spillway was complete. To save the excavated area from flood inundation during monsoon, the Chief Engineer, Medium Irrigation-I decided to go ahead with use of cement concrete M-150 in foundation, pending approval. The contractor used 4768.45 cu.m. of cement concrete M-150 (rate Rs.800 per cu.m.) in the work.

Adoption of cement concrete of a higher specification than the design requirement resulted in extra expenditure of Rs.22.78 lakhs.

- (c) *Avoidable expenditure due to additional blasting and refilling*

The agreement executed with the contractor in October 1983 for construction of spillway provided for blasting of 9,962 cu.m. of hard and sheet rock in foundation. Controlled blasting was to be carried out to avoid damages to structure. While carrying out blasting operation, there was over-cut in the excavated portion. The Chief Engineer, Designs observed in April 1986 that such over-excavation could have been avoided through controlled blasting.

827 cu.m. of cement concrete had to be used to fill up the over-cut portion at a cost of Rs.5.19 lakhs. Besides, 347.79 cu.m. of reinforced cement concrete was also provided as a reinforced slab on the suggestion of the Chief Engineer, Designs, at a cost of Rs.3.58 lakhs. The extra cost of Rs.8.77 lakhs was not claimed from the contractor.

On this being pointed out by A-11, the Divisional Officer stated (May 1990) that controlled blasting was adopted, but fissures and cracks were formed inside the rock strata which was a natural phenomenon. He further stated that the over excavated quantity was very negligible viz. 1.24 per cent of the total quantity blasted. The reply was not in line with the view of the Chief Engineer (Designs) that the over excavation could have been avoided by controlled blasting.

4.1.10 *Distribution system*

(a) *Extra expenditure due to change in specification*

The estimate (of Rs.39.68 lakhs) for excavation of the right main distributary from RD 00 to 15 km in May 1982 included the work of rough stone dry packing and gravel packing in the canal embankment. In May 1983 the Chief Engineer, Irrigation-I directed the Division not to execute the packing work as it was not considered necessary. Packing was not done under the contracts for the distributaries.

After completion of the distributary in four reaches in May 1987, the Executive Engineer again sanctioned in February 1988 four separate estimates for providing rough stone dry packing and gravel packing to the embankment on the plea of protecting the side slopes in the cutting reaches of the canal from erosion. The work was executed for Rs.1.46 lakhs between July 1988 and September 1988 under seven contracts without obtaining approval of the Chief Engineer, Irrigation-I.

Execution of stone packing work at a later stage at higher rates also resulted in additional expenditure of Rs.0.67 lakh over the 1982 prices.

On this being pointed out by Audit, the Divisional Officer stated (May 1990) that the instruction of the Chief Engineer was not prohibitive in nature but a temporary suspension from executing it in the same season. The reply was not tenable, as the instruction of Chief Engineer not to execute packing work was specific on grounds of the work being not necessary.

(b) *Excess payment due to incorrect measurement*

Excavation of the Anandpur distributary from RD 6 km to 11.77 km was entrusted to a contractor in March 1987 for Rs.6.50 lakhs, for completion in six months. After receiving payment for Rs.2.67 lakhs, the contractor abandoned the work in November 1988. The final measurement of work taken in February 1989 revealed that the quantities of works executed in respect of five out of six items were far less than those paid for, resulting in Rs.0.52 lakh becoming due for recovery from the contractor.

It was observed in audit that running account bills were not checked by the Executive Engineer before payment. No responsibility for allowing excess payment of inflated measurements in running bills had been fixed. Security deposit of Rs.0.26 lakh was nevertheless refunded in January 1990 to the contractor under the orders of the Executive Engineer, and the excess payment has not been recovered.

(c) *Extra expenditure*

The estimate for construction of drainage under a tunnel at RD 11,130 M of right main canal was sanctioned (November 1984) by the Superintending Engineer, Baripada Irrigation Circle for Rs.1.04 lakhs

(revised to Rs.1.12 lakhs) based on the approved drawing. The work was awarded in November 1986 to a contractor at a cost of Rs.1.12 lakhs for completion by February 1987. The proposed structure was coming in the way of an existing pond. It was originally decided to fill up the pond; but during execution local people opposed this which consequently necessitated change in the drainage alignment. The location of the structure was shifted to RD 11,322 M. The drawing was revised in November 1988; the estimate was altered in January 1989 to Rs.4.32 lakhs. As the contractor expressed his unwillingness to execute the work, a fresh tender was invited and the work was entrusted (March 1989) to another contractor at Rs.3.61 lakhs. Computed at the prices in the earlier contract, the new contract involved an extra expenditure of Rs.0.50 lakh.

4.1.11 The points mentioned in this Review were referred to Government in November 1990; their reply has not been received (September 1991).

4.2 Repair of cracks in Hirakud Dam Spillway

For repair of cracks of Hirakud Dam Project Spillway, an agreement was concluded in March 1988 by the Executive Engineer, Main Dam Division, Burla with a firm for Rs.138.76 lakhs for completion by November 1989. Value of the agreement included the cost of labour, other accessories, documentation services like preparation of under-water grid, mapping, etc., and a part cost of imported equipment. The Department had to import and provide raw materials (consumables) for Rs.34.17 lakhs (excluding import duty Rs.27.34 lakhs). The firm was paid Rs.77.71 lakhs till March 1990 on preliminary works, and the work of sealing of the cracks commenced from May 1990.

Test-check in audit revealed the following:

(a) *Payment of import duty*

The agreement concluded with a certain firm abroad stipulated that the equipment for the work would be imported from Netherland. The basic cost of the equipment was assessed at 3.71 lakh guilders (Rs.20.42 lakhs). According to the contract, import duty at 80 per cent on the cost of imported equipment was to be borne by the firm. Any excess over the assumed import duty (of 80 per cent) would be borne by the Department. In the cost analysis of fixed charges (Annexure-3 appended to and forming part of the contract), the firm had apportioned only 40 per cent of the basic cost of the imported equipment (Rs.20.42 lakhs) to the contract. Balance 60 per cent of the cost was to be apportioned to other works of the contractor where the equipment was proposed to be utilised. The firm, claimed reimbursement of customs duty of Rs.29.77 lakhs, representing the amount of excess duty paid by them for the imported equipment over 80 per cent (assumed duty) which was admitted in June 1989. Since only 40 per cent of the basic cost of the equipment was apportionable to the contract, the reimbursement of excess import duty should have been limited proportionately under the contract instead of being allowed in full. Failure to do so resulted in additional burden of Rs.17.87 lakhs on this work.

(b) *Filling of cracks*

The length of cracks according to video-recorded measurement undertaken by the Indian Navy in 1986 was stated to be 764 metres on the upstream face of the spillway. The Department entered into an agreement with a firm for filling cracks of 800 metres. The contract provided for re-measurement of the length of the cracks before sealing them. The firm intimated in August 1989 the length of cracks to be 2,167 metres.

The Department had procured (in February 1990) 19,000 kg of epoxy materials for supply to the firm for filling the cracks. As against departmentally estimated requirement of epoxy to be injected at 25 kg. per metre, the firm actually utilised only 1.1 kg. per metre for filling up the cracks in 158.54 metres between February 1990 to May 1990. The Executive Engineer-in-charge of the work observed in March 1990 that there was no likelihood of full utilisation of the epoxy materials considering the rate of consumption. Only 2384 kg. was likely to be utilised, resulting in 16,616 kg. of epoxy material valued at Rs.31.99 lakhs (@ Rs.192.50 per kg.) becoming surplus.

(c) *Loss due to delay in booking of forward foreign exchange*

A letter of credit favouring the firm in Neitherland towards imported cost of epoxy sealing materials was opened in February 1989 for Rs.49.71 lakhs in the State Bank of India, Sambalpur by the Executive Engineer, Main Dam Division, Burla. As the exchange rate between the Dutch Guilder and the Rupee was increasing from time to time, the State Bank of India, Sambalpur advised the Division time and again to arrange for booking a forward exchange contract to guard against the future loss due to fall in value of the Rupee. The matter, however, could not be finalised till December 1989. Meanwhile, the exchange rate of the currency increased to Rs.61.83 lakhs for the cost of materials at the end of December 1989. Thus due to delay in completing the formalities as advised by the Bank, there was loss of Rs.12.12 lakhs (Rs.61.83 lakhs - Rs.49.71 lakhs) to Government.

(d) *Re-imbusement of excess custom duty*

In the bill of entry, all imported materials were clubbed together for assessment at flat rate of customs duty though different items imported were assessable to customs duty at lower rates. The full amount levied was reimbursed to the contractor. Assessment of the items at higher rates resulted in avoidable payment of duty of Rs.0.86 lakh.

The matter was reported to Government in November 1990; they accepted the factual position in July 1991.

4.3 Non-recovery of dues from the Contractors

Construction of Right head-regulator with appurtenant and pre-stressed bridge of Mahanadi Birupa Barrage Project was awarded to a contractor 'A' in February 1986 for Rs.551.63 lakhs with stipulation to complete the work by November 1987. The contract was closed in April 1988 on grounds of slow progress of work by the contractor. The balance works were awarded in April 1988 to another Contractor 'B' who completed them in July 1990 at a cost of Rs.561.15 lakhs.

Test-check of records by Audit (August 1989) revealed that on the day of the closure of the earlier contract, recovery of Rs.96.34 lakhs was due from the contractor 'A' on account of (i) mobilisation advance paid (Rs.18.79 lakhs) (ii) cost of departmental materials issued (Rs.30.80 lakhs) (iii) charges of machinery hired by the contractor (Rs.5.17 lakhs) (iv) energy charges (Rs.2.33 lakhs) (v) royalty (Rs.0.03 lakh) (vi) interest (Rs. one lakh) (vii) other recoveries (Rs.38.22 lakhs). Against all this, only a security deposit of Rs.10.47 lakhs was available with the Department.

Besides, machinery advance of Rs.53.29 lakhs paid to the defaulting contractor against hypothecation of machinery, was also recoverable, but machinery worth Rs.4.76 lakhs only were in possession of the Department. In reply to Audit queries the Executive Engineer stated (October 1990) that the contractor had irregularly removed most of the equipment from the work site.

The matter was reported to Government in August 1989, and the facts were admitted by Government in August 1990. Action taken by the Department for recovery of the amount is awaited.

4.4 Payment of workmen's compensation

The construction of the left earth dam, including the vertical chimney of the Kanjhari Medium Irrigation Project was entrusted by the Executive Engineer, Kanjhari Irrigation Division No.1 in August 1980 to a contractor at a cost of Rs.173.68 lakhs for completion by August 1983. While the contractor was excavating the vertical chimney portion to Black Plain Sheet level in January 1983, a portion of the loose earth of the downstream side of the chimney collapsed, resulting in injury to some and death of nine labourers who were trapped under the slipped earth.

Under the agreement, the contractor was required to indemnify Government against any claim for damage or injury to persons or property resulting from and in the course of work. It was also provided that in the event of an accident, in which compensation became payable under the Workmen's Compensation Act, it would be lawful for the Department to retain such amount from money due and payable to the contractor.

The dependants of the deceased workers filed a claim in the court of the Commissioner for Workmen's Compensation, Rourkela.

While the case was in progress, the contractor expired in July 1986. The dues to the contractor amounting to Rs.11.22 lakhs including security deposit were paid by the Department to his legal heirs in March/April 1988. While doing so the amount of compensation payable to the legal heirs of the deceased labourers was not withheld, as required by clause 41(a) of the agreement.

The Commissioner awarded (August 1989) compensation and interest amounting to Rs.2.11 lakhs for the deceased labourers.

The Court held both the Department and legal heirs of the contractor jointly and severally liable for payment of compensation and interest, and directed them to deposit the amount of Rs.2.11 lakhs within 30 days of the award. As the legal heirs of the contractor failed to pay, the Department deposited the amount as directed by the Court in November 1989. The Department also filed (November 1989) an appeal in the High Court of Orissa and obtained an interim stay against the disbursement of the amount deposited. In the event of the appeal being rejected the Department will have to bear the liability for payment of compensation because of their failure to withhold the amount from the dues of the deceased contractor.

The matter was reported to Government (May 1990); they accepted the factual position in July 1991.

4.5 Payment of wages for idle staff

Due to decrease in work load in the Jobra workshop, Cuttack under the Irrigation Department, Government ordered in February 1988, retrenchment of casual workers after following the prescribed procedure and payment of admissible retrenchment compensation (half a month's wages for each completed year of service). But 9 surplus workers (with 2 to 10 years service) were continued to be retained in employment by the Executive Engineer, Stores and Mechanical Division, Bhubaneswar on the ground of inadequacy of funds for payment of compensation. The persons were not redeployed in other areas or transferred to other Divisions but were infructuously paid wages of Rs.1.18 lakhs for the period from April 1988 to August 1990.

The matter was brought to the notice of Government by Audit in September 1990; they accepted the factual position in July 1991.

4.6 Non-recovery of hire charges

The construction work of Upper Jonk Irrigation Project in Kalahandi District was awarded to a contractor in January 1984 at the estimated cost of Rs.156.38 lakhs, with the stipulated date of completion as July 1986.

The Department provided 7 dozers to the contractor during the period from November 1986 to June 1989 for the work. But recovery of hire charges of Rs.4.33 lakhs for their use was not effected from the contractor. On the omission being pointed out by

Audit, the Executive Engineer agreed in December 1989 to recover the hire charges of the dozers. Rs.0.26 lakhs has been recovered in June 1991.

4.7 Avoidable expenditure

The Motor Accident claim Tribunal, Northern Division, Sambalpur awarded to certain private parties compensation of Rs.2.34 lakhs for injuries/damages, etc. caused by a departmental vehicle of the Executive Engineer, Hariharjore Irrigation Division No.II on 30th January 1987. The compensation was payable within 2 months from the date of award on 6th February 1989, failing which interest at 12 per cent per annum was payable from the date of filing the claim application, viz. 10th July 1987.

Though the judgement was delivered in February 1989, certified copy of the judgement was received through the Government pleader only on 7th April 1989. It was sent to Government by the Executive Engineer on 18th April 1989 and was accepted on 25th September 1989. Payment of Rs.2.97 lakhs was made to the claimant on 23rd October 1989, including interest of Rs.0.63 lakh through the Government pleader, Sambalpur.

Delay of 8 months in the payment of compensation resulted in extra avoidable expenditure of Rs.0.63 lakh on interest which could have been avoided by prompt action.

The matter was reported to Government (July 1990); they accepted the factual position in July 1991.

4.8 Delay in completion of a work due to departmental lapses

A contract for construction of diversion weir across river Padma, a part of Harabhangi Irrigation Project in Ganjam District costing Rs.14.15 lakhs, was awarded in September 1982. The Executive Engineer, Harabhangi Irrigation Division No.II noticed in May 1984 that the main gate grooves of the head regulator, scouring sluice and vents of the diversion weir had not been provided by the contractor though included in the agreement and approved design of the work. Further, no provision for weep holes had been made in the approved design though it was essential for the safety of the weir. The Director of Designs was approached in June 1984 for providing the necessary drawing. The work under the contract was also suspended from 7th May for finalisation of the drawing of the gate and its embedded parts. The contractor actually stopped executing further work from 29th July 1984.

In September 1984, the contractor requested that the agreement be closed due to his ill health. As there was departmental delay in finalisation of drawings, the Chief Engineer, Medium Irrigation II recommended in December 1984 to Government for closure of the contract without penalty, and execution of the balance work departmentally. The contract was accordingly closed in August 1985. Government also issued instruction to investigate the reasons for delay in finalisation of drawings/change in designs, etc. and to fix responsibility for the extra cost likely to be incurred for execution

of the balance work. The value of balance work left by the contractor amounting to Rs.3.81 lakhs was completed during 1988-89 departmentally at a cost of Rs.4.49 lakhs. No action was taken to fix responsibility for the extra expenditure of Rs.0.68 lakh incurred in executing the work departmentally after a delay of over 5 years.

