

**REPORT
OF THE
COMPTROLLER AND
AUDITOR GENERAL OF INDIA**

**FOR THE YEAR
1986-87**

(CIVIL)

VOLUME I

GOVERNMENT OF WEST BENGAL

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PREFATORY REMARKS

The Report of the Comptroller and Auditor General of India for the year 1986-87 (Civil) Government of West Bengal has been prepared in two separate volumes for submission to the Governor under Article 151 of the Constitution. This volume relates mainly to matters arising from the Appropriation Accounts of the Government of West Bengal for 1986-87 together with other points arising from audit of financial transactions of the Civil Departments of the Government of West Bengal except those relating to Autonomous Bodies and Authorities audited under the various provisions of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 which have been given in Volume II of the Report.

2. Certain points of interest arising from the Finance Accounts for the year 1986-87 are included in Chapter II of this volume.

3. The Report containing the observations of Audit on statutory corporations including the West Bengal State Electricity Board and Government Companies and the Report containing the observations of Audit on Revenue Receipts are presented separately.

4. The cases mentioned in the two volumes of the Report are among those which came to notice of Audit in the course of test audit of the accounts during the year 1986-87 as well as those which came to notice in the earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 1986-87 have also been included wherever considered necessary.

5. Chapter I is an overview of this Report bringing out the significant audit findings.

CHAPTER I

OVERVIEW

1.1 This volume of the Report contains two chapters on the observations of audit on the State's Finance Account and Appropriation Accounts and four chapters comprising 11 audit reviews on various schemes and 70 audit paragraphs. Synopsis of the main findings of audit is given below with cross-references to the paragraphs in other chapters.

1.2 Chapter II—Overall Analysis of State finances

The State had surplus (Rs. 82·89 crores) on revenue account during 1985-86. However, it faced severe resources constraint during 1986-87 resulting from high revenue deficit (Rs. 187·31 crores) and reduced availability of borrowings to meet increased expenditure.

Non-plan revenue expenditure increased by about 21 per cent over 1985-86. However, the growth in collection of tax revenue as well as in States' share of Union taxes was only about 9 per cent in each case. While the expectations for additional resources mobilisation were fulfilled, by and large, in the case of land revenue, there was substantial shortfall in collection from sales tax, state excise and agricultural income tax. Return from interest and dividend on investment in companies, corporations etc. was negligible at 0·24 per cent. Irrigation, navigation, multi-purpose river projects etc. suffered a net loss of Rs. 27 crores.

Total availability of loan from Government of India came down on the one hand, and the interest liability increased, on the other, making the net resources availability from this important source almost insignificant. Market borrowings declined and collection from small savings remained more or less stagnant. Defaults in repayments of loans and payment of interest by the borrowers continued.

Non-plan revenue expenditure increased steeply, but the overall plan expenditure fell short of budgetary projections by 11 per cent in spite of larger Central plan assistance. Capital expenditure fell short of approved estimates by over 16 per cent. State's lending for development and other programmes actually came down by about Rs. 20 crores in absolute terms, the lending for power projects being only Rs. 43 crores in 1986-87 as against

Rs. 118 crores in 1985-86. Plan expenditure on agriculture and allied services came down for the first time in 1986-87.

The aggregate budget estimates for revenue and capital expenditure was Rs. 4,015 crores which was augmented to Rs. 4,272 crores by obtaining supplementary grant of Rs. 257 crores. The actual expenditure was, however, Rs. 3,939 crores indicating overall savings of Rs. 333 crores. The aggregate proposals of Rs. 3,077.39 crores (net) for capital and revenue expenditure were scaled down by Rs. 47.93 crores at revised estimates stage. Even with reference to these modest revised estimates the savings under capital and revenue expenditure were Rs. 125 crores.

The resources constraint was reflected not only in the form of reduced cash balance at the year end with reference to 1985-86, shortfall in plan expenditure, capital expenditure and lending for development programmes, but also in the form of substantial savings with reference to approved appropriations even under revenue heads. An aggregate saving of Rs. 133 crores resulted from non-payment of additional dearness allowance.

The trend of expenditure with reference to the appropriations as obtained and the resources actually mobilised indicate that at the time of obtaining supplementary demands the required resources were not apparently in sight. This resulted in avoidable supplementary provisions which proved unnecessary at year end as the State Government did not just have the resources to meet the proposed expenditure.

(Paragraphs 2.1 and 2.2)

1.3 Chapter III—Appropriation Audit and Control Over Expenditure

1.3.1 *Important results emerging from Appropriation Audit*

Supplementary provision of Rs. 256.91 crores obtained during the year constituted 6.4 per cent of the original budget provision as against 17.12 per cent in the preceding year.