The matter was reported to Government (October 1990); they accepted the factual position in July 1991.

4.9 Infertuous expenditure on Kusei Medium Irrigation Project in a reserve forest

The Kusei Medium Irrigation project in the district of Keonjhar, comprising of main dam, spillway and two main canals 35 km. in length, was taken up in 1983-84 with a view to irrigate 7,600 hectares in kharif and 2,800 hectares in rabi at an estimated cost of Rs.2703 lakhs without obtaining the administrative approval of Government. The sanction was not accorded as of June 1991.

The project was to be constructed in a reserve forest, and the length of the canal passing through the forest was about 10 km. It involved deforestation of 950.69 hectares and up-rooting of 1.05 lakh trees. Prior approval of the Government of India was required to be obtained for this under the Forest Conservation Act, 1980 but had not been obtained. The proposals for acquisition of forest land were initiated only in 1987, but approval was not received (June 1991).

It was therefore decided in August 1988 to stop further work of the project. Meanwhile an expenditure of Rs.91.78 lakhs has been incurred on preliminary survey and investigation (Rs.49.92 lakhs), construction of buildings (Rs.14.22 lakhs) purchase of special Tools and Plants (Rs.9.94 lakhs) and other works (Rs.17.70 lakhs) from 1983-84. The assets have not been put to any use and the scheme has not been pursued. The whole investment is thus nugatory.

In a meeting held in November 1989 the Irrigation and Power Department agreed the commencement of the scheme before approval was erroneous.

The irregularity was reported to Government (August 1990); they accepted the factual position in July 1991.

4.10 Undue financial aid to contractor

A contract for the construction of earth dam of the Jonk Irrigation Project was awarded in January 1984. The agreement provided for excavation of 2.27 lakhs cu.m. of earth in all kinds of soil (including hard soil, gravel and stony earth mixed with boulders) and deposit the excavated materials away from the work site with all leads and lifts at the rate of Rs.6 per cu.m.

The contractor was allowed payment for excavation of 2.29 lakhs cu.m. of earth at the agreed rate of Rs.6 per cu.m. In November 1988 he requested for permission for disposal of the stripped materials from deep sections by mechanical means, in order to complete the work within the stipulated date. This was not initially accepted by the Executive Engineer on the ground that

the rate for the item was already provided in the agreement. But in March 1990, treating it as an extra item, higher rate of Rs.12 per cu.m. was allowed for 12,600 cu.m. of spoils, and the contractor was paid Rs.1.51 lakhs by the Executive Engineer without obtaining the approval of higher authorities. The work had not been completed and was in progress as of December 1990. The Executive Engineer stated (June 1990) that approval sought from higher authority was awaited (December 1990).

The matter was reported to Government (March 1991); they accepted the factual position in July 1991.

4.11 Extra expenditure in plugging of diversion tunnel

To regulate the flow of water during construction of the Upper Kolab dam, it was planned to provide two sets of fixed wheel gates at the diversion tunnel. The diversion tunnel was proposed to be plugged by June 1987 by concreting the downstream end of the fixed wheel gates, after the dam was raised to a sufficient height to impound water in the reservoir. After plugging of the diversion tunnel these gates were to be removed and used again in the main power tunnel.

The manufacture, supply and erection of one set of fixed wheel gate with embedded parts (Rs.13.14 lakhs) was completed by November 1980. The second set of the fixed gate (intended to be fixed upstream, as an emergency provision in the event of malfunctioning of the downstream gate) was not procured at all. No reason for the decision was recorded. The summer flow of water was diverted through the tunnel. The Executive Engineer, Upper Kolab Head Works Division intimated the contractor in July 1981 that (i) the gate was not

tested for leakage, (ii) 15 cusecs of water leakage was observed at exit channel which was considered to be on higher side even with the existing head, and (iii) plugging work would become difficult in future with a higher head. After completion of the dam in December 1985 when the gate was closed in April 1986, leakage of 30 - 35 cusecs of water was observed. For commissioning of the first unit of the power house when the gate was closed finally on 29th August 1986 to impound the reservoir, the right side leaf of the gate was observed to be vibrating vigorously with increase in leakage to 350 - 400 cusecs.

As the plugging work was to be completed before June 1987, a decision was taken for closing the mouth of the diversion tunnel by dumping boulders, muck and earth to reduce the leakage. Between September 1986 and May 1987, Rs.30.39 lakhs were spent on dumping operations, and the leakage was reduced to 50 cusecs. To reduce the leakage further, 3 high-discharge pumps were purchased at a cost of Rs.35.23 lakhs in March and August 1988 and operated. The plugging of the tunnel was finally completed on 8th April 1989. The fixed gate (downstream) could not be retrieved for re-use as envisaged, as it remained submerged.

Against the lumpsum provision of Rs.10.00 lakhs made in the estimates for plugging the diversion tunnel, the actual expenditure incurred was Rs.86.81 lakhs (dumping operation Rs.30.39 lakhs, plugging work Rs.7.08 lakhs, cost of gates Rs.13.14 lakhs, cost of pump Rs.31.37 lakhs, cost of spares Rs.4.83 lakhs). This was mainly due to the defective gate and omission to provide the second set.

The specific reasons for the defective functioning of the gate have not been investigated by the Department, but it was attributed by the Department to deficiencies in design assumptions. Regarding the non-provision of the second set of the gates, the Executive Engineer stated (June 1991) that probably the Additional Chief Engineer might have issued verbal instructions.

The matter was reported to Government in July 1990; they accepted the factual position in July 1991.

4.12 Avoidable expenditure

The work of excavation of Salandi Main Canal Reach No.III was awarded to a contractor in June, 1965 by the Executive Engineer, Salandi Project Division No. II, Bhadrak, at an estimated cost of Rs.2.66 lakhs. The work could not be taken up by the contractor since the land had not been acquired by the Department.

The contract was therefore cancelled on 3rd September 1965. The contractor went for arbitration for his claim towards compensation of Rs.6.65 lakhs for idle investment of capacity, labour, maintenance etc. In March, 1982 the Arbitrator awarded Rs.1.56 lakhs in his favour with interest @ 6 per cent per annum. The Department paid Rs.1.56 lakhs to the contractor in March 1987. The payment of interest on the compensation awarded is *sub judice* (July 1991).

Thus by entering into contractual agreement for the work without acquisition of the land required, caused an avoidable loss of Rs.1.56 lakhs.

The matter was reported to Government (October '990); they accepted the factual position in July 1991.

4.13 Extra expenditure on removal of excavated material

The work of excavation of spillway of Hara-bhangi Irrigation Project was awarded to the Orissa Construction Corporation Limited (OCC) in two phases in September 1982 and December 1982. It was completed in October, 1986 and final payment was made in May 1987. According to the contract, the rate for excavation in all kinds of soil was inclusive of depositing the excavated material away from the work site as directed by the Engineer-in-charge. Despite specific instructions of the Department (July 1984) to deposit the excavated material downstream of the dyke, the firm had deposited it very close to the work site, upstream. In June 1989, under the instruction of the Superintending Engineer, Rayagada Irrigation Circle, the dumped material was removed departmentally from the work site in the upstream of the dyke at a cost of Rs.0.93 lakh, in order to take up excavation of 40-m wide pilot channel inside the spillway. But the amount could not be recovered from the contractor. The Government department during discussion of the para in July 1991 stated that owing to change in design, it was necessary to remove the debris by departmental dozers. This was not acceptable to audit as the debris should have been deposited beyond 175 metres (all leads) of the work site as per the terms of the agreement. Had it been deposited as per the conditions of contract, there would not have been any need for removal of debris even after change of design.

The matter was reported to Government in June 1990.

4.14 **Extra expenditure in excavation of Champamal distributary**

Excavation of Champamal distributary (2nd reach) of Hariharjore Irrigation Project in Bolangir District was awarded in October, 1984 to a contractor for Rs.9.44 lakhs for completion by January 1986.

During execution of work, errors in levels were noticed by the Department. The level differences were 2 to 3 metres, which drastically increased the quantities originally stipulated in the agreement. Though the contractor offered in November 1984 to execute the work at contract rate for all items except one and at reduced rates for the excess quantity for one item, the offer was not considered. The Divisional Officer directed him in January 1985 to stop further work pending approval of Government for the change in the quantity, and made a proposal for the closure of the contract. By then the contractor had completed work worth Rs.5.35 lakhs.

Notwithstanding the fact that approval of the Government for the increased quantity had not been received, the balance work was awarded to another contractor and was got completed in August 1989 at a cost of Rs.15.91 lakhs.

As the rates in the subsequent contract were higher than those in the first contract, the withdrawal of the works despite willingness of the earlier contractor to execute it resulted in an extra expenditure of Rs.4.53 lakhs.

The case was reported to Government (October 1990); they accepted the factual position in July 1991.

COMMERCE AND TRANSPORT DEPARTMENT**4.15 Unadjusted advance paid to Electricity Board**

In January 1982 the Executive Engineer, Gopalpur Port Project deposited Rs.12.72 lakhs with the Orissa State Electricity Board (OSEB) for providing 33 KV lines and transformers (2 Megawatts each approximately) to supply electricity to the port area. Subsequently the capacity of the transformers was enhanced to 4 Megawatts each. The Electricity Board did not agree to execute the work, and it was executed by the Department between 1985-88 through a contract.

The deposit of Rs.12.72 lakhs made had, however, not been recovered from the OSEB as of December 1990.

The Executive Engineer stated in July 1990 that steps would be taken to adjust the deposit against claims for electricity consumed, but no action was taken as of December 1990.

The matter was reported to Government (July 1990) and their reply has not been received (September 1991).

**WORKS, IRRIGATION, HOUSING AND URBAN
DEVELOPMENT, COMMERCE AND TRANSPORT
DEPARTMENT****4.16 Irregular debit of telephone charges to works
and stock account**

Departmental rules provide that expenditure required for day-to-day management of an office shall be borne out of office contingency, for which separate budgetary provision is made for each office.

Test-check in audit of 114 Works Divisions relating to four Departments, revealed that an expenditure of Rs.30.43 lakhs (Works Department:Rs.14.45 lakhs, Irrigation & Power Department : Rs.9.20 lakhs, Housing & Urban Development Department : Rs.5.90 lakhs and Commerce and Transport Department : Rs.0.88 lakh), which was incurred during the years 1988-89 (Rs.10.23 lakhs) and 1989-90 (Rs.20.20 lakhs) towards telephone charges, was wrongly debited to works accounts, instead of office contingency, thereby inflating the figures in the former.

Of the expenditure of Rs.30.43 lakhs, Rs.0.60 lakh related to the telephone charges of one Chief Engineer Office and Rs.2.50 lakhs to 9 Circle Offices.

The matter was reported to Government (October 1990); and their reply has not been received (September 1991).

HOUSING AND URBAN DEVELOPMENT DEPARTMENT

4.17 Delay in completion of a scheme leading to blockage of Government funds

Construction of lagoons for the treatment of sewerage at four different places in Bhubaneswar were taken up by the Public Health Construction Division, Bhubaneswar. The work commenced between January 1985 and January 1987, and was due for completion by April 1985 to July 1987. It remained incomplete as of May 1990 though an expenditure of Rs.8.03 lakhs (against the estimated cost of Rs.13.97 lakhs) was incurred upto April 1990. Reasons for non-completion were attributed by the Department to difficulties encountered in selection of site, abnormally high quantities of rock-cutting, and inadequate funds.

For use in this work, the Public Health Construction Division, Bhubaneswar had procured 8 Aerators for Rs.7.52 lakhs between March 1985 and August 1988. Due to the delay in the progress of work, the guarantee period of one year of the Aerators had expired meanwhile.

The Executive Engineer stated in August 1990 that the Aerators at different lagoons had not been installed due to inadequate funds allotted to these works. He also stated that the probable date of installation could not be intimated.

The matter was reported to Government (July 1990); their reply has not been received (September 1991).

WORKS, RURAL DEVELOPMENT DEPARTMENT

4.18 Extra expenditure due to delay in processing tenders

According to the Orissa Public Works Department Code, Executive Engineers and Superintending Engineers are allowed a maximum period of 20 and 15 days respectively for the scrutiny and disposal of tenders, while the Chief Engineer and the Contract Committee are allowed 20 days for the purpose.

Test-check by Audit revealed that during 1987-88 the time taken for processing and finalisation of the tenders ranged in 6 cases upto 250 days, and in one case it extended upto 623 days due to protracted departmental correspondence (details in Appendix IX).

Since the tenders were not finalised within the validity period of the offers they had to be invited again, which resulted in higher rates being received and accepted, leading to avoidable expenditure of Rs.7.39 lakhs.

The matter was reported to Government (October 1990); they accepted the factual position in July 1991.

4.19 Irregular execution of works

Neelanalla and Krushna Chandra Sagar, Jeevan Dasguda are two inter-linked irrigation projects having a combined ayacut of 3,900 acres, of which only 2,381 acres were certified as irrigable. In order to augment supply of water to Krishna Chandra Sagar, a weir for diverting the flood water of Neela nalla, was constructed by the Executive Engineer, Minor Irrigation Division, Berhampur in March 1982 at a cost of Rs.6.10 lakhs.

Construction of a link channel connecting the Neela nalla to Krishna Chandra Sagar to carry the surplus waters was however, delayed for lack of funds. Meanwhile a major portion of the weir across Nella nalla was washed away in June 1984 by floods, 2 years after completion. Under the direction of the Government, three years later in October 1987, the Superintending Engineer, Southern Minor Irrigation Circle conducted an enquiry and attributed the damage to the weir to (i) sub-standard quality of work executed, (ii) inadequate depth of the downstream cut-off and (iii) non-execution of certain works like downstream cement concrete, block packing and cut-off.

In April 1988 the Chief Engineer, Minor Irrigation, Orissa, inspected the site to consider the prospect of renovation of the damaged weir, and observed that it would be highly uneconomical. Accordingly, the work was abandoned.

In August 1988, another weir on the upstream side of the damaged weir with a link channel was constructed at a cost of Rs.2.59 lakhs, and supply of water to Neela nalla was commenced.

The Executive Engineer, Minor Irrigation Division, Berhampur stated in October 1989 that departmental action against the Officers responsible for the damage to the structure earlier constructed had been initiated.

The investment of Rs.6.10 lakhs in 1982 on the construction of the weir proved to be a waste due to the failure to maintain the quality of work, and also due to failure to construct a link channel to carry the surplus water to Neela nalla. The same objective was achieved in 1988 at 42 per cent of the cost incurred earlier, revealing that the expenditure incurred earlier was also grossly inflated.

The irregularity was reported to Government in July 1990; and they accepted the factual position in July 1991.

4.20 Unproductive expenditure on a minor irrigation scheme

The Kankadasoda Minor Irrigation scheme was in a derelict condition, and was therefore taken up by the Minor Irrigation Division, Dhenkanal in September 1984 for special repairs, such as (a) raising and strengthening of existing embankment to proper section, (b) construction of head regulator, (c) construction of flush type surplus escape and (d) construction of distribution system. It was taken up under the Rural Landless Employment Guarantee Programme, for irrigating 150 acres of land in kharif against the existing irrigation

of 60 acres. The work sanctioned by Government was commenced in 1985-86 (estimated cost of Rs.8.22 lakhs) and was expected to generate employment of 54,910 mandays. It was completed in March 1988 after incurring an expenditure of Rs.10.57 lakhs.

In July, 1988, the Chairman of Parajang Panchayat Samiti intimated to the Chief Secretary that no irrigation was possible in this scheme due to (i) wrong location of the regulator, (ii) lack of leading channel and (iii) non-construction of canals. The Assistant Engineer, MI Sub-Division, Kamakhyanagar informed the Executive Engineer in September 1988 that against the catchment area of 1.60 square miles, only 0.20 square mile could be covered as a major part of water in the catchment flowed away through a nallah. He suggested for construction of a sluice at a lower level for better utilisation of the available water. The Executive Engineer, Minor Irrigation reported to the Chief Engineer (November 1988) that there was heavy percolation of water in the reservoir bed, and the maximum water level was only 2 feet above the dead storage level (RL 341.20) against the reservoir level of RL 349.20 required for irrigation. No remedial measures have been taken as of June 1991.

Defective planning and inadequate investigation before undertaking the renovation work had rendered the expenditure of Rs.10.57 lakhs incurred unproductive.

The matter was reported to Government in July 1990; they accepted the factual position in July 1991.

4.21 Unfruitful outlay on an irrigation scheme due to seepage

The Pratapur Minor Irrigation scheme was completed in 1983-84 at a cost of Rs.53.08 lakhs. It was designed to provide irrigation to 700 acres in kharif and 200 acres in rabi seasons. Though in 1983-84 the potential was achieved, seepage of water at the foundation of the earthen dam were noticed. The seepages increased each year, and in 1987 the Executive Engineer reported that the reservoir had got depleted soon after the monsoon and reached the dead storage level.

The actual irrigation in kharif and rabi seasons since completion of the project in 1983 was as follows:

Year	Kharif (in acres)	Rabi ()
1983-84	700	200
1984-85	500	100
1985-86	200	50
1986-87	200	-
1987-88	200	-
1988-89	200	-
1989-90	200	-

The Assistant Engineer intimated to the Executive Engineer in May 1983 that there was a sand zone below the cut-off in RD 225 to RD 375. In order to check the seepage of water, drilling and grouting work

was carried out by the Minor Irrigation Division, Kala-handi in June 1985 at a cost of Rs.1.33 lakhs, but it did not prevent the seepage. The Executive Engineer submitted in June 1989 an estimate for Rs.9.40 lakhs for providing an upstream blanket, which had not been sanctioned as of March 1991.

Failure to survey the site before undertaking the scheme resulted in the investment of Rs.54.47 lakhs on the scheme becoming largely unproductive.

The case was reported to Government (March 1991); and they accepted the factual position in July 1991.

CHAPTER V

STORES AND STOCK ACCOUNTS

A - PUBLIC WORKS IRRIGATION DEPARTMENT

5.1 Avoidable loss in issue of rails by a contractor

Steel rails 60 lb (49.355 tonnes) valued at Rs.4.88 lakhs were issued on loan in August 1987 from the Central Stores of Mahanadi Birupa Barrage Project, Cuttack to a contractor for use in shuttering work for construction of a bridge. Even though the agreement for the work did not provide for it, the issues were made on the oral instructions of the Sub-Divisional Officer without agreeing on the terms of the loan and without receiving any indent from the contractor. The rails, when returned by the contractor after two years in August 1989, were found to be damaged, having welded spots and holes which rendered them unfit for further use.

The Executive Engineer, Mahanadi Barrage Stores and Mechanical Division, Cuttack preferred a claim for hire charges (Rs.2.14 lakhs) for the rails on the Executive Engineer, Mahanadi Birupa Barrage Division No.II in August 1989, to be recovered from the contractor. The contractor completed the work in October 1989 and was paid his dues in October 1989. However, no recovery of hire charges or the cost of the material issued was made from his dues in the absence of an understanding on the terms of the loan.

The matter was reported to Government (October 1990); they accepted the factual position in July 1991.

5.2 Suspected mis-appropriation of stores

(a) In Hariharjore Irrigation (HI) Division No.II, Birmaharajpur, materials (steel 8.556 MT and cement 4 bags) valued at Rs.0.55 lakh were shown as issued to a contractor in June 1988, even though the work had been completed in December 1987 and the account settled in February 1988. The Executive Engineer proposed, 2 years later in June 1990, to the Superintending Engineer, Bolangir for an investigation in the matter. Further developments were awaited in June 1991. Factual position as brought out in the para was accepted by the department in July 1991.

(b) The Junior Engineer, Balimela Electrical Sub-Division issued 1,100 kg of copper wire (Rs.0.68 lakh) to works between June 1986 and November 1986 without any estimate or indent. The material was shown to have been utilised in repairs of switch gear and earthing.

There were no documents to show its utilisation in any works. On this being pointed out by Audit in May 1988, disciplinary action was initiated against the concerned officer in September 1989 for pilferage of Government material. Further report is awaited.

(c) For the work of design, manufacture, erection and supply of Mild Steel Beam gates for supporting the leaves at the pier top of Mahanadi Birupa Barrage Project, 24,985 tonnes of mild steel joists (450 x 150) valued at Rs.2.29 lakhs were shown as issued to the work by the Junior Engineer (Mechanical) Stores and Mechanical Division, Cuttack in March 1988. A formal indent was given by the Junior Engineer, Mechanical only later, and an acknowledgement for its receipt was also given in June 1988. The records of the work did not

show the manner of utilisation of the steel joists. The Junior Engineer, Mechanical stated (February 1990) that the materials were not received by him physically, nor were any gate pass and weighments slip issued as required, or any measurements recorded. He however, admitted that the indent was placed by him, and that he had acknowledged receipt merely for record, at the instance of the then Executive Engineer.

The matter was under investigation by the Chief Engineer as of June 1991.

The above cases were reported to Government (July 1990 and October 1990); and factual position was accepted by them in July 1991.

RURAL DEVELOPMENT DEPARTMENT

5.3 Loss due to non-supply of cement by a stockist

The Executive Engineer, Minor Irrigation, Balasore was allotted (January 1986) 2,340 bags of levy cement by the Additional District Magistrate, Balasore for use in development works. 700 bags were to be procured from a local stockist, and 1,640 bags from another stockist at Bhadrak.

The Division procured the allotted quantity from the local stockist (January 1986). The other stockist was paid an advance of Rs.58,540 for 1,000 bags in February 1986 without any sanction, but no cement was supplied as of June 1991 despite requests made by the Division and by the allotting authority. The amount also remained unrecovered.

The matter was reported to Government in June 1990; who accepted the factual position in July 1991.

HOUSING AND URBAN DEVELOPMENT DEPARTMENT

5.4 Unnecessary procurement of new rigs

The Chief Engineer, Public Health, allotted 15 rigs to the Mechanical PH Division-II, Sambalpur during 1989-90 for drilling 1,556 tubewells to provide safe drinking water covering seven districts. Though each rig was to be utilised for 265 days in a year, they were utilised on an average for 110 days (42 per cent) during the year.

In spite of this, 3 new rigs were purchased at a cost of Rs.78.50 lakhs and supplied in July 1989 by the Executive Engineer, Mechanical PH Division No.1, Bhubaneswar to the Division. The new rigs were also not put to use till August 1990, due to supply of inferior spare parts, insufficient staff and delay in placement of funds.

The unwarranted purchase was reported to Government (August 1990); their reply has not been received (September 1991).

CHAPTER VI
FINANCE DEPARTMENT
COMMERCIAL ACTIVITIES

6.1 General

On 31st March, 1990 five departmental commercial and quasi-commercial undertakings were in operation in the state. The extent of arrears in submission of proforma accounts for Audit by these Undertakings are indicated below:

Name of Undertakings	Year from which accounts are in arrears
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A. STATE TRADING SCHEME

(1) Nationalisation of Kendu Leaves	1984-85
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B. AGRICULTURE

(2) Cold Storage Plant, Similiguda	1973
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(3) Cold Storage Plant, Bolangir	1983
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(4) Cold Storage Plant, Kuarmunda	1972(a)
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(5) Cold Storage Plant, Parlakhemundi	1973
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(a) Proforma accounts for 1972 and 1973 were received incomplete.

Government intimated in April 1990 that accounts in respect of Cold Storage Plant, Similiguda, Cold Storage Plant, Kuarmunda and Cold Storage Plant, Parlakhemundi had been completed upto 1975, 1974 and 1978 respectively. But these accounts were not received by Audit as of December 1990.

The following departmental commercial and quasi-commercial Undertakings were either not in operation or had been taken over by corporate bodies from the dates as mentioned against each. The *proforma* accounts of these Undertakings have not been received for several years, as detailed below:

Name of the Undertaking	Name of the Corporation to which transferred	Date of transfer	Year from which accounts are in arrears
(1)	(2)	(3)	(4)
A. STATE TRADING SCHEME			
1. Grain purchase scheme	Orissa State Civil Supplies Corporation Limited	September 1980	1977-78
B. TRANSPORT			
2. State Transport Service	Orissa State Road Transport Corporation Limited	May 1974	1972-73

Name of the Undertaking	Name of the Corporation to which transferred	Date of transfer	Year from which accounts are in arrears
(1)	(2)	(3)	(4)

C. AGRICULTURE

3. Cold Storage Plant, Bhubaneswar	Orissa State Seeds Corporation	March 1979	1971 to March 1979
4. Cold Storage Plant, Sambalpur	Orissa State Seeds Corporation	March 1979	1971 to March 1979

Following repeated correspondence, Government intimated in September 1989 that efforts were being made to rebuild the accounts of State Transport Service for the period from 1972-73 to 1974-75, as relevant records for the period were not available with the offices concerned. There has been no response from Government in respect of the accounts of the other schemes.

In respect of the following schemes which remained inoperative or were closed, the assets and liabilities were not fully disposed of or liquidated by Government; the reasons were also not stated.

Name of the scheme	Year from which remained inoperative or closed
1. Grain supply Scheme	1958-59
2. Scheme for trading in Iron Ore through Paradeep Port	1966-67

Name of the scheme	Year from which remained inoperative or closed
3. Cloth and Yarn Scheme	1954-55
4. Scheme for exploitation and marketing of fish	1981-82

Although the following schemes were commercial in nature, Government had not prescribed the preparation of *proforma* accounts. Only personal ledger accounts were opened and maintained by the Department. The position at the end of 1989-90 of these personal ledger accounts was as under:

Name of the Undertakings	Year in which the personal ledger accounts were opened	Opening balance (Accounts for 1989-90			Closing balance)
			Credit	Debit		
			Rupees in lakhs			
1. Purchase and distribution of quality seeds to cultivators	1977-78 (Revenue accounts)	87.87	620.57	682.83	25.61	
2. Poultry Development	1974-75	3.02	-	-	3.02	

CHAPTER VII

FINANCE DEPARTMENT

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

7.1 General

During 1989-90, grants amounting to Rs.763.89 crores were paid to non-Government bodies/institutions for implementation of various programmes/functions. This formed 41 *per cent* of the Government's total expenditure on revenue account. The corresponding figures for the previous year were Rs.543.87 crores and 33 *per cent*.

The main beneficiaries of the grants were educational institutions and District Rural Development Agencies, which received Rs.495.79 crores (65 *per cent*) and Rs.61.10 crores (8 *per cent*) respectively during 1989-90 for the purposes shown below:

1. Educational institutions	(Rupees in crores)
(a) Primary Education	229.84
(b) Secondary Education	157.96
(c) Higher Secondary Education	74.30
(d) Universities:	
(i) Non-technical	29.47
(ii) Technical	4.22
	<u>495.79</u>

2. District Rural Development Agencies	(Rupees in crores)
(a) Rural Landless Employment Guarantee Programme (RLEGP)	25.35
(b) National Rural Employment Programme (NREP)	0.49
(c) Integrated Rural Development Programme (IRDP)	17.27
(d) Assistance to Small and marginal farmers for increasing agricultural production	13.42
(e) Economic Rehabilitation of Rural Poor (ERRP)	<u>4.57</u> <u>61.10</u>

The Examiner, Local Fund Audit is the statutory auditor for Panchayat Samitis and Educational institutions. The Registrar of Co-operative Societies is the auditor for Co-operative Societies while Chartered Accountants audit District Rural Development Agencies, Integrated Tribal Development Agencies and Command Area Development Authorities.

The audit of such institutions is also carried out under the Comptroller and Auditor General's (Duties, Powers and conditions of services) Act of 1971 as amended in March 1984. According to Section 14(1) of the Act, receipts and expenditure of any autonomous body or authority which are substantially financed by grants and loans from the Consolidated Fund are to be audited by the Comptroller and Auditor General of India. For

this purpose, a body or authority is deemed to have been substantially financed if the aggregate of grants and/or loans to it in a financial year is not less than Rs.25 lakhs (this used to be not less than Rs.5 lakhs upto 1982-83) and also not less than 75 per cent of the total expenditure of that body/authority. Under section 14(2) of the Act, the Comptroller and Auditor General, with the previous approval of the Governor, audits all receipts and expenditure of any body or authority if the aggregate of such grants or loans given from the Consolidated Fund of the State is not less than rupees one crore in a financial year.

Delay in receipt of accounts

Mention was made in paragraph 7.1 of the Audit Report (Civil) for 1988-89 about non-receipt of information from Departments of Government regarding grants and loans given to various bodies and authorities from 1971-72 onwards, to facilitate determination of the applicability of audit under section 14 of the Comptroller and Auditor General's (Duties, Powers and conditions of service) Act, 1971. The position did not improve during 1989-90, as indicated below, even though the Finance Department had agreed in May 1988 to furnish such details by the end of June each year.

Year	Number of bodies/authorities which received grants/loans of not less than Rs.5 lakhs in an year upto 1982-83 and Rs.25 lakhs from 1983-84 onwards	Number of bodies/authorities whose accounts were received	
		Received in audit	Not received by audit
1971-72			
to			
1982-83	4191	199	3992

Year	Number of bodies/authorities which received grants/loans of not less than Rs.5 lakhs in an year upto 1982-83 and Rs.25 lakhs from 1983-84 onwards	Number of bodies/authorities whose accounts were received	
		Received in audit	Not received by audit
1983-84	(a)	393	-
1984-85	(a)	413	-
1985-86	(a)	381	-
1986-87	(a)	347	-
1987-88	(a)	349	-
1988-89	(a)	46	-
1989-90	(a)	9	-

(a) Information not furnished.

It would be evident that some of the bodies/authorities which might have actually qualified for audit have remained outside the purview of audit by the Comptroller and Auditor General of India due to non-furnishing of information regarding grants/loans, released by the Government.

The results of audit of some institutions/bodies conducted under section 14 are given in the succeeding paragraphs.

AGRICULTURE AND CO-OPERATION DEPARTMENT

7.2 Orissa State Co-operative Marketing Federation Limited**7.2.1 Introduction**

The Orissa State Co-operative Marketing Federation Limited (Federation), Bhubaneswar registered (June, 1949) under the Bihar and Orissa Co-operative Societies Act, 1935 is an apex organisation of all the Regional Co-operative Marketing Societies (RCMS), cold storage and other commodity marketing institutions of the State.

The main objectives of the Federation are:

- (a) to arrange for sale of the produce of the members;
- (b) processing of agricultural produce, manufacture of agricultural implements and preparation of farm inputs;
- (c) procurement and distribution of chemical fertilisers, seeds, implements etc.;
- (d) construction, acquisition and maintenance of godowns and warehouses;
- (e) to advance money to affiliated societies;

All abbreviations used in this Review are listed alphabetically and expanded in the Glossary at Appendix X (Page 203).

- (f) promotion and development of marketing and consumers' movement;
- (g) to raise funds required for business and to do such other acts as are incidental/conducive to the attainment of the objectives.