Supplementary provision of Rs. 70.89 crores obtained in 25 grants/appropriations proved unnecessary and in 25 grants/appropriations savings were Rs. 1 crore and above in each case, the percentage of saving to provision varying between 12 and 92. Substantial savings of over Rs. 1 crore occurred in 44 plan schemes on account of either non-implementation or slow implementation.

The overall saving was Rs. 292.16 crores in 64 grants and appropriations while the overall excess requiring regularisation under Article 205 of the Constitution was Rs. 95.58 crores in 32 grants and appropriations. Besides above, excess of Rs. 677.05 crores for the years 1978-79 to 1985-86 is also awaiting regularisation.

(Paragraph 3.2)

1.4 Chapter IV—Civil Departments— Audit Reviews

1.4.1 *Development of Small Scale Industries*

For increasing industrial production, creating additional employment through Small Scale Industries (SSI) units and sustaining the existing employment already generated, Government implemented various schemes for development of SSI units. Some of the schemes were assisted by the Central Government. During 1980-81 to 1985-86, the expenditure on all schemes was Rs. 1,817.25 lakhs which fell short of budget provision by Rs. 313.76 lakhs. The Central assistance of Rs. 50.72 lakhs remained unspent out of Rs. 327.90 lakhs received during the period.

There was a rise in the number of provisional certificates of registration issued to SSI units, but there was a fall in grant of permanent certificates, indicating unstable conditions of the units set up.

Out of Rs. 135.66 lakhs of reimbursible Central investment subsidy, paid by the State Government, claims for Rs. 59.31 lakhs had not been preferred on the Central Government and those for Rs. 24.10 lakhs not received after claims were preferred.

No evaluation was attempted of the utility of assistance of Rs. 791.62 lakhs given under State incentive schemes to 3,482 units.

The performance of 7,592 units which got loans of Rs. 636.08 lakhs was not reviewed. The pace of recovery of these loans was poor; 175 units which received loans of Rs. 23.43 lakhs did not start functioning or were closed.

Supporting institutional finances for SSI units fell short of targets. West Bengal Financial Corporation could disburse only 52 per cent and 66 per cent of the sanctioned term loans and composite loans respectively.

The progress of implementation of different scheme was not monitored properly nor was an evaluation attempted of the impact of the scheme on industrialisation and employment situation in the State.

(Paragraph 4.7)

1.4.2 *National Leprosy Eradication Programme*

National Leprosy Eradication Programme is being implemented as a time bound programme with the specific goal of eradicating the disease by 2000 A.D. From April 1981, the expenditure on the programme is met fully by the Central Government, in modification of partial assistance in earlier years. The expenditure on the programme during the seven years ending March 1987 was Rs. 2,315.52 lakhs. But its impact on the State as a whole was not very satisfactory:

— Estimated number of leprosy cases in the State was as high as 4.62 lakhs in March 1987 and almost 41 per cent of them remained undetected due to inadequate survey, till then.

— Nearly 30 per cent of the total population could not be provided with infrastructural facilities for treatment.

— Even though 64 per cent of the available staff were untrained, more than half of the training potential in the three training centres of the State remained un-utilised.

— Out of the recorded patients numbering 2.73 lakhs, about 30 per cent could not be brought under treatment, while about 35 per cent of even those brought under treatment, were irregular in taking the treatment.

— About 46 per cent of the patients were not given any treatment in the only district where multidrug regimen project was implemented for 5 years at a cost of Rs. 174.07 lakhs.

— About 79 per cent of the total expenditure was accounted for by pay and allowances of the staff, even though more than one third of the sanctioned posts of the officers and operational staff remained vacant.

— Medicines purchased in excess resulted in the expiry of their shelf life, leading to loss of Rs. 8.39 lakhs.

(Paragraph 4.14)

1.4.3 *National Programme for Control of Blindness*

The National Programme for Control of Blindness is being implemented in the State from 1980-81 with Central assistance for reducing incidence of blindness through augmentation of

ophthalmic services, including mobile eye-care units and wide publicity of eye-care information.

— Out of total Central assistance of Rs. 186.55 lakhs received between 1980-81 and 1986-87, Rs. 169.61 lakhs were spent on the programme leaving Rs. 16.94 lakhs unspent. Besides, the State Government spent Rs. 13.20 lakhs out of its own resources.