7.2.2 *Organisational set-up*

The supreme authority of the Federation is vested in the General Body consisting of member co-operative societies. The day-to-day management of the Federation is vested in the Managing Committee consisting of 19 members, of whom 15 are elected and four (including the Managing Director) are nominated by the State Government.

The Federation with its headquarters at Bhubaneswar has two Zonal Offices (Jeypore and Bargarh), a liaison office at Calcutta, twenty buffer stock godowns, 208 sale centres, one Granular Fertiliser Plant (GFP) at Bargarh, one Solvent Extraction Plant (SEP) along with two expeller units, a refinery plant at Bargarh and a cold storage plant (Jagatpur).

68 Regional Co-operative Marketing Societies (RCMS) are affiliated to the Federation, through which procurement and sale of all agricultural produce and fertilisers are conducted.

7.2.3 *Audit coverage*

A test-check of the records of the Federation including the manufacturing units, two buffer stock godowns, two offices of Area Managers', five sales centres

and cold storage for the period from 1983-84 to 1985-86, (the year upto which accounts were ready) was conducted between May, 1989 and December, 1989 under section 14(2) of the Comptroller and Auditor General's DPC Act 1971 as amended in March 1984. Developments relating to subsequent periods has also been included in the Report where considered necessary.

7.2.4 *Highlights*

- The Federation suffered cumulative loss amounting to Rs.2853 lakhs as of June, 1986.
[Paragraph 7.2.5]
- The target fixed for the Granular Fertiliser Plant at Bargarh during 1983-84 to 1988-89 was only 28 per cent of its installed capacity. Even this low target was not achieved, the shortfall being 69 per cent during 1985-86.
[Paragraph 7.2.6(a)]
- The Solvent Extraction Plant, two expeller units at Bargarh, the oil refinery unit and the cold storage unit were all under-utilised. Extra expenditure of Rs.12.08 lakhs was incurred on excessive consumption of Hexane in the Solvent Extraction Plant.
[Paragraphs 7.2.6 & 7.2.7]
- Due to delay in disposal of 'sal' seed oil during the period 1985 and 1986, there was a loss of Rs.8 lakhs.
[Paragraph 7.2.8(i)]

- In fertiliser trade, excess procurement and delay in disposal of stocks resulted in loss of Rs.2.75 lakhs.
[Paragraph 7.2.9(b)]
- The Federation incurred a loss of Rs.5.65 lakhs in procurement of sprayers.
[Paragraph 7.2.9(c)]
- There was avoidable extra expenditure of Rs.8.04 lakhs on the procurement of gunny bags at high rates by the constituent units of the Federation.
[Paragraph 7.2.10(b)]
- Matured loan bonds (value Rs.4.53 lakhs) have not been encashed.
[Paragraph 7.2.10(c)]
- Shortages and misappropriation of cash pending for recovery amounted to Rs.32.32 lakhs.
[Paragraph 7.2.10(f)]

7.2.5 *Financial position*

The Federation received Rs.3018 lakhs as loan and Rs.261 lakhs as subsidy from the State Government during 1985-86.

Year	Amount	
	Loans	Subsidy
	(Rupees in lakhs)	
1983-84	976.14	78.34
1984-85	936.72	84.52
1985-86	1105.87	98.35
Total	<u>3018.73</u>	<u>261.21</u>

The balance sheets of the Federation for the years revealed the following position:

(i) A sum of Rs.577.43 lakhs representing 98.34 per cent of the paid-up share capital of Rs.587.19 lakhs as on 30th June 1986 was contributed by the State Government, and Rs.9.76 lakhs by the RCMS and other Marketing Societies.

(ii) During 1983-84 to 1985-86 the Federation had received loans amounting to Rs.3018.73 lakhs and repaid Rs.2993.10 lakhs. Sundry credits for Rs.503.12 lakhs included Rs.473.14 lakhs being sale proceeds of fertiliser received from sale centres prior to 1977-78 and payable to the Agriculture Department of Government of Orissa but not paid for want of details. Though the Federation had suggested to the Government in October 1985 the adjustment of Rs.319.24 lakhs against dues receivable from the Government on different accounts, no decision has been taken by the Government in this regard (March 1991).

Sale suspense balance of Rs.909.08 lakhs represented sale proceeds of fertiliser, rice and other agricultural produce remitted by buffer stock godowns and sale centres but not adjusted in the sales account for want of details such as name of the depositor, name of sale unit, type of sale, etc. No effective measures were taken by the Federation to obtain these details and clear the suspense account.

The accounts with buffer stock godowns and sale centres had not been reconciled for a long period. Details of debtor-wise outstandings and reserves for bad debts created were not furnished to Audit.

As on 30th June 1986 there was an accumulated loss of Rs.2853 lakhs (Head Office : Rs.2650 lakhs, Granular Fertiliser Plant : Rs.86 lakhs, Solvent Extraction Plant : Rs.107 lakhs and Cold Storage : Rs.10 lakhs). The loss was mainly due to creation of reserve for bad and doubtful debts for the first time during 1984-85 (Rs.1597.70 lakhs) with a view to exhibit a more realistic picture of the working results of the Federation, to cover dues* outstanding for over a decade.

The losses on various individual trade accounts eg. paddy, rice, other agricultural produces, fertilisers, pesticides, etc., were not separately worked out by the Federation. The Federation attributed the loss on paddy and rice trade to procurement of inferior quality; want of proper co-ordination between the RCMS and the Federation in getting better prices for non-levy rice thereby resulting in accumulation of huge undisposed stocks; non-reconciliation of paddy accounts by the RCMS over long periods resulting in misutilisation of undeposited sale proceeds by the RCMS; and lack of control by the Apex field staff to check theft, shortage and misappropriation.

The closing stock as on 30th June 1986 was Rs.646.22 lakhs. It included Rs.6.17 lakhs being the value of stock found short in 44 units, and Rs.5.90 lakhs being the value of damaged/unusable materials other

* (fertiliser trade : Rs.1208 lakhs, trade advances : Rs.385 lakhs against the RCMS, Area Managers and construction contractors; Sundry debtors : Rs.169 lakhs for stocks supplied to the RCMS, Notified Area Councils and Government Officers; old and damaged stocks of fertilisers, paddy and pesticides : Rs.110 lakhs).

than fertiliser in 16 units where physical verification was conducted. The verification reports on fertiliser were not made available to Audit. The closing stock did not, include deficiency valued at Rs.5.63 lakhs brought to light during change of incumbency during 1985-86 at buffer stock godown, Bhubaneswar.

7.2.6 *Manufacturing activities*

(a) *Performance of Granular Fertiliser Plant at Bargarh (GFP)*

The plant with an installed annual capacity of 36,000 tonnes (300 working days) was set up in 1973-74 for manufacture of fertilisers by mixing old and damaged fertilisers with fresh stock.

Target and achievement in respect of the working of the plant were as follows:

Year	Target	Total production	Percentage of shortfall in achievement	Quantity sold
	(in tonnes)			(in tonnes)
1983-84	10,000	9,793	2	8,269
1984-85	10,000	8,180	18	7,378
1985-86	10,000	3,112	69	5,660
1986-87	10,000	5,823	42	5,807
1987-88	10,000	6,040	40	5,996
1988-89	10,000	5,811	42	5,829

The target fixed was only 28 per cent of the capacity (36,000 tonnes) of the plant and the shortfall in production ranged between 40 and 69 per cent during 1985-86 to 1988-89 of even this low target. This shortfall was attributed by the Federation mainly to non-availability of raw materials.

Following points were also noticed in Audit:

- (i) There was no record showing the actual quantity of old and damaged fertilisers received for use in the plant.
- (ii) Norms for different fertilisers to be used were not fixed to check consumption or output.
- (b) *Performance of the oil complex at Bargarh*

The Solvent Extraction Plant (SEP) set up in 1977-78 at a cost of Rs.44.89 lakhs was designed to process 25 tonnes of rice bran or 35 tonnes of oilcakes in 24 hours. The plant processed rice bran for seven months during 1983-84 and one month during 1984-85, and remained idle for rest of the year. Oilcake was not processed. To reduce losses, the SEP was modified and processing of 'sal' seeds was taken up from May 1984 as it was considered profitable.

Additions and alterations (Rs.37.10 lakhs) were made to the plant during 1985-86 to double its capacity and to render the plant suitable for handling other types of oilseeds and oilcakes, and also to achieve economy in consumption of hexane, coal and electricity.

However, the subsequent utilisation of capacity of the plant was only 34 *per cent* in 1985-86, 48 *per cent* in 1986-87, 20 *per cent* in 1987-88 and 21 *per cent* in 1988-89, due to non-availability of working capital needed for procurement of raw material. Thus the increased capacity remained unutilised, and the objective of achieving economy in the consumption of Hexane and coal was not fulfilled.

(c) The quantity of Hexane consumed in the plant was far in excess of the norms recommended by the suppliers, resulting in extra expenditure of Rs.12.08 lakhs during 1983-84 to 1988-89, as shown below:

Year	Quantity of of raw mat- erials used (in lakh tonnes)	Hexane consumed (Lakh	Standard consump- tion of Hexane litres	Hexane consumed in ex- cess)	Value of Hexane consumed (@ Rs.4.88 per litre) (Rupees in lakhs)
1983-84	0.02	0.42	0.23	0.19	0.95
1984-85	0.01	0.16	0.12	0.04	0.19
1985-86 (exclu- ding trial run period)	0.02	0.46	0.20	0.26	1.27
			Total		<u>2.41</u>
1986-87	0.05	1.17	0.57	0.60	2.94
1987-88	0.03	0.83	0.32	0.51	2.46
1988-89	0.03	1.22	0.34	0.88	4.27
			Total		<u>12.08</u>

The General Manager in August 1989 attributed the excess consumption to frequent interruptions in supply of electricity, poor quality of coal, want of proper operational staff and interruption in supply of steam. No action was taken to improve the position.

(d) Against 0.125 tonne of coal required per tonne of raw materials, scrutiny of records for 1983-84 to 1985-86 revealed that the coal consumed in the plant was far in excess of the prescribed standard, as shown below:

Year	Raw materials fed (	Coal consumed in tonnes	Coal required	Excess quantity consumed	Value of excess quantity consumed*) (Rupees in lakhs)
1983-84	1522	510	190	320	0.76
1984-85	793	333	99	234	0.55
1985-86**	1849	287	231	56	<u>0.16</u>
					<u>1.47</u>

Poor quality of coal used, frequent breakdown for the plant and improper maintenance of stock register were the reasons cited by the General Manager in August 1989, for the higher consumption of coal as shown.

* Valued @ Rs.237 per tonne upto November, 1985 and @ Rs.289.37 per tonne from December, 1985.

** Information for subsequent periods was not made available to Audit.

(e) *Expeller units*

Two oil expeller units (of 30-TPD and 70-TPD capacity) and an oil refinery (of 20-TPD capacity) costing in all Rs.340.56 lakhs were set up at Bargarh in February 1988, and started commercial production from February 1988 and September 1988 respectively. The following data would reveal that the actual utilisation of the expeller units during February 1988 - March 1989 was less than the expected output of the 30-TPD expeller unit (9000 tonnes per year for 300 working days).

Year	Total quantity of groundnut made available (in tonnes)	Total quantity of groundnut proces- sed in expeller units
1987-88	1,531	166
1988-89	2,616	226

A quantity of only 25.275 tonnes of expelled oil was fed into the refinery during 29 August 1988 to 1 September 1988, and thereafter the refinery was not put to use.

Want of working capital for procurement of groundnut was attributed (October 1989) by the Federation as the reason for low utilisation. But even the procured quantity was not processed in full; clarification of the reasons for this were awaited (March 1991).

Apart from the other overhead expenses on the idle plants, the Federation has also to shoulder an annual interest liability of Rs.16.88 lakhs on Rs.198.60 lakhs of loan assistance received from National Co-operative Development Corporation in setting up the expeller units.

7.2.7 Cold Storage Plant at Jagatpur

For marketing potatoes, the Federation decided to set up a number of cold storages at strategic consumer points within the State. The first cold storage plant with a capacity of 4,000 tonnes was set up in 1984-85 at Jagatpur near Cuttack, at a cost of Rs.63.41 lakhs.

While releasing funds, NCDC suggested that half the capacity be utilised for departmental marketing activities, and the balance capacity for customer services on payment of rent by traders and cultivators. According to cost economics in the project report, the plant was expected to earn a profit of Rs.4.24 lakhs, and achieve 80 per cent capacity utilisation in the first year (100 per cent in the subsequent years). The actual utilisation of storage space during 1985 and 1986 was as under:

Year	Stock received from cultivators/traders under customer service		Own stock	Total stock received
	Potatoes	Fruits	Potatoes	
	(Quantities in tonnes)			
1985	673	231	84	988
1986	492	371	96	959
1987	3772	146	Nil	3918
1988	2463	423	586	3472
1989	530	358	837	1725

(Note : The activity starts from February and ends by October. Hence calendar year is adopted).

Due to low capacity utilisation there was an accumulated loss of Rs.10.34 lakhs as of 30th June 1986. The utilisation improved in 1987 and 1988 but again declined in 1989.

Low capacity utilisation during 1989 was attributed by the Federation (September/November 1989) to lack of response from member traders to keep their stocks on customer service, and steep rise in prices of potatoes which encouraged disposal of stocks.

7.2.8 *Trading activities (oil)*

The Federation produced the following quantities of 'sal' seed oil during the years as indicated below:

Year	Quantity of oil produced (in tonnes)	Cost of production per tonne
1983-84	61	Rs. 16,280
1984-85	60	
1985-86	313	Rs. 16,280
1986-87	623	Accounts not yet finalised.
1987-88	254	

Information for subsequent periods was awaited (March 1991).

The oil was produced by the Federation solely for the purpose of sale.

Loss on sale of sal seed oil

(i) For sale of 150 tonnes of sal seed oil from the 1985 crop, an agreement was executed by the Federation with a firm on 6 February 1986 after negotiation. This firm was to accept delivery of oil within 30 days (free of epoxy and hydroxy fatty acids) at Rs.23,351 per tonne, against the cost of production of Rs.23,978 per tonne. The agreement provided for taking four random samples of oil from oil tanks at the plant (two each by the Federation and the buyer). In case of disagreement of the results of analysis of one sample by either party, the other set was to be got analysed by an independent approved laboratory, the results of which would be binding.

The Federation had with them (February 1986) Rs.0.35 lakh in cash and a bank guarantee for Rs.1.15 lakhs from the firm as security deposit. The validity of the bank guarantee had however already expired on 30 November 1985 and had not been renewed. After accepting 63 tonnes of oil (till 19 February 1986) the buyer reported presence of epoxy fatty acids in his sample and stopped accepting further quantities. Instead of getting the second sample already tested by an approved independent laboratory as provided in the agreement, fresh samples were taken by the Federation and the buyer, twice on 8 March 1986 and 17 March 1986. The date of accepting delivery of the oil was also extended to 25 March 1986. The new samples were also not tested at an independent approved laboratory but separately by the Federation and the buyer. The firm alleged (August 1986) that their test report showed presence of high percentage of hydroxy acids, while the Federation contended otherwise. The matter could not be reconciled, and the firm did not accept the balance quantity of oil which deteriorated in storage (November 1986). The deterioration was attributed by the Federation

to presence of free fatty acids which increase with storage. The cash deposit of Rs.0.35 lakh of the firm was forfeited. The deteriorated oil (87 tonnes) was disposed of at Rs.13,752 per tonne in November 1986. The loss in the sale amounted to Rs.7.96 lakhs.

It was stated (October 1989) by the Federation that the management of the SEP had committed a gross mistake by allowing the firm to draw samples repeatedly contrary to the conditions of the agreement.