— Out of 235 Primary Health Centres (PHCs) upgraded, 88 were not provided with ophthalmic assistants needed for such upgradation.

— Regional Institute of Ophthalmology (RIO) maintained at a cost of Rs. 9.23 lakhs did not render the services as envisaged.

— Equipment worth Rs. 4.74 lakhs remained unutilised.

— Two mobile units set up for the programme failed to provide the expected comprehensive eye-care facilities.

— Departments of Ophthalmology in three medical colleges converted into those of Community Ophthalmology did not render all services envisaged in spite of outlay of Rs. 22.83 lakhs.

— Impact of the programme on control of blindness was not evaluated.

(Paragraph 4.15)

1.4.4 *National Tuberculosis Control Programme*

The National Tuberculosis Control Programme, introduced by Government of India in 1962, was implemented in the State from 1965, envisages extensive survey, detection and treatment of affected people, immunisation activities and wide involvement of all agencies. During 1980-81 to 1985-86, the expenditure on the programme was Rs. 571.41 lakhs of which establishment cost formed 79 per cent.

— Of 2.13 lakh patients X-rayed between 1984-85 and 1986-87, 0.71 lakh new patients were detected while out of 1.72 lakh cases for whom sputum examinations were done, 1.43 lakh new patients were detected.

— Performance as regards detection and treatment by four District Tuberculosis Centres was poor.

— Out of targeted 8.57 lakh sputum microscopy cases, only 0.53 lakh sputum microscopy cases were done between 1983-84 and 1986-87.

— Only 39 per cent of the target set for B.C.G. vaccination was achieved.

— Impact of the programme on reduction of prevalence rates was not evaluated.

(Paragraph 4.16)

1.4.5 *Modernisation of State Police Force*

With a view to improving operational efficiency by providing the police force with improved equipment, vehicles, facilities for communication and latest technology for crime detection, the Government of India introduced the scheme—Modernisation of State Police Forces in 1969 for a period of 10 years and continued the scheme for another 10 years from 1980-81 to 1989-90. Expenditure incurred on the programme during 1969-70 to 1986-87 amounted to Rs 1,277.29 lakhs, of which Rs 889.72 lakhs were spent during 1980-81 to 1986-87.

— Central assistance during 1980-81 to 1986-87 was Rs 388.81 lakhs, which was lower by Rs 109.10 lakhs, than the allocated assistance.

— The telecommunication network, strengthened at a cost of Rs 260.56 lakhs, could not be geared to optimum utilisation for want of skilled man-power, at operating level, procurement/construction of defective/incomplete equipment.

— Envisaged training in the sophisticated telecom system could not be provided as the proposal to set up a telecom training centre was awaiting approval of State Government since April 1985.

— Shortage of vehicular fleet led to hiring of vehicles involving annual expenditure of Rs 20.81 lakhs in Calcutta Police and Rs. 45.06 lakhs in West Bengal Police. Out of 362 Police Stations, 12 were not provided with jeeps.

— The State Forensic Science Laboratory could not function as planned.

— The computer system ordered at a capital cost of Rs 71.21 lakhs could not become operational due to defects. It was also getting obsolete.

— The impact of the programme on operational efficiency of police has not been evaluated.

(Paragraph 4.19)

1.4.6 *Promotion of youth welfare*

A number of Youth Welfare schemes were implemented for development of rural sports, self-employment programmes, youth hostels, open air stages, community halls, etc. The expenditure on these schemes amounted to Rs 896.66 lakhs between April 1980 and March 1987.

— In the four districts of Burdwan, Jalpaiguri, Midnapore and Purulia financial control over the schemes was inadequate;

against grants of Rs 30.62 lakhs to cover 75 per cent of the cost of developing 139 playgrounds, utilisation certificates were received only for Rs 3.94 lakhs, for developing 20 playgrounds; vocational training imparted at a cost of Rs 18.22 lakhs did not prove useful in securing self-employment; out of Rs 39.56 lakhs given as grants for organising youth festivals, certificates of utilisation were received only for Rs. 11.75 lakhs.

— For constructing youth centres at an estimated cost of Rs 7 lakhs each, Rs 11 lakhs were paid to Purulia Zilla Parishad and Rs. 1 lakh to Jalpaiguri Parishad. Both the centres are yet to be constructed.

— Monitoring of the programme on which a total expenditure of Rs. 1,212.37 lakhs was incurred in the period 1972-87 was ineffective. Impact thereof on the youth is yet to be evaluated.

(Paragraph 4.22)

Audit Paragraphs

1.4.7 Building lying unutilised due to delay in renovation and repairs

A building complex costing Rs. 17 lakhs proposed to be renovated for use as a centre for training village level workers is lying unused for over five years with further expenditure of Rs. 4.20 lakhs on security staff.

(Paragraph 4.1)

1.4.8 Unproductive expenditure due to delay in procurement of a speed boat

The objective of running a mobile dispensary in a speed boat for extending veterinary aid in riverine areas could not be achieved after incurring expenditure of Rs. 7.89 lakhs, on account of delay in procurement of boat.

(Paragraph 4.3)

1.4.9 Idle investment on a filature unit

A filature unit, sanctioned in 1976-77 for production of quality raw silk, could not be commissioned even after a decade and the expenditure of Rs. 18.64 lakhs thereon remained unproductive, as the main factory building was not ready and the reeling machines, etc. had not been supplied due to delay in deciding the type of boiler required.

(Paragraph 4.8)

1.4.10 *Idle staff of a defunct reeling unit and a twisting plant*

Nine employees rendered surplus on account of obsolescence in a reeling unit at Berhampur were trained in twisting of 'yarn' and deployed in the twisting plant at Berhampur, which was due for installation by March 1980. After installation in March 1981 at cost of Rs. 1.87 lakhs, the plant could not be used for over six years due to non-availability of 'yarn' with the result that seven of its staff members and the nine employees of the defunct reeling unit remained idle, leading to unfruitful expenditure of Rs. 9.06 lakhs.

(Paragraph 4.9)

1.4.11 *Avoidable expenditure on interest*

Due to delay in placing funds with the State Bank of India for timely payment of salaries to the teachers, the Education Department had to incur an avoidable expenditure of Rs. 16.33 lakhs by way of interest on overdraft during January 1979 to December 1984.

(Paragraph 4.11)

1.4.12 *Nugatory expenditure on leasehold land not put to use*

Even after Public Accounts Committee had taken a serious view in 1973 about non-utilisation of plot of land taken on lease for thirty years, from Calcutta Port Trust neither the lease was renewed after its expiry nor was the land utilised or handed over to the Port Trust, leading to further wasteful expenditure of Rs. 3.58 lakhs.

(Paragraph 4.12)

1.4.13 *Unfruitful expenditure on surplus staff*

With the State taking over of the management of the Medical College under North Bengal University, the responsibility for the maintenance of building was entrusted to the Public Works Department after transfer of this work. Seventeen technical staff of the college hitherto responsible for it consequently became Government employees after take over, but they were left without any work and had to be paid Rs. 18.57 lakhs between August 1978 and January 1987 as idle wages.

(Paragraph 4.17)

1.4.14 *Unproductive expenditure due to delay in implementation of a scheme*

Expenditure of Rs. 82.44 lakhs on hiring of 2174 premises at Gram Panchayat level and purchase of office furniture for introducing the integrated set up of land reforms administration from April 1984, became unproductive as the scheme could not come up due to delay in finalisation of recruitment rules and Court injunction.

(Paragraph 4.20)

1.4.15 *Wasteful expenditure on a scheme for consolidation of holdings*

Expenditure of Rs. 43.34 lakhs incurred on staff appointed for consolidation of holdings became unproductive as the scheme could not be implemented due to lack of demand from beneficiaries.

(Paragraph 4.21)

1.4.16 *Infructuous expenditure on unserviceable launches*

Due to continued retention of crews of ten unserviceable launches without alternative deployment for 8 to 18 years, the district administration, 24-Parganas incurred infructuous expenditure of Rs. 39.25 lakhs on idle establishment.

(Paragraph 4.23)

1.4.17 *Inadequate assistance to revive a closed unit*

Despite financial assistance of Rs. 23.71 lakhs by Government in July 1981 for revival of the closed East Bengal River Steam Services Ltd., the company could not be revived (October 1987) for want of working capital and funds for repair of the assets taken over.

(Paragraph 4.24)

1.4.18 *Misappropriation, losses, etc.*

Six hundred forty three cases of misappropriation, defalcation etc. of Government money involving Rs. 185.65 lakhs reported up to March 1987 were outstanding at the end of 1986-87.

Non-observance of the prescribed financial regulations in three cases led to fictitious/excess/doubtful payments of Rs. 36.22 lakhs in the office of the District Magistrate and Collector, 24-Parganas, short accountal and other irregularities involving Rs. 5.22 lakhs in the office of the District Magistrate, Jalpaiguri;

and misappropriation of Government money of Rs. 4.94 lakhs in the office of the District Health Officer, Birbhum.