(ii) Four offers were received by the Federation in September 1986 for the purchase of 900 tonnes of 'sal' oil. Three of the firms attended negotiations held on 7 October 1986 during which one firm offered Rs.19,701 per tonne for accepting the full quantity of oil, while 2 others offered Rs.19,625 per tonne for purchase of 450 tonnes of oil each. The Federation decided on 9th October 1986 to sell 250 tonnes to the first firm and 325 tonnes each to the other 2 firms all at Rs.19,701 per tonne. This offer was not accepted by the latter 2 firms. Consequently in February 1987, further negotiations were held and an agreement was executed on 7 February 1987 for sale of about 300 tonnes of oil with the first firm at Rs.16,751 per tonne.

Sale of 306.600 tonnes of oil at Rs.16,751 per tonne to the firm instead of at Rs.19,701 per tonne offered by it earlier in October 1986 resulted in loss of Rs.9.04 lakhs. Manner of disposal of the remaining 593.300 tonnes proposed to be sold has not been intimated (March 1991).

7.2.9 Trading in Fertilisers/Pesticides, etc.

(a) Loss in sale of fertiliser

Against a quota allotted by the Government of India, the Federation procured 8,430 tonnes of Calcium Ammonium Nitrate (CAN - Nangal) against expected demand of 15,575 tonnes at a cost of Rs.136.14 lakhs (Rs.1,615 per tonne) during the period from July 1983 to September 1983. This fertiliser was not easily accepted by the local farmers, and only 7,106 tonnes could be sold at Rs.1,773 per tonne. Of the unsold stock of 1,324 tonnes the Federation sold 764 tonnes to a private party during January - March 1988 at a cost of Rs.5.31 lakhs involving a loss of Rs.7.03 lakhs. Two hundred thirty-three tonnes (Rs.3.76 lakhs) were completely damaged, while 327 tonnes (Rs.5.28 lakhs) were reported to be not available in stock (March 1990). The Federation lost Rs.4.84 lakhs* in the transaction.

(b) In September, 1985 the Federation procured 198 tonnes of Ammonium Chloride for Rs.3.02 lakhs for sale during 1985-86, when there was already balance stock of 510 tonnes with the Federation and the average annual turnover was only 73 tonnes.

*	<u>DETAILS</u>	<u>PROFIT(+)/LOSS(-)</u>
	<u>Sale</u>	
	i) 7106 Tonnes 7106 x Rs.(1773 - 1615)	(+) 11.23
	ii) 764 Tonnes (764 x 1615)-Rs.5.31 lakhs	(-) 7.03
	<u>Damage</u>	
	233 Tonnes	(-) 3.76
	<u>Shortage</u>	
	327 Tonnes	(-) 5.28
	<u>NET AMOUNT</u>	(-) 4.84

This resulted in unsold stock of 180.240 tonnes valued at Rs.2.75 lakhs which was found to be in damaged condition (March 1988). Of this, 100.20 tonnes were transferred to the Granular Fertiliser Plant at Bargarh during 1987-88, where also it was not utilised as of December 1990.

(c) With a view to ensuring availability of different plant protection materials including sprayers in the wake of introduction of subsidy scheme by Government, the Federation had purchased 14,414 hand-compressor sprayers of 12-litre capacity from 1982-83 to 1985-86 at prices ranging between Rs.525 and Rs.968 each for a total value of Rs.92.97 lakhs from two firms.

Due to lack of adequate demand for 12-litre capacity sprayers from farmers, who preferred 9-litre capacity sprayers which were cheaper, there was unsold stock of 2,467 sprayers as of December 1987.

The Federation requested the original suppliers in July 1987 to take back the 12-litre capacity sprayers for equal value. While one out of the two suppliers did not respond, the other firm (which had supplied the 12-litres sprayers at Rs.625 each) offered in December 1987 to supply equal number of new 9-litre capacity sprayers at Rs.345 each (half of its prevailing price) against the 12-litre sprayers returned, provided transportation charges would be borne by the Federation. This was agreed to, and 571 sprayers were replaced accordingly. This resulted in a loss of Rs.1.76 lakhs (including transportation charges of Rs.16,500). 633 more sprayers (12-litre capacity) supplied by the firm awaited replacement (March 1991). 1,263 sprayers of 12-litre capacity which were purchased at Rs.968 each, were disposed of at a lower price of Rs.660 each, resulting in a further loss of Rs.3.89 lakhs.

Thus the Federation suffered a total loss of Rs.5.65 lakhs in the procurement and disposal of sprayers.

(d) 'Sevin' is a carbaryl pesticide which retains its potency normally for two years from the date of manufacture. Against indents for 270 quintals, the Federation purchased 768 quintals between December 1982 and April 1983 at a cost of Rs.50.36 lakhs. Of this, 62.79 quintals of pesticides whose shelf life expired in November 1984, remained unsold (April 1985) with the Bhubaneswar Buffer Stock Godown.

A quantity of 49.34 quintals was resold between May 1985 and July 1985 to the suppliers at their offered rate of Rs.4,200 per quintal, resulting in a loss of Rs.1.42 lakhs* while 13.45 quintals (Rs.0.94 lakh*) remained unsold (December 1989). Information in respect of stock, if any, held in other godowns and sales centres was not furnished (March 1991).

<div>Details</div>						
* No. of packets	Size of pack-ets	Total weight in quin-tals	Purchase rate per quintal	Purchase value	Sale price at Rs.4200 per quin-tal	Loss
(Rupees in lakhs)						
9746	500 gm.	48.73	7088	3.45	2.05	1.40
610	100 gm.	0.61	6476	0.04	0.02	0.02
		<u>49.34</u>		<u>3.49</u>	<u>2.07</u>	<u>1.42</u>
** No. of pack-ets	Size of pack-ets	Total weight in quintals	Purchase rate per quintal	Loss		
			(rupees)	(in lakhs of rupees)		
2108	500 gm.	10.54	7,088	0.75		
2906	100 gm.	2.91	6,476	0.19		
				<u>0.94</u>		

7.2.10 *Other points*

(a) *Sale of rice at lower rate*

The Federation accepted in April 1987 an offer of a Rice Mill of Kesinga to purchase 2,656 quintals of coarse boiled rice @ Rs.245 per quintal lying with the Area Manager, Bolangir. 356 quintals were also lifted by the party till June 1987. Meanwhile the Area Manager obtained quotations from three local farmers for purchase of the rice at rates ranging between Rs.190 and Rs.205 per quintal, and got the rate of Rs.205 approved by the Chairman while the latter was camping at Bolangir (June 1987), concealing the earlier agreement for sale at the rate of Rs.245 per quintal to the rice mill.

2,210 quintals of rice were thus sold at Rs.205 per quintal, resulting in a loss of Rs.0.88 lakh.

(b) *Avoidable expenditure on purchase of second-hand gunnies*

During 1983-84, the Federation had procured centrally 40,750 second-hand gunny bags at Rs.2.50 each, for supply to different RCMS and sale centres for packing of paddy and rice. But during 1984-85 and 1985-86 the Area Managers were directed to purchase such bags after getting the prices and quantities approved

by the Federation. The details of purchases made are given below:

Location	1984-85			1985-86		
	Quantity in lakh bags	Rate per bag (in Rupees (in lakhs)	Amount	Quantity in lakh bags	Rate per bag (in Rupees (in lakhs)	Amount
Sundargarh	0.23	2.75	0.64	0.08	3.50 to 4.50	0.37
Sambalpur	2.04	3.00 to 6.25	9.38	0.38	6.50 to 7.50	2.71
Bolangir	0.21	7.84	1.66	0.65	7.84	5.10

The prices paid in Bolangir in 1984-85 and 1985-86 and at Sambalpur in 1985-86 were considerably higher than the procurement prices at Sundargarh.

The Area Manager, Bolangir obtained *post facto* approval of the Managing Director in January 1985 while he was camping at Bolangir for the purchase of 0.21 lakh bags at Rs.7.84 per bag. No approval was obtained by the Area Manager, Sambalpur for the purchases.

There was an avoidable extra expenditure of Rs.8.04 lakhs (compared to the prices paid by Area Manager, Sundargarh) in the purchase of the bags at Bolangir and Sambalpur.

The Marketing Development Officer of the Federation stated (November 1989) that the Area Managers had used their discretion and purchased huge quantities without obtaining approval of the Head Office, and therefore an enquiry Committee had been constituted by the Board of Directors in November 1986 to probe into the matter. Their report was awaited (March 1991).

(c) *Non-encashment of Government loan bonds*

Government loan bonds of a maturity value of Rs.4.53 lakhs purchased by the Federation between the years 1959 and 1968 were not encashed on their maturity between 1971 and 1980. It was stated (December 1989) by the Federation that action for their encashment was under process.

(d) *Non-recovery of advances*

A sum of Rs.73.78 lakhs was advanced to the RCMS, Raikia between January 1981 and September 1982 for procurement of Niger seeds without fixing the ceiling prices. The RCMS, Raikia procured 0.13 lakh quintals of the seed at prices varying from Rs.430 to Rs.491 per quintal, and submitted bills for Rs.65.49 lakhs claiming payment at inflated rates of Rs.509 to Rs.528 per quintal.

This claim was not allowed by the Federation on the plea that other RCM Societies had procured the seeds during the same period at Rs.345 per quintal. There was no progress in the matter and the advance/balance remained unadjusted (March 1991).

Similarly, Rs. one lakh advanced in May, 1985 to the RCMS, Raikia for procurement of Mohua seeds also remained unadjusted as the Society did not procure the seeds. The Federation stated (November 1990) that a case had been filed in the court of the Registrar of Co-operative Societies, Orissa for the recovery of Rs.23.79 lakhs with the RCMS.

(e) *Irregular payment of advance for purchase of land*

For construction of a 1000-tonnes godown at Angul, the Federation advanced Rs. one lakh in May 1985 to the RCMS, Angul without verification of its title over the plot of land. It was subsequently found (November 1985) that the RCMS, Angul had no legal title over the plot. The Federation requested the Society in November 1985 to refund the amount, but it was not paid as of January 1990.

(f) *Shortages and misappropriations*

As disclosed in the audit reports of the Registrar of Co-operative Societies and physical stock verification reports, shortages and misappropriations of cash and stores in the Federation during the period from 1981-82 to 1985-86 amounted to Rs.33.39 lakhs. There were 203 such cases (1981-82 : 6 cases; 1982-83 : 13 cases; 1983-84 : 30 cases; 1984-85 : 45 cases and 1985-86 : 109 cases). Out of these, the Federation could effect recovery of Rs.1.07 lakhs only in 16 cases (full recovery in two cases and part recovery in 14 cases), and the balance of Rs.32.32 lakhs remained to be recovered (January 1990).

In 59 cases involving a sum of Rs.9.73 lakhs action was stated to be in process, while in 2 cases involving Rs.3.76 lakhs legal proceedings had been initiated (November 1990).

7.2.11 *Evaluation*

No evaluation studies on the activities of the Federation had been taken up by the Government directly or through any independent organisation.

7.2.12 The points mentioned in this Review were referred to Government (October 1990); their reply has not been received (September 1991).

FOREST AND ENVIRONMENT DEPARTMENT

7.3 **National Wasteland Development Board**

7.3.1 *Introduction*

With a view to restoring the ecological balance and improving the economic condition of the rural poor, the following schemes were implemented by the National Wasteland Development Board (NWDB), New Delhi through the Orissa Plantation Development Corporation (OPDC), a fully-owned Government Company, during the Seventh Plan period (1985-90) : (a) rural fuelwood plantation and afforestation of eco-sensitive non-Himalayan areas, (b) decentralised people's nursery, (c) establishment of Silvi-Pasture farms and (d) minor forest produce plantations.

All abbreviations used in this Review are listed alphabetically and expanded in the Glossary at Appendix X (Page 203).

The Orissa Plantation Development Corporation, Limited (OPDC), as the nodal agency, executed the plantation work through the Divisional Plantation Managers of its fifteen Divisions spread all over the State. The Principal Chief Conservator of Forests (PCCF) was partly associated with the implementation of rural fuelwood plantation and afforestation of eco-sensitive non-Himalayan areas and minor forest produce plantations.

The records of seven Divisional Managers (Rayagada, Balasore, Bhawanipatna, Berhampur, Cuttack, Dhenkanal and Puri (at Bhubaneswar), out of fifteen Divisions, as well as the records of OPDC, Forest Department and one territorial Division (Rayagada) out of 7 Divisions under the PCCF, for the period from 1985-86 to 1989-90 were test-checked between May and June 1990. The results of such check are given in the succeeding paragraphs.

7.3.2 *Highlights*

- A sum of Rs.61.08 lakhs under Rural Fuelwood Plantation Scheme (RFPW) meant for chronically fuel-deficient districts was diverted for plantations in districts not declared as deficient in fuelwood.

[Paragraph 7.3.3(i)]

- Expenditure of Rs.69.45 lakhs (Central assistance of Rs.34.18 lakhs) under RFPW Scheme was incurred on retention of staff not employed on the scheme, and Rs.6.22 lakhs under Decentralised People's

Nursery (DPN) scheme were spent on raising departmental nurseries and free distribution of seedlings.

[Paragraphs 7.3.3(ii) & 7.3.4]

- Grass, legumes and leaf fodder plantations raised under 'Establishment of Silvi-pasture farms' at a cost of Rs.15.43 lakhs were allowed to be browsed and grazed by local cattle without being sold, resulting in a loss of yield of Rs.7.51 lakhs and total failure of the scheme.

[Paragraph 7.3.5(ii)]

- 26.36 lakhs of seedlings raised in people's nurseries with governmental aid of Rs.10.43 lakhs were damaged due to lack of departmental initiative for their utilisation.

[Paragraph 7.3.4]

- No nursery agency was given to women as envisaged in the policy.

[Paragraph 7.3.4]

- Central assistance of Rs.8.60 lakhs lapsed during 1989-90 under the minor forest produce plantation scheme, as it was received late.

[Paragraph 7.3.6]

- Central assistance of Rs.3.11 lakhs under minor forest produce was diverted to augment State funds.

[Paragraph 7.3.6]

7.3.3 *Rural Fuelwood Plantation (RFWP) and Afforestation of Eco-sensitive non-Himalayan areas*

A Centrally-sponsored Scheme of "Social Forestry including Rural Fuelwood Plantation" was started in 1980-81 with a view to meeting local needs of fuel, fodder and timber by raising plantations on available community lands, wastelands, and lands alongside roads, canals and railway lines. During 1986-87 the scheme was modified to include a new component for carrying out soil and water conservation in planted areas and afforestation in eco-sensitive non-Himalayan areas under the new scheme "Rural Fuelwood Plantation and Afforestation of Eco-sensitive non-Himalayan areas".

The objectives of the scheme were -

- to augment, in fuelwood-deficient districts, fuelwood by planting species on degraded forest lands, village community lands and other lands under public use close to habitations to meet the needs of rural poor, and
- to take up soil conservation measures such as check dams, gully-plugging, afforestation, shelter belt plantation in eco-sensitive hilly, semi arid and coastal areas.

For implementation of the scheme, Central assistance was given to the extent of 50 per cent of the cost of plantation, subject to certain ceilings fixed from time to time.