(Paragraphs 4.26, 4.27, 4.28 & 4.29)

1.5. Chapter V—Works Expenditure Audit Reviews

1.5.1 *Economically Weaker Section Housing Programme*

This programme envisaged provision of residential accommodation at subsidised rent, outright sale or on hire-purchase basis to economically weaker sections of the community having a monthly income up to Rs. 350. The construction of houses under the programme was taken up with financial assistance from the State Government.

—The construction of 940 flats under the programme in the seven years 1980-87 at a cost of Rs. 189.45 lakhs seems *prima facie* inadequate.

—The norms for area and costs for housing under the programme as prescribed by the Government of India were exceeded.

—Flats were diverted for the use of persons of higher income groups.

—A sum of Rs. 55.18 lakhs was outstanding towards recovery of rent for houses constructed and allotted under this programme.

(Paragraph 5.11)

1.5.2 *Urgent Development of Sundarban*

This project was taken up in 1973 for protection of crops in Sundarban area from saline water inundation and efficient drainage of protected cropped land, as an urgent relief measure.

—The project has been neither administratively approved, nor sanctioned technically and the expenditure thereon upto March 1987 was Rs. 1,230.21 lakhs.

—The project which was to have been completed in 1982-83 is still incomplete. The progress of expenditure is incommensurate with physical achievements. It is now targeted for completion in 1990.

—There was overlapping of drainage cover under this project and another project taken up with international financial assistance.

—There was a deviation from the approved specification of brick pitching in cement mortar and a cheaper and sub-standard

alternative of dry brick pitching was adopted, with adverse consequences.

—Investment of Rs. 10.25 lakhs on 25 incomplete sluices proved unproductive.

(Paragraph 5.12)

1.5.3 *Dubda Basin Drainage Scheme*

This scheme envisaged the improvement in the drainage of Dubda basin which suffered drainage congestion during monsoon months, causing damage to crops.

—The scheme suffered from heavy cost and time over-runs. The original estimate of Rs. 268.35 lakhs was raised upward in stages up to Rs. 1,446.00 lakhs in 1980, but in 1981 it was reduced to Rs. 650.00 lakhs restricting the scope of work. The actual expenditure up to March 1986 was Rs. 619.14 lakhs. The scheme initially planned for completion by June 1976, is still in progress at the end of March 1986.

—There was excessive expenditure on establishment component of the scheme.

—The benefit cost ratio of the scheme was wrongly estimated as 3.21:1. It is correctly 0.45:1 implying that the project is unviable with costs exceeding benefits.

There was unnecessary expenditure on reexcavation of Orissa Coast Canal.

—The construction of sluice at Ramanagar at a cost of Rs. 25.56 lakhs was defective.

(Paragraph 5.13)

1.5.4 *Slum Clearance and Improvement of Slums*

This programme was taken up in 1971 for improvement of slums of the Calcutta City through provision of amenities like community taps, sewerage, drainage, street light etc. Individual works under the programme were executed by the municipal bodies with funds provided by Calcutta Metropolitan Development Authority which received financial assistance from the State Government.

—The total expenditure on the programme during 1980-87 was Rs. 2,548.58 lakhs. There was a decline in the annual expenditure after 1982-83, despite adequate allotment of funds.

—Out of the estimated 30.28 lakh slum dwellers, 21.47 lakhs have been covered up to March 1987; physical targets and

achievements after 1981-82 declined despite adequate allotment of funds.

—Adoption of higher per capita ceiling limit for provision of amenities led to the denial of the benefits of the scheme to 6.89 lakh slum dwellers.

—Rs. 1,150 lakhs were spent for second round coverage of slums while 8.81 lakh slum dwellers had not been covered even once upto March 1987.

—Unnecessary payment of Rs. 6.30 lakhs was made by Calcutta Metropolitan Development Authority for settlement of illegal electricity consumption charges.

—Failure to adopt ab-initio the cheaper specification of brick pavement instead of cement concrete pavement led to extra expenditure of Rs.2.42 lakhs.

(Paragraph 5.28)

Audit Paragraphs

1.5.5 *Infructuous expenditure on quarters*

Eightynine residential quarters constructed at a cost of Rs. 39.16 lakhs for operational staff for deep tubewells remained unoccupied since 1982.

(Paragraph 5.1)

1.5.6 *Unfruitful expenditure on erection of workshop*

A mechanical workshop erected at a cost of Rs. 13.22 lakhs for repairing machines and equipment of river lift irrigation schemes could not function since 1983 for want of electric connection.

(Paragraph 5.2)

1.5.7 *Overpurchase of spares*

Heavy procurement of spares for earth moving machines resulted in accumulation of spares worth Rs. 116.18 lakhs lying unutilised for six to sixteen years with little scope for usage in future.

(Paragraph 5.14)

1.5.3 *Failure to avail of customs duty concessions*

Failure to follow the prescribed procedure for availing of concessional customs duty on imports led to loss of Rs. 30.73 lakhs on account of payment of duty at higher rates.

(Paragraph 5.15)

1.5.9 *Extra expenditure due to termination of favourable contracts*

Engagement of a new contractor to do additional work even though the original contractors were willing to execute the work at old rates resulted in an extra expenditure of Rs. 64.41 lakhs.
(Paragraph 5.16)

1.5.10 *Unfruitful expenditure on remodelling of sedimentation tanks*

Due to the failure to operate sedimentation tanks, remodelled at a cost of Rs. 12.52 lakhs, the envisaged reduction of expenditure on silt clearance did not materialise.

(Paragraph 5.17)

1.5.11 *Avoidable expenditure due to delay in execution of works*

Delays in making available site for construction and arranging for timely supply of departmental materials resulted in termination of two contracts for a work. Thereafter it was entrusted to the same contractors at higher rates entailing an extra expenditure of Rs. 9.93 lakhs.

(Paragraph 5.30)

1.5.12 *Retention of two sub-divisions without work*

Retention of staff in two sub-divisional offices without work since 1975 resulted in wasteful recurring expenditure of Rs. 1 lakh every year.

(Paragraph 5.33)

1.5.13 *Infructuous expenditure due to non-verification of titles of land*

Commencement of a work of Health Centre on a donated land without verifying its titles led to the suspension of work due to Court injunction. Consequently the contractor had to be paid Rs. 4.52 lakhs as compensation in terms of an arbitration award.

(Paragraph 5.34)

1.5.14 *Overpayment to a contractor*

Non adoption of a rate provided in Departmental Schedule of Rates resulted in an overpayment of Rs. 3.54 lakhs to a contractor executing a supplementary item of work.

(Paragraph 5.39)

1.6 Chapter VI—Stores and Stock

1.6.1 Central Medical (Veterinary) Stores

There was heavy accumulation of stores valued at Rs. 87.22 lakhs due to unrealistic assessment of requirement and unnecessary purchase. No independent physical verification of the stores was conducted.

(Paragraph 6.1)

1.6.2 Stores/equipment lying idle

Against sanctioned reserve limit of Rs. 1.50 lakhs, a division purchased stores worth Rs. 53.64 lakhs during 1974-1975 to 1976-77 in connection with development of Salt Lake City, out of which stores valuing Rs. 10.24 lakhs were not utilised during the last 10 years.

(Paragraph 6.4)

1.7 Chapter VII Commercial Activities— Audit Review

1.7.1 Wood Industries Centres at Durgapur, Kalyani and Siliguri

The State Government set up in November 1956 three wood industries centres mainly for training the local craftsmen and production of seasoned timber and quality wooden articles on a commercial scale. The centres had discontinued the training programmes since 1971-72; their activities are now confined primarily to fabrication of furniture.

—The *pro forma* accounts of the centres are in arrears since 1965-66. However, audit worked out provisionally the results of working of the centres from available records, which showed that the centres sustained an aggregate loss of Rs. 97.06 lakhs during the five years ending March 1987.

—Low productivity of workers, under utilisation of capacity in spite of adequate orders in hand, delay in execution of orders and absence of cost control were the main reasons for the loss. The gross value of sales could not cover even the salaries and wages of the employees at any of the centres during 1983-84 to 1986-87.

—The inventory holding was heavy and the recovery from customers very slow increasing the working capital requirements.

(Paragraph 7.3)

CHAPTER II

OVERALL ANALYSIS OF STATE FINANCES

2.1 The summarised position of the accounts of the Government of West Bengal emerging from the Appropriation Accounts and the Finance Accounts for the year 1986-87 is indicated in the Statements following:

I—Statement of Financial position of the Government of West Bengal as on 31st March 1987