Expenditure incurred and the Central assistance received during the period from 1985-86 to 1989-90 were as under:

Year	Expenditure	Central assistance received
	(Rupees in lakhs)	
1985-86	206.41	94.62
1986-87	249.03	85.00
1987-88	265.82	117.31
1988-89	296.72	132.91
1989-90	389.52	198.36
	<u>1,407.50</u>	<u>628.20</u>

Physical targets and achievement of the scheme were as follows:

Year	Target	Achievement
	(in hectares)	
1985-86	4,000	4,455 (in addition, 2,338 lakh seedlings were distributed)
1986-87	8,000	9,221
1987-88	6,700	6,533
1988-89	6,700	6,660
1989-90	9,000	10,100

(i) *Diversion of Central grant*

In two Divisions of Koraput and Kalahandi districts, plantations on 1,640 and 2,700 hectares were undertaken during 1985-86 in excess of the targets under National Rural Employment Programme and Rural Landless Employment Guarantee Programme respectively, pending allotment of funds for the purpose. The expenditure of Rs.61.08 lakhs was initially kept under "Suspense head" and later debited to RFWP scheme during 1986-87 against the funds provided for the purpose, although it was only from 1988-89 that these two districts were declared fuel-deficient and became entitled to participate under the scheme.

The reasons have not been intimated (July 1990).

(ii) *Irregular expenditure*

The implementation of RFWP was entrusted by the Principal Chief Conservator of Forests to OPDC during 1985-86, and 299 members of staff connected with the programme were also transferred to OPDC.

Nevertheless, expenditure of Rs.69.45 lakhs incurred during 1986-90 on the pay and allowances of 191 members of staff who remained after the transfer and who were not connected with RFWP was also debited to the programme. Fifty per cent Central assistance (Rs.34.18 lakhs) was also claimed for this and adjusted.

The Forest, Fisheries and Animal Husbandry (FFAH) Department had not given any reply explaining the reasons for such action.

(iii) *Survival of plants*

According to the instructions of Government of India (Department of Agriculture and Co-operation) issued in May 1983, a successful plantation must have

atleast 75 per cent of survival. Records test-checked (June 1990) revealed that in 6 Divisions where an expenditure of Rs.209.06 lakhs was incurred during the year 1985-86 to 1988-89, the percentage of survival of plantations ranged between 15 to 58, as detailed below:

Year & Name of the Division	Area plan- ted (in hec- tares)	No. of planta- tion (in lakhs)	No. of plants survived (in lakhs)	Percentage of survival
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1985-86

Balasore	2056	45.55	24.44	53
Cuttack	950	19.70	9.85	50
Puri	1477	27.63	15.40	55
Rayagada	1770	27.27	3.96	15

Total : 6253

1986-87

Balasore	495	7.50	3.90	52
Cuttack	400	10.00	5.30	53
Puri	1132	29.64	14.52	48
Ganjam(Berhampur)	100	2.50	1.38	55

Total : 2127

1987-88

Balasore	800	16.40	9.52	53
Berhampur	1000	16.00	18.02	50
Dhenkanal	65	1.04	00.42	40

Total : 1865

188-89

Puri	1500	25.80	17.48	58
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Total : 1500

(iv) *Plantation of non-fuelwood species in place of fuelwood species*

Under RFWP programme, fast growing fuelwood species suitable to the locality were to be planted so that they could be harvested at the end of the eighth year. During 1986-87 to 1989-90, three Forest Divisions of Bhawanipatna, Rayagada and Berhampur planted 33.71 lakh seedlings of non-fuelwood slow-growing species like teak, sisoo, sal, mango, guava, cashew, etc., involving an expenditure of Rs.37.50 lakhs on 2,107 hectares of land.

The Divisional Forest Officers (DFOs) stated that the non-fuelwood species were planted according to suitability and climatic conditions, and that these species could also be used as fuelwood. The reply was not tenable as the species planted had more timber value and exposed the lands to commercial exploitation.

(v) *Non-involvement of people*

The scheme envisaged formation of Village Level Implementation Committees (VLIC) (i) to involve the villagers *ab initio* in afforestation to make it a truly people's movement, thereby ensuring better survival and protection of the plantations, and (ii) to decide at the very beginning the mechanics and rationale of distribution of the resultant produce. In seven Divisions of OPDC the records of which were test-checked, no VLIC was formed. One Division (Dhenkanal) advanced the plea of non-receipt of instructions from Government, while others did not furnish any reply.

7.3.4 Decentralised People's Nursery

The scheme was introduced in 1986-87 as a Central Plan scheme (100 per cent Central assistance) with the objective of producing by 1987-88 at least 50 per cent of the State's total requirement of seedlings through people's nurseries run by *Kissans*, schools, women's and youth groups, etc. The scheme envisaged location of the nurseries of villages to ensure availability within 10 km. radius. The Department was to select agencies, provide necessary seeds and inputs free for raising nurseries and inspect and determine good quality seedlings. The nurseries were to procure and supply seedlings of such species as mutually decided upon between them and the Forest Department, taking the needs of the local community into account. The nursery agencies were primarily responsible to market the seedlings at prices not lower than those at which the Department was selling similar seedlings. Stocks of seedlings left unsold by a specified date as decided upon, were to be taken over by the Department free of cost, to be utilised for plantation elsewhere before the season ended.

Physical/financial targets and achievements of the scheme were as under:

Year	Seedlings raised		Financial	
	Target	Achievement	Central assistance Released	Spent
	(	in lakhs )	(	Rupees in lakhs)
1986-87	150	149.27	59.71	59.37
1987-88	68	72.56	27.23	29.89
1988-89	143	142.71	50.00	47.57
1989-90	143	143.00	47.57	47.57
Total	<u>504</u>	<u>507.54</u>	<u>184.51</u>	<u>184.40</u>

The overall progress of the activity was satisfactory. However, no nursery agency was entrusted to women's organisations, as envisaged. Thirty *per cent* of the grants were to be spent exclusively for raising school nurseries involving students in social forestry programme, but only 12 and 19 *per cent* of the grants were so utilised during 1987-88 and 1988-89 due to lack of response from students.

In 7 Divisions, during 1986-87 to 1988-89, out of 104.51 lakhs of seedlings raised in such nurseries, 26.36 lakh seedlings for which departmental inputs valuing Rs.10.43 lakhs had been provided, remained unsold. These were damaged as timely action was not taken by the Forest Divisions to utilise them elsewhere.

The DFOs attributed (June 1990) the loss to (i) lack of demand from local people, (ii) availability of surplus stock after departmental plantation season was over; and (ii) non-provision of funds for maintenance and watch-and-ward till the next plantation season.

Though departmental raising or free distribution of seedlings was not envisaged under the scheme, Puri Division raised 3.48 lakh seedlings during 1988-89 at a cost of Rs.1.22 lakhs. Two Divisions (Bhawanipatna and Puri) also distributed 12.81 lakh seedlings collected from people's nurseries valued at Rs.5 lakhs to the public free of cost during 1986-87 to 1988-89 as there were no willing buyers.

The DFO stated (July 1990) that the seedlings were raised departmentally at Puri Division as local people were not coming forward for the purpose.

It was also noticed during test-check that in respect of 4.70 lakh seedlings valued at Rs.1.64 lakhs taken over by the Bhawanipatna Division from agents, records relating to their distribution, plantation or damage were not available.

No monitoring of the planting of seedlings or their survival was done by the Department.

7.3.5 *Establishment of silvi-pasture* farms*

The centrally-sponsored scheme for Silvi-Pastural Farms was started in 1986-87 with the following objectives:

- to convince the marginal farmers and others of the desirability and economic viability of silvi-pasture and to induce them to take it up on their marginal farmland;
- to augment grass and other fodder production;
- to provide adequate and better quality of cattle fodder at reasonable prices to dependant rural population, thereby promoting schemes for increased milk production; and

* Farms in which grass, legumes and trees used as fodder for cattle are raised.

to encourage home-feeding in rural areas, and to increase the earnings of the rural poor and to improve their living conditions.

Central assistance given to the State was at 50 per cent of the reckoned cost, subject to a maximum of Rs.1,250 per hectare. The scheme envisaged raising of grass, legumes, fodder trees on marginal, sub-marginal lands of farmers, community land, degraded forest land, etc., both Government and private.

Physical targets and achievements of the scheme were as follows:

Year	Physical	
	Target	Achievement
	(in hectares)	
1986-87	330	264.50
1987-88	500	500
1988-89	400	340
1989-90	400	440.28
	<u>1630</u>	<u>1544.78</u>

Expenditure incurred and Central assistance received were as follows:

Year	Central assistance	Expenditure including State's share
	(Rupees in lakhs)	
1986-87	4.50	5.82
1987-88	3.41	9.61
1988-89	4.80	9.81
1989-90	4.90	10.00

The scheme was aimed at making available adequate and better quality cattle fodder at reasonable cost to dependent rural population.

(i) Test-check of records in six Divisions revealed that against the norm of 75 per cent survival fixed by Government of India for a successful plantation, the survival of fodder plantation ranged between 0 to 68 per cent as shown below:

Year	Area in hectares	Percentage of survival
1986-87	135	0 to 40
1987-88	170	15 to 49
1988-89	90	50 to 55
1989-90	150	63 to 68

The Divisional Managers attributed the non-survival of plantations to want of funds for protective measures, resulting in the pastures being browsed and grazed by cattle.

(ii) According to the norms circulated by NWDB, the expected income from silvi-pasture produce would be Rs.650 and Rs.960 per hectare in the first and second years of operation (after allowing one year after plantation). Thus, 764.50 hectares of wasteland planted with fodder during 1986-87 (264.50 hectares) and 1987-88 (500 hectares) should have earned by March 1990 a sum of Rs.7.51 lakhs. No amount was realised from these plantations on which a sum of Rs.15.43 lakhs had been spent.

OPDC stated (June 1990) that the farms served as demonstration plots, and that the produce was utilised by people. Non-collection and sale of produce was attributed to want of instructions and non-provision of funds/staff for maintenance, collection and sale.

7.3.6 *Plantation of Minor Forest Produce including medicinal plants*

The scheme was introduced in 1988-89 with the objective of augmenting production of minor forest produce like bamboo, cane, oilseed-bearing trees, grass, fruit-bearing trees like mango, tamarind, mohua, etc., including medicinal plants which have a direct bearing on improving employment potential of the rural poor and tribals living on the forest fringes. The scheme envisaged plantation on forest lands as inter-crop with tree crops, harvesting and processing them in a manner calculated to give the people a sense of participation in the management of national resources and augmenting production of plant-based raw-materials for drugs to meet domestic needs and to export available surplus.

The scheme was to be implemented with *cent per cent* Central assistance. The physical and financial targets/achievements were as under:

Year	Physical		Financial			
	Target	Achievement	Central assistance			
			Released	Total expenditure (Cumulative)	Unspent balance (Cumulative)	Amount lapsed
	(in hectares )	(		Rupees in lakhs)
1988-89	2,500	1,148	14.43	11.29	2.16	0.98
	(preliminary operation)					
1989-90	1,148	1,152	36.55	30.00	0.11	8.60

Central grants of Rs.8.60 lakhs (on 148 hectares during 1989-90) for plantation of medicinal plants and for advance work on raising plantation (over 200 hectares during 1990-91) were received in March 1990 and lapsed due to non-drawal. The plantation had, however, been raised in 1989-90 with the resources available.

In Baripada Afforestation Division, Sabai grass plantation was raised over 125 hectares of land at a total cost of Rs.3.11 lakhs under the State Plan scheme of commercial plantation during 1988-89. After release of Central assistance, OPDC booked the expenditure of Rs.3.11 lakhs against Central funds, thus diverting the Central aid to State Plan schemes.

The State Government was to set up a Monitoring and Evaluation Cell or strengthen the existing cell, if any, 50 per cent of the actual expenditure on this, subject to a minimum of Rs.0.50 lakh per annum, was to be met from Central grant. No information has so far (January 1991) been received regarding setting up of or strengthening the cell.

7.3.7 The points mentioned in this Review were referred to Government in July 1990; their reply has not been received (September 1991).

PANCHAYATI RAJ DEPARTMENT

7.4 Unfruitful expenditure

The Jajpur Panchayat Samiti in Cuttack District renovated nine tanks for pisciculture at a cost of Rs.0.78 lakh, during 1983 and 1984-85, as part of a programme of economic rehabilitation of rural poor.

However, pisciculture was not taken up in five of the tanks, and harvesting of fish was not done in the remaining four tanks where a sum of Rs.0.15 lakh was also spent on inputs.

The Block Development Officer stated (June 1989) that 5 of these tanks were not suitable for pisciculture for want of adequate water. He did not state the reasons for the failure to harvest fish in the other 4 tanks.

The expenditure of Rs.0.93 lakh spent on renovation of tanks and inputs for pisciculture thus proved unfruitful.

The matter was reported to Government in June 1990; and their reply has not been received (June 1991).

7.5 Wasteful expenditure

Government introduced a Group Insurance Scheme for landless agricultural labourers and for IRDP

beneficiaries with effect from 15 August 1988 and 1 April 1988 respectively in Mayurbhanj District. With a view to enrolling the total estimated 0.34 lakh labourers and 0.25 lakh IRDP beneficiaries available in the district under the respective schemes, the District Rural Development Agency (DRDA), Baripada printed (September 1988) the requisite number of forms and registers based on a one-time final assessment of the requirement at a cost of Rs.0.64 lakh. The forms were distributed to 26 BDOs between November 1988 and April 1990. Even though adequate quantities of forms and registers had been printed and distributed, an equal number of them were printed again in November 1988 at the same cost. These were also distributed (by June 1990) to the BDOs, leaving a stock balance valuing Rs.0.20 lakh. The forms were printed on both occasions without inviting tenders.

Test-check of records of the DRDA, Baripada conducted during November 1989 to March 1990 revealed that only 4,223 labourers and 1,963 IRDP beneficiaries were enrolled upto March 1990 and December 1989 respectively. Bulk of the forms printed on the first occasion remained surplus. Re-printing of the forms within a short span of two months lacked justification and resulted in wasteful expenditure of Rs.0.64 lakh.

The DRDA stated that the schemes were implemented (July 1990) for the second year, and therefore an equal quantity of forms were again got printed. The contention was not tenable inasmuch as the first

batch of forms were sufficient to cover all the beneficiaries in the district, and moreover enrolment was done only once and not on yearly basis.

The matter was reported to Government in October 1990; their reply has not been received (June 1991).

7.6 Irregularities in printing of forms

For implementing the schemes Integrated Rural Development Programme and Economic Rehabilitation of Rural Poor, the Project Officer, District Rural Development Agency, (Agency), Baripada procured between September 1987 and September 1988 seven types of forms valued at Rs.1.39 lakhs to meet its requirement for 2 years. No assessment of the beneficiaries under the schemes through household survey was made. Again, to meet the requirement for the years 1988-89 and 1989-90, the Agency procured additional stocks of these forms worth Rs.13.71 lakhs between November 1988 and November 1989. The following irregularities were noticed in this connection:

- (1) Short-period tender call notices were generally published for the supply of the forms in the local dailies. No quotations/tenders were obtained for forms worth Rs.1.42 lakhs on certain occasions (Rs.0.17 lakh

in July 1987 and Rs.1.25 lakhs in October 1988). Approval of the Collector, who was the competent authority, was also not obtained for the procurement of forms worth Rs.2.78 lakhs (Rs.1.53 lakhs in July 1987 and Rs.1.25 lakhs in October 1988).

(ii) Supply of 5.50 lakh forms for subsidy adjustment was ordered in October 1988 without inviting quotations on three firms at the previous purchase price of Rs.135 per thousand. While two firms completed the supplies, the third one supplied 0.75 lakh forms (out of 3.00 lakh forms ordered) and claimed in November 1988, enhancement of the price to Rs.1,330 per 1,000 for the balance quantity. Without ascertaining the willingness of the firm which had completed their supply to make good the balance quantity at the agreed rates, the Agency called for fresh tenders and accepted the lowest quoted price of Rs.1,280 per 1,000 received. Four lakhs fifty thousand forms were procured at the new price in January 1989. A part of the extra expenditure of Rs.2.58 lakhs incurred due to the increase in cost could have been avoided (January 1989 to October 1990).