Amount as on 31st March 1986	Liabilities	Amount as on 31st March 1987	Amount as on 31st March 1986	Assets	Amount as on 31st March 1987
(Rupees in Crores)					
487.97	Internal Debt including Ways and Means Advance (Market Loans, Loans from LIC and Others)	571.28	1,693.92	Gross Capital outlay on Fixed assets—	
*3,630.70	Loans and Advances from Central Government—			Investments in shares of Companies, Corporation etc. ..	230.74
	Pre—1984-85 loans ..	1,490.72		Other Capital Outlay ..	1,670.08
	Non-Plan Loans ..	2,127.39		Loans and Advances—	
	Loans for State Plan Schemes	286.38	1,570.79	Loans for Power Project ..	732.73
	Loans for Centrally Sponsored Plan Schemes ..	17.27		Other Development Loans ..	990.95
	Loans for Central Plan Scheme	4.84	3,926.60	Loans to Government Servants	39.36
19.96	Contingency Fund ..	19.98	18.09	Other Advances ..	25.40
247.24	Small Savings	282.40	288.67	Remittance Balance	303.25
331.97	Deposits	408.64	117.36	Suspense	93.67
10.87	Reserve Funds	11.50	867.75	Deficit on Government Account—	
				Accumulated deficit up to 31st March 1986 ..	867.75
				Add: Deficit of current year ..	186.97
					1,054.72
	*Break-up of balance of different loans has not been given due to reconstructions and consolidation of 79-84 loans with reference to 85-86.		172.13	Cash—	
				Cash in Treasuries and Local remittances ..	6.63
				Departmental Cash Balance including Permanent Advance	10.58
				General Cash Balance ..	57.15
				Cash Balance Investment	0.13
					74.49
				earmarked Funds Investment	5.01
					79.50
4,728.71		5,220.40	4,728.71		5,220.40

II—Abstract of Receipts and Disbursements for the year 1986-87

SECTION A—REVENUE

(Rupees in crores)

Receipts			Disbursements			
			Non-Plan	Plan	Total	
I. Revenue Receipts—			I. Revenue Expenditure Sector—			
(i)	Tax Revenue	1,218.92	(i) General Services	757.71	0.42	758.13
(ii)	Non-Tax Revenue	165.84	(ii) Social and Community Services	1,043.34	225.32	1,268.66
(iii)	State's share of Union Taxes	678.26	(iii) General Economic Services	24.35	6.63	30.98
(iv)	Non-Plan Grants	210.30	(iv) Agriculture and Allied Services	191.87	164.82	356.69
(v)	Grants for State Plan Schemes	86.80	(v) Industry and Minerals	22.25	14.13	36.38
(vi)	Grants for Central and Centrally Sponsored Plan Schemes	150.06	(vi) Water and Power Development	75.15	1.86	77.01
II. Revenue Deficit carried over to Section-B			(vii) Transport and Communications	79.14	4.19	83.33
		187.31	(viii) Grants-in-aid contributions	86.31	—	86.31
Total:			2,697.49	2,290.12	417.37	2,697.49

Receipts		SECTION B—OTHERS			
		II. Capital Outlay— Sector	Disbursements Non-Plan	Plan	Total
III. Opening Cash Balance including Permanent Advance and Cash Balance Investment—	166·91	(i) General Services	1·90	4·08	5·98
IV. Recoveries of Loans and Advances—		(ii) Social and Community Services	2·36	36·98	39·34
(i) From Government Servants .. 15·33		(iii) General Economic Services	1·85	5·94	7·79
(ii) From Others .. 43·41	58·74	(iv) Agriculture and Allied Services	1·03	14·67	15·70
V. Public Debt Receipts—		(v) Industry and Minerals	0·05	37·85	37·90
(i) Internal Debt other than Ways and Means Advance 103·48		(vi) Water and Power Development	—	79·95	79·95
(ii) Ways and Means Advance per contra .. 257·39		(vii) Transport and Communications	0·25	19·99	20·24
(iii) Overdrafts per contra 47·04		Total	7·44	199·46	206·90
(iv) Loans and Advances from Central Government .. 628·18	1036·09				206·90

			III. Loans and Advances Disbursed—			
			Sector	Non-Plan	Plan	Total
			(i) For Power Projects	43.32		
			(ii) To Government Servants	25.77		
			(iii) To Others	181.90		250.99
			<hr/>			
			IV. Revenue Deficit Brought down			187.31
			V. Repayment of Public Debt			
			(i) Internal Debt other than Ways and Means Advances	20.16		
			(ii) Ways and Means Advances per contra	257.39		
			(iii) Overdrafts per contra	47.04		
			(iv) Repayment of Loans and Advances to Central Government	332.28		656.87
			<hr/>			
			VI. Advances from Contingency Fund—			
			VII. Public Accounts Disbursements—			
			(i) Small Savings and Provident Funds	35.03		
			(ii) Reserve Funds	0.79		
			(iii) Suspense and Miscellaneous	1,691.56		
			(iv) Remittances	494.11		
			(v) Deposits and Advances	1,148.09		3,369.58
			<hr/>			
			Cash Balance at end—			
			(i) Cash in Treasuries and local remittances	6.63		
			(ii) Departmental Cash Balance including Permanent Advance	10.58		
			(iii) General Cash Balance	57.15		
			(iv) Cash Balance Investments	0.13		74.49
			<hr/>			
Total:						4,746.14