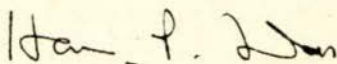
(iii) Entries of receipt of 6 types of forms (valuing Rs.6.60 lakhs) procured between December 1988 and November 1989 were not made in the stock register.

(iv) The Agency placed orders for supply of 0.50 lakh "No Due Certificate forms" at Rs.80 per thousand on a firm in Baripada. The Stock Register showed that the firm supplied the forms on 2nd November 1988. No payment was made to the firm. But the entry relating to the supply was altered to show the receipt from another (Cuttack) firm against subsequent purchase order dated 24th January 1989, and payment at an enhanced price of Rs.629 per thousand was made to the latter resulting in an unauthorised payment of Rs.0.31 lakh.

(v) The Agency got the various forms printed and distributed to the 26 Block Development Officers (BDOs) in the District from time to time without ascertaining the actual requirements and the stocks available with the Block Development Officers. As a result, forms valued at Rs.1.63 lakhs (11 per cent of the total value of Rs.15.10 lakhs) remained undistributed in stock at the end of March 1990 with the Agency. In addition, forms valued at Rs.4.16 lakhs (28 per cent) were lying unused with 17 BDOs at the end of March, 1990. Information from the other 9 BDOs was not received (January 1991).

The Agency stated (March/June, 1990) that as the stock registers were not maintained upto-date, the stock position could not be ascertained before placing orders or issue of the forms.

The matter was reported to Government (October 1990); their reply has not been received (June 1991).



(H.P. DAS)

Accountant General (Audit)-I
Orissa

BHUBANESWAR

The 16 NOV 1991

Countersigned



(C.G. SOMIAH)

Comptroller and Auditor General
of India

NEW DELHI

The 11 2 DEC 1991

APPENDICES

APPENDIX I**Statement showing cases where supplementary provision was unnecessary**

(Reference : Para 2.2.2(b) at page 20)

Grant number	Department	Original grant	Supplementary grant	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
(in crores of rupees)					

REVENUE SECTION

3	Revenue and Excise	140.03	2.99	115.09	27.93
5	Finance	108.03	0.14	85.90	22.27
10	Education and Youth Services	425.22	79.62	402.39	102.45
11	Harijan and Tribal Welfare	66.70	3.88	60.51	10.07
12	Health and Family Welfare	149.37	9.02	122.64	35.75
13	Housing and Urban Development	95.50	3.17	91.91	6.76
14	Labour and Employment	8.08	0.29	7.19	1.18
15	Tourism, Sports and Culture	12.09	0.10	8.45	3.74

APPENDIX I Contd.**Statement showing cases where supplementary provision was unnecessary**

(Reference : Para 2.2.2(b) at page 20)

Grant number	Department	Original grant	Supplementary grant	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
(in crores of rupees)					
REVENUE SECTION					
18	Community Development and Rural Reconstruction	165.71	33.27	119.23	79.75
22	Forest, Fisheries and Animal Husbandry	86.34	2.31	78.36	10.29
23	Agriculture and Co-operation	109.07	6.38	99.06	16.39
24	Mining and Geology	6.71	0.03	5.20	1.54
25	Information and Public Relation	4.88	0.82	4.62	1.08
27	Science, Technology and Environment	8.23	0.52	7.19	1.56
Total Revenue		<u>1385.86</u>	<u>142.54</u>	<u>1207.74</u>	<u>320.76</u>
CAPITAL SECTION					
1	Home	6.42	2.40	4.91	3.91
5	Finance	17.54	0.03	14.95	2.62

APPENDIX I Concl'd.**Statement showing cases where supplementary provision was unnecessary**

(Reference : Para 2.2.2(b) at page 20)

Grant number	Department	Original grant	Supplementary grant	Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
(in crores of rupees)					
15	Tourism, Sports and Culture	1.26	0.34	0.62	0.98
19	Industry	33.25	4.42	32.30	5.35
20	Irrigation and Power	351.40	10.13	302.92	58.61
23	Agriculture and Co-operation	35.65	8.55	34.36	9.84
Internal Debt	Finance	<u>674.89</u>	<u>39.52</u>	<u>542.35</u>	<u>172.06</u>
	Total Capital	<u>1120.39</u>	<u>65.39</u>	<u>932.41</u>	<u>253.37</u>
	Total Revenue	1385.96	142.54	1207.74	320.76
	Grand Total	<u>2506.35</u>	<u>207.93</u>	<u>2140.15</u>	<u>574.13</u>

APPENDIX II**Statement showing cases where supplementary provision made in excess of actual requirement**

(Reference : Para 2.2.2(c) at page 20)

Grant number	Department	Original provision (3)	Expenditure (4)	Additional requirement (5)	Supplementary provision (6)
(1)	(2)	(in crores of rupees)			
REVENUE SECTION					
1	Home	121.09	132.35	11.26	21.18
2	General Administration	9.55	11.29	1.74	1.97
4	Law	7.00	7.51	0.51	0.85
6	Commerce	11.19	11.57	0.38	0.71
19	Industries	50.39	52.91	2.52	9.47
20	Irrigation and Power	55.79	59.17	3.38	9.65
21	Transport	4.40	6.09	1.69	2.07
	Total :	259.41	280.89	21.48	45.90
CAPITAL SECTION					
7	Works	70.14	79.41	9.27	23.15
10	Education and Youth Services	16.12	18.06	1.94	2.62
13	Housing and Urban Development	6.74	7.01	0.27	1.72
21	Transport	4.96	11.16	6.20	6.43
	Total :	97.96	115.64	17.68	33.92
	Grand Total :	357.37	396.53	39.16	79.82

APPENDIX III**Statement showing cases where supplementary provision was inadequate**

(Reference : Para 2.2.2(d) at page 21)

Grant Number/ Approp- riation	Department	Original grant	Supple- mentary grant	Expendi- ture	Excess
(in crores of rupees)					
(1)	(2)	(3)	(4)	(5)	(6)
REVENUE SECTION					
7	Works	<u>87.94</u>	<u>2.79</u>	<u>117.43</u>	<u>26.70</u>
	Total :	<u>87.94</u>	<u>2.79</u>	<u>117.43</u>	<u>26.70</u>
CAPITAL SECTION					
6	Commerce	4.94	0.12	5.34	0.28
22	Forest, Fish- eries and Animal Hus- bandry	<u>32.07</u>	<u>2.98</u>	<u>64.00</u>	<u>28.95</u>
	Total	<u>37.01</u>	<u>3.10</u>	<u>69.34</u>	<u>29.23</u>
	Grand Total	124.95	5.89	186.77	55.93

APPENDIX IV**Statement showing excess over grant/appropriation
requiring regularisation**

(Reference : Para 2.2.3 at page 21)

Serial Num- ber	Grant Num- ber	Department	Total grant	Expenditure	Excess over grant/appro- priation
(1)	(2)	(3)	(4)	(5)	(6)
			(	in rupees)

REVENUE SECTION

1	1	Home (Charged)	1,54.14,000	1,54,27,272	13,272
2	7	Works (Voted)	90,72,75,000	117,42,63,282	26,69,88,282
3	Int- erest pay- ment	Finance (Charged)	309,53,77,000	310,34,29,041	80,52,041

CAPITAL SECTION

4	6	Commerce (Voted)	5,06,47,000	5,34,48,605	28,01,605
5	22	Forest, Fisheries and Animal Husbandry (Voted)	35,05,05,000	64,00,43,313	28,95,38,313
			<u>441,92,18,000</u>	<u>498,66,11,513</u>	<u>56,73,93,513</u>

APPENDIX V

Statement showing cases where expenditure fell short by one crore and 10 *per cent* of the original provision

(Reference : Para 2.2.4 at page 21)

Serial Number	Grant Number	Name of the Department	Amount of saving	Percentage to total provision	Main reasons for saving
(1)	(2)	(3)	(4)	(5)	(6)
			(in crores of rupees)		
REVENUE SECTION (Voted)					
1.	3	Revenue	27.94	20	No reasons for large savings were furnished.
2.	5	Finance	22.27	21	No reasons for large savings were furnished.
3.	10	Education and Youth Services	102.45	20	Non-implementation of programme due to non-receipt of assistance from Government of India.
4.	11	Harijan and Tribal Welfare	10.07	14	Reasons for saving not intimated.
5.	12	Health and Family Welfare	35.74	23	

APPENDIX V Contd.

Statement showing cases where expenditure fell short by one crore and 10 *per cent* of the original provision

(Reference : Para 2.2.4 at page 21)

Serial Number	Grant Number	Name of the Department	Amount of saving	Percentage to total provision	Main reasons for saving
(1)	(2)	(3)	(4)	(5)	(6)
			(in crores of rupees)		
6.	14	Labour and Employment	1.18	14	Reasons for saving not intimated.
7.	15	Tourism, Sports and Culture	3.74	31	
8.	16	Planning and Co-ordination	2.26	13	
9.	18	Community Development and Rural Reconstruction	79.75	40	Due to reduction of posts, cut in Plan outlay and non-receipt of central assistance etc.
10.	19	Industry	6.95	12	Due to non-release of funds by Government of India, non-conducting of meeting and non-availability of trainees etc.
11.	20	Irrigation and Power	6.27	10	Reasons for savings have not been intimated.

APPENDIX V Contd.

Statement showing cases where expenditure fell short by one crore and 10 *per cent* of the original provision

(Reference : Para 2.2.4 at page 21)

Serial Number	Grant Number	Name of the Department	Amount of saving	Percentage to total provision	Main reasons for saving
(1)	(2)	(3)	(4)	(5)	(6)
			(in crores of rupees)		
12.	22	Forest, Fisheries and Animal Husbandry	10.29	12	Reasons for savings have not been intimated.
13.	23	Agriculture and Co-operation	16.39	14	
14.	24	Mining and Geology	1.54	23	
15.	25	Information and Public Relation	1.08	19	
16.	27	Science, Technology and Environment	1.57	18	Due to less receipt of assistance from Government of India and reduction in Plan outlay.

APPENDIX V Contd.

Statement showing cases where expenditure fell short by one crore and 10 per cent of the original provision

(Reference : Para 2.2.4 at page 21)

Serial Number	Grant Number	Name of the Department	Amount of saving	Percentage to total provision	Main reasons for saving
(1)	(2)	(3)	(4) . (in crores of rupees)	(5)	(6)
CAPITAL SECTION (Voted)					
1.	1	Home	3.91	44	Reasons for savings have not been intimated.
2.	5	Finance	2.63	15	Due to less requirement of loans by State Undertakings.
3.	7	Works	13.88	15	Due to non-receipt of central assistance, administrative approval and reduction in Plan outlay.
4.	12	Health and Family Welfare	1.30	63	Reasons for savings have not been intimated.
5.	13	Housing and Urban Development	1.44	17	Due to reduction in Plan outlay.

APPENDIX V **Concl'd.**

**Statement showing cases where expenditure fell short
by one crore and 10 *per cent* of the original provision**

(Reference : Para 2.2.4 at page 21)

Serial Num- ber	Grant Num- ber	Name of the Department	Amount of saving	Percen- tage to total provi- sion	Main reasons for saving
(1)	(2)	(3)	(4) (in crores of rupees)	(5)	(6)
6.	19	Industry	5.35	14	Due to reduction in Plan outlay.
7	20	Irrigation and Power	58.61	16	
8	23	Agriculture and Co-operation	9.84	22	Reasons for savings have not been inti- mated.
9.	Inter- nal Debt	Finance	172.06	24	Reasons for savings have not been inti- mated.

APPENDIX VI**Statement showing instances of injudicious re-appropriation**

(Reference : Para 2.3 at page 30)

Se- ri- al Num- ber	Grant Num- ber	Head of Accounts	Pro- vi- sion (ori- ginal + Sup- ple- men- tary)	Re-app- ropria- tion	Total grant	Expen- diture	(+)Excess (-)Sav- ings
(1)	(2)	(2)	(4)	(5)	(6)	(7)	(8)
(in crores of rupees)							
1.	7	5054-Capital outlay on roads and bridges-04 District and other Roads(22)- AAAAA-800- Other Expendi- ture	23.78	(-) 4.71	19.07	19.21	(+) 0.14
2.	10	2202-General Education-01-Ele- mentary Education (1) B 101-Government Primary Schools	11.92	71.58	83.50	78.83	(-) 4.67
3.	10	(36)-0000-105- Non-formal Education	2.04	(-) 0.85	1.19	1.38	(+) 0.19

APPENDIX VI Contd.**Statement showing instances of injudicious re-appropriation**

(Reference : Para 2.3 at page 30)

Se- ri- al Num- ber	Grant Num- ber	Head of Accounts	Pro- vi- sion (ori- ginal + sup- ple- men- tary)	Re-appro- pria- tion	Total grant	Expen- diture	(+)Excess (-)Sav- ing
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			(in crores of rupees)				
4.	10	(43)-RRRR-796- Tribal Area Sub-plan	1.37	(-) 0.52	0.85	1.77	(+) 0.92
5.	13	2215-Water Sup- ply and Sanita- tion-01- Water Supply-V- 101-Urban Water Programme	11.71	(-) 3.09	8.62	10.20	(+) 1.58
6.	13	(5)-191-Assis- tance to Local Bodies	3.00	(-) 1.00	2.00	2.25	(+) 0.25
7.	13	01-Water Supply SS-102-Rural Water Supply Programme	9.00	(-) 3.39	5.61	5.68	(+) 0.07

APPENDIX VI Contd.

Statement showing instances of injudicious re-appropriation

(Reference : Para 2.3 at page 30)

Se- ri- al Num- ber	Grant Num- ber	Head of Accounts	Pro- vi- sion (ori- ginal + Sup- ple- men- tary)	Re-appro- pria- tion	Total grant	Expen- diture	(+)Excess (-)Sav- ing
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(in crores of rupees)							
8.	20	2701-Major and Medium Irrigation -80-General (1)II-001- Direction and Administration	3.30	(+) 0.62	3.92	2.98	(-) 0.94
9.	20	4701-Capital outlay on Major and Medium Irriga- tion 03-Medium Irri- gation-HHHH-311- Hariharjore Irrigation Project	4.10	(-) 0.90	3.20	3.36	(+) 0.16
10.	20	(18)-III-312- Irrigation Project	1.60	(-) 0.70	0.90	1.28	(+) 0.38

APPENDIX VI Contd.**Statement showing instances of injudicious re-appropriation**

(Reference : Para 2.3 at page 30)

Se- ri- al Num- ber	Grant Num- ber	Head of Accounts	Pro- vi- sion (ori- ginal + sup- ple- men- tary)	Re-appro- pria- tion	Total grant	Expen- diture	(+)Excess (-)Sav- ing
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(in crores of rupees)							
11.	20	4711-Capital outlay on Flood Control Project (26)-SSSSS- 796-Tribal Area Sub-Plan	72.93	(-) 7.85	65.08	49.12	(-) 15.96
12.	20	4701-Capital outlay on Major and Medium Irri- gation Project 01-Major Irriga- tion (30)-QQQ-203- Rengali Dam Project	1.27	(-) 1.20	0.07	5.83	(+) 5.76
13.	20	(32)-207-Anandpur Barrage Project	0.55	(+) 0.98	1.53	1.29	(-) 0.24

APPENDIX VI Contd.

Statement showing instances of injudicious re-appropriation

(Reference : Para 2.3 at page 30)

Se- ri- al Num- ber	Grant Num- ber	Head of Accounts	Pro- vi- sion (ori- ginal + sup- ple- men- tary)	Re-appro- pria- tion	Total grant	Expen- diture	(+)Excess (-)Sav- ing
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(in crores of rupees)							
14.	20	(33)-VVV-211- Mahanadi Birupa Barrage Project	7.70	7.00	14.70	9.59	(-) 5.11
15.	20	03-Medium Irriga- tion Commercial BBBB-302- Harbhangi Irriga- tion Project	4.90	2.25	7.15	7.91	(+) 0.76
16.	20	(36)-EEEE- 796-Tribal Area Sub-Plan	19.12	(-) 0.84	18.28	21.66	(+) 3.38
17.	23	A-2401-Crop- Husbandry-8- NN-109-Extension and Training	6.47	(-) 1.09	5.38	6.08	(+) 0.70

APPENDIX VI Concl'd.**Statement showing instances of injudicious re-appropriation**

(Reference : Para 2.3 at page 30)

Se- ri- al Num- ber	Grant Num- ber	Head of Accounts	Pro- vi- sion (ori- ginal + sup- ple- men- tary)	Re-appro- pria- tion	Total grant	Expen- diture	(+)Excess (-)Sav- ing
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(in crores of rupees)							
18	23	2705-Command Area Deve- lopment GGGGGG-001- Ayacut Deve- lopment	1.91	(-) 1.08	0.83	1.71	(+) 0.88
19	Char- ged App- rop- ria- tion	6004-Loans and Advances from the Central Government 02-Loans for State Plan Schemes (2)-F-102- Loans and Advances Plan Assistance for relief on ac- count of natural calamities	1.50	0.54	2.04	1.81	(-) 0.23

Statement showing misappropriation, losses etc. reported upto

(Reference to Paragraph :

Sl. No.	Name of the Department	Cases in which criminal/depart- mental procee- dings have not been initiated due to non-receipt of detailed re- ports / under po- lice investiga- tion	Cases in which departmental action started but not finalised		
(1)	(2)	Number of cases (3)	Amount (Rupees in lakhs) (4)	Number of cases (5)	Amount (Rupees in lakhs) (6)
1.	Home	2	0.08	15	4.01
2.	Agriculture and Co-operation	35	10.55	65	17.52
3.	Community Development and Rural Reconstruction	33	7.20	12	10.17
4.	Forest, Fisheries and Animal Husbandry	51	9.45	172	129.67
5.	Information and Public Relation	68	4.90	3	0.34
6.	Labour and Employment	-	-	-	-
7.	Food and Civil Supplies	-	-	2	2.94
8.	Housing and Urban Development	3	4.60	83	24.08

VII

31st March, 1990 pending finalisation at the end of September 1990

3.15 at page 73)

Cases in which
criminal cases
were finalised
but execution of
certificate cases
for recovery of
the amounts are
pending

Cases awaiting
Government
orders for
recovery or
write off

Cases in Court
of law

Total

Number of cases	Amount (Rupees in lakhs)	Number of cases	Amount (Rupees in lakhs)	Number of cases	Amount (Rupees in lakhs)	Number of cases	Amount (Rupees in lakhs)
(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
-	-	6	1.45	8	3.80	31	9.34
-	-	34	1.91	8	0.60	142	30.58
3	0.37	8	0.75	7	0.87	63	19.36
-	-	101	11.94	21	13.40	345	164.46
-	-	4	0.26	-	-	75	5.50
-	-	-	-	3	0.97	3	0.97
-	-	3	0.05	1	0.09	6	3.08
-	-	1	0.14	2	0.17	89	28.99

APPENDIX

Statement showing misappropriation, losses etc. reported upto

(Reference to Paragraph :

Sl. No.	Name of the Department	Cases in which criminal/depart-mental procee-dings have not been initiated due to non-receipt of detailed re-ports/under police investigation	Cases in which departmental action started but not finalised
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(1)	(2)	Number of cases (3)	Amount (Rupees in lakhs) (4)	Number of cases (5)	Amount (Rupees in lakhs) (6)
9.	Revenue and Excise	11	2.76	49	20.60
10.	Health and Family Welfare	9	2.34	14	14.22
11.	Education and Youth Services	11	4.79	33	10.41
12.	Harijan and Tribal Welfare	3	0.78	18	3.71
13.	Industries	4	2.96	5	1.12
14.	Finance	6	0.49	4	2.07
15.	Irrigation and Power	87	82.82	165	34.41
16.	Law	7	1.30	2	0.18

VII contd.**31st March, 1990 pending finalisation at the end of September 1990**

3.15 at page 73)

Cases in which criminal cases were finalised but execution of certificate cases for recovery of the amounts are pending	Cases awaiting Government orders for recovery or write off	Cases in Court of law	T o t a l
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Number of cases	Amount (Rupees in lakhs)	Number of cases	Amount (Rupees in lakhs)	Number of cases	Amount (Rupees in lakhs)	Number of cases	Amount (Rupees in lakhs)
(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
43	8.83	18	3.67	9	0.77	130	36.63
-	-	10	1.71	9	5.39	42	23.66
-	-	6	1.27	10	4.53	60	21.00
1	0.01	12	0.81	6	2.40	40	7.71
-	-	10	0.80	2	0.05	21	4.93
-	-	11	1.00	2	0.44	23	4.00
4	0.12	17	11.52	7	0.21	280	129.08
-	-	3	1.70	5	2.81	17	6.07

APPENDIX

(Reference to Paragraph :

Statement showing misappropriation, losses etc. reported upto

Sl. No.	Name of the Department	Cases in which criminal/depart-mental proceedings have not been initiated due to non-receipt of detailed reports/ under police investigation	Cases in which departmental action started but not finalised
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		Number of cases	Amount (Rupees in lakhs)	Number of cases	Amount (Rupees in lakhs)
(1)	(2)	(3)	(4)	(5)	(6)
17.	Works	19	11.49	144	127.93
✓ 18.	Mining and Geology	2	0.01	1	0.47
19.	Commerce and Transport	2	1.05	2	0.48
20.	General Administration	-	-	-	-
21.	Planning and Co-ordination	-	-	-	-
Total		<u>353</u>	<u>147.65</u>	<u>789</u>	<u>404.33</u>

VII Concl'd.

3.15 at page 73)

31st March, 1990 pending finalisation at the end of September 1990

Cases in which criminal cases were finalised but execution of certificate cases for recovery of the amounts are pending	Cases awaiting Government orders for recovery or write off	Cases in Court of law	T o t a l
--	--	--------------------------	-----------

Number of cases	Amount (Rupees in lakhs)	Number of cases	Amount (Rupees in lakhs)	Number of cases	Amount (Rupees in lakhs)	Number of cases	Amount (Rupees in lakhs)
(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
-	-	3	0.96	-	-	166	140.38
-	-	1	0.03	-	-	4	0.51
-	-	5	1.63	-	-	9	3.16
-	-	-	-	1	0.95	1	0.95
-	-	1	0.08	-	-	1	0.08
<u>51</u>	<u>9.33</u>	<u>254</u>	<u>41.68</u>	<u>101</u>	<u>37.45</u>	<u>1548</u>	<u>640.44</u>

APPENDIX**Instances where designs of structures**

(Reference to Para :

Particulars of structures	Period when the original design was approved and by whom	Month in which the work was awarded to contractor	Month in which change of design was proposed and by whom
(1)	(2)	(3)	(4)
1. Spillway	February 1982 by Chief Engineer	September 1983	November 1983 by Executive Engineer
2. Left Head Regulator	July 1981	February 1982	October 1982 by Executive Engineer
3. Drainage Under Tunnel at RD-20670 M of Right Distributary	December 1983 by Chief Engineer	July 1986	July 1986 by Executive Engineer
4. Drainage Syphon at RD 11130 M of Right Distributary	1982-83 by Chief Engineer (Designs)	July 1986	February 1987 by Executive Engineer
5. Acqueduct at RD-8570 M of Right Distributary	November 1987 by Chief Engineer (Designs)	December 1988	February 1989 by Executive Engineer

VIII

were revised in Bankbal Medium Irrigation Project

4.1.6 at page 79)

Month in which the revised design was approved	Total delay in months	Reasons for change of design and its technical effect
(5)	(6)	(7)
April 1984 to January 1985 by Chief Engineer	19	The site of spillway was changed after execution of agreement to have good rock strata at higher level for foundation purpose .
June 1983 by Chief Engineer	17	During excavation of foundation keoline soil was met with. The foundation treatment and design were changed.
March 1987 by Chief Engineer	9	After casting of foundation concrete it was noticed that natural soil level was one metre less which necessitated change in design.
September 1988 by Chief Engineer	27	Design was modified to fit the site condition due to presence of a tank at the location of the structure.
March 1990 by Chief Engineer	16	Reason: was not made available.

APPENDIX

Extra expenditure due to delay

(Reference to Paragraph :

Sl. No.	Name of the work	Date of receipts of the tender	Date of finalisation of the tender	Time taken	
				Executive Engineer	Superintending Engineer
1	2	3	4	5	6
RURAL DEVELOPMENT DEPARTMENT					
1.	Renovation of Goniberei Minor Irrigation Project under Executive Engineer, Minor Irrigation Division, Keonjhar	23.3.88	5.9.88	9.5.88	5.9.88
2.	Construction of Boxowvert over Rukubanallah at 15 KM of B.P. Road under Executive Engineer, Project Division, Koraput	15.7.87	5.3.88	(29) 12.9.87	(42) 24.9.87
WORKS DEPARTMENT					
4.	Construction of submergible bridge over Badabandhanallah at 6.10 KM	<u>1st instance</u> 7.5.86 <u>2nd instance</u> 29.1.87	<u>20.12.86</u> 3.7.87	(29) 5.6.86 (16) 13.2.87	(56) 31.7.86 (39) 24. 3.87

IX

in processing tenders

4.18 at page 107)

at various levels			Original tender cost	Reten- dered cost	Extra cost	Accepting authority
Chief Engineer	Government	Total				

7	8	9	10	11	12	13
---	---	---	----	----	----	----

-	-	167	1.81	2.55	0.74	Superin- tending Engineer
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-	(163) 5.3.88	234	8.01	8.75	0.74	Govern- ment
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(142) 20.12.86	-	227	8.89	10.31	1.42	Chief Engineer
(100) 3.7.87	-	155				

APPENDIX**Extra expenditure due to delay**

(Reference to Paragraph :

Sl. No.	Name of the work	Date of receipts of the tender	Date of finalisation of the tender	Time taken	
				Executive Engineer	Superintending Engineer
1	2	3	4	5	6
4.	of Panchagaon Khandihata Road under Executive Engineer, N.H. Division, Cuttack Construction of medium size Gymnasium at Keonjhar under Executive Engineer, Keonihar(R&B) Division.	27.2.89	30.8.89	(21) 20.3.89	(37) 26.4.89
5.	Construction of Administrative Building for the department of Tourism, Bhubaneswar under Executive Engineer, Capital Construction Division No.1, Bhubaneswar	15.2.88	28.10.89	(36) 22.3.88	(28) 19.4.88
6.	Construction of Government Girls'M.E. School at Jatni(Ground Floor and a portion of compound wall under Executive Engineer,Capital Maintenance Division No.II, Bhubaneswar	22.11.88	-	(32) 24.12.88	(35) 30.1.89

IX Contd.**in processing tenders**

438 at page 107)

at various levels			Original	Reten-	Extra	Accepting
Chief	Government	Total	tender	dered	cost	authority
Engineer			cost	cost		

7	8	9	10	11	12	13
---	---	---	----	----	----	----

(126)						Chief
30.8.89	-	184	9.46	10.17	0.71	Engineer

(144)	(415)					Govern-
9.9.88	28.10.89	623	28.61	29.74	1.13	ment

-	-	-	7.50	8.03	0.53	
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APPENDIX

Extra expenditure due to delay

(Reference to Paragraph :

Sl. No.	Name of the work	Date of receipts of the tender	Date of finalisation of the tender	Time taken	
				Executive Engineer	Superintending Engineer
1.	2	3	4	5	6
7.	Improvement to Mangalpur Tomka Road from 31.50 KM to 33.00 KM under Executive Engineer, National Highway Division	16.8.89	19.4.90	(14) 29.8.89	(54) 9.11.89

IX Concl.**in processing tenders**

4.8 at page 107)

at various levels			Original	Reten-	Extra	Accepting
Chief	Government	Total	tender	dered	cost	authority
Engineer			cost			

7	8	9	10	11	12	13
---	---	---	----	----	----	----

(38)						Chief
17.12.89	-	247	10.11	12.23	2.12	Engineer
(Cancelled						RLEGP
19.4.90)						
			Total :		<u>7.39</u>	

APPENDIX X

Glossary of Abbreviations

Paragraph 3.1

AEO	- Assistant Extension Officer
APO	- Assistant Project Officer
BSE	- Bureau of Statistics and Economics
DAFP	- Director of Agriculture and Food Production
DAO	- District Agriculture Officer
DDA	- Deputy Director of Agriculture
NODP	- National Oilseeds Development Programme
OAIC	- Orissa Agro Industries Corporation
OPTP	- Oilseeds Production Thrust Programme
OSSC	- Orissa State Seeds Corporation
OUAT	- Orissa University of Agriculture and Technology
STL	- State Seed Testing Laboratory
TMO	- Technology Mission on Oilseeds

Paragraph 4.1

FRL	- Full Reservoir Level
RCC	- Reinforced Cement Concrete
RD	- Reach Distance

APPENDIX X concd.**Glossary of Abbreviations**Paragraph 7.2

AM	- Area Manager
CAN	- Calcium Ammonium Nitrate
Federation	- Orissa State Co-operative Marketing Federation
GFP	- Granular Fertiliser Plant
NAC	- Notified Area Council
NCDC	- National Co-operative Development Corporation
RCMS	- Regional Co-operative Marketing Society
TPD	- Tonnes Per Day

Paragraph 7.3

DFO	- Divisional Forest Officer
DPN-	- Decentralised People's Nursery
NWDB	- National Wasteland Development Board
OPDC	- Orissa Plantation Development Corporation
PCCF	- Principal Chief Conservator of Forests
RFPW	- Rural Fuelwood Plantation
VLIC	- Village Level Implementation Committee

ERRATA

Report of the Comptroller and Auditor General of India for the period ended
31 March 1990 (Civil) No.3 - Government of Orissa

SL. No.	Page No.	Reference	For	Read
1.	ii	8th line from top	Insert "in" between "loss" and "procurement"	
2.	viii	16th line from top	requireing	requiring
3.	xiii	6th line from top	51	43
4.	xiii	Last line of the foot note	Insert "202" after "page" and close the bracket	
5.	xvi	6th line from top	indesigns	in designs
6.	xvii	17th line from top	Natinal	National
7.	xix	15th line from top	4.33	4.07
8.	60	9th line from top	removed	renewed
9.	73	3rd line from top	finalisatin	finalisation
10.	85	9th line from top	958	958 M
11.	91	16th & 17th lines from top	Neitherland	Netherland
12.	96	7th line from top	lakhs	lakh
13.	99	11th line from top	insert "that" in between "agreed" and "the"	
14.	102	last line	990	1990
15.	109	13th line from top	place "." (full stop) after nalla	
16.	120	Item 2 of first column	Poultry	Poultry
17.	125	4th line from bottom	afiliated	affiliated
18.	127	first line	insert "a" in between "and" and "cold"	
19.	128	23rd line from top	1985-86	1983-86
20.	133	4th line from top	neded	needed
21.	176	Table heading first column	Num	Number
22.	176	Item 1 column 4	1,54,14,000	1,54,14,000
23.	182	Number of the 3rd column	2	3
24.	201	3rd line from top	4.8	4.18
25.	201	Heading of 11th column	Retendered	Retendered cost