VI. Recoveries of Advances from Contingency Fund

0.02

VII. Public Accounts Receipts—

(i) Small Savings and Provident Funds ..	70.19
(ii) Reserve Funds ..	1.63
(iii) Suspense and Miscellaneous ..	1,715.58
(iv) Remittances ..	479.53
(v) Deposits and Advances	1,217.45

3,484.38

III. Loans and Advances Disbursed—

Sector

Non-Plan

Plan

Total

(i) For Power Projects	43.32
(ii) To Government Servants	25.77
(iii) To Others	181.90

250.99

IV. Revenue Deficit Brought down

187.31

V. Repayment of Public Debt

(i) Internal Debt other than Ways and Means Advances	20.16
(ii) Ways and Means Advances per contra	257.39
(iii) Overdrafts per contra	47.04
(iv) Repayment of Loans and Advances to Central Government	332.28

656.87

VI. Advances from Contingency Fund—

VII. Public Accounts Disbursements—

(i) Small Savings and Provident Funds	35.03
(ii) Reserve Funds	0.79
(iii) Suspense and Miscellaneous	1,691.56
(iv) Remittances	494.11
(v) Deposits and Advances	1,148.09

3,369.58

Cash Balance at end—

(i) Cash in Treasuries and local remittances	6.63
(ii) Departmental Cash Balance including Permanent Advance	10.58
(iii) General Cash Balance	57.15
(iv) Cash Balance Investments	0.13

74.49

Total:

4,746.14

4,746.14

Sources and Application of Funds for 1986-87

(Rupees in crores)

Source—				
1. Revenue Receipts	..	..	..	2,510.17
2. Miscellaneous Receipt on Government Account			..	0.35
3. Recoveries from Loans and Advances		..	..	58.74
4. Net Contribution from Contingency Fund	..		..	0.02
5. Increase in Public Debt Small Savings, Deposits and Advances	..	..	..	483.73
				3,053.01
Adjustments—				
1. Suspense Balance	..	..	(+)	23.69
2. Increase in Reserve Funds		..	(+)	0.63
3. Effect of Remittances	..	..	(—)	14.58
4. Reduction in Closing Cash Balance			(+)	92.63
				(+)102.37
				3,155.38
Application—				
1. Revenue Expenditure	..	..	..	2,697.49
2. Capital Outlay	..	..	..	206.90
3. Lending for development and other purposes	..		..	250.99
				3,155.38

Explanatory Notes—

1. The summarised financial statements are based on the statements of the 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 surplus or 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 classifications, small expenditure of capital nature was also met out of revenue. Information on such capital expenditure being not available, it 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 account of State Government remains unaffected by end use.

5. There was an unreconciled credit difference of Rs. 514.67 lakhs between the figures reflected in the accounts and that intimated by the Reserve Bank under Deposits with Reserve Bank. The difference is under reconciliation (March 1988).

2.2 Analysis of the Accounts of the Government of West Bengal for 1986-87

2.2.1 Unlike 1985-86 when there was sizeable surplus (Rs. 82.89 crores) on revenue account, the year 1986-87 was characterised by severe resources constraint resulting from very high revenue deficit (Rs. 187.31 crores) and substantial reduction in availability of loans and advances from the Government of India. The revenue deficit of Rs. 187.31 crores was met partly by the surplus of Rs. 94.69 crores generated from net addition to public debt as adjusted by the effects of remittance and suspense balance etc. after meeting the total capital expenditure and lending for development and other purposes. The balance of Rs. 92.63 crores was reflected in the form of reduced cash balance at the year-end.

2.2.2 While non-plan revenue expenditure increased by about 21 per cent over 1985-86, the growth in collection of tax revenue as well as in State's share of Union Taxes was only about 9 per cent in each case. The return from interest and dividend on investment in companies, corporations, etc. was negligible at 0.24 per cent. Nine major irrigation, navigation, drainage and multipurpose river projects suffered a net loss of Rs. 27 crores during 1986-87 which increased by 27 per cent over 1985-86. A medium term loan of Rs. 206 crores was advanced by Government of India in 1985-86 as a special case to cover gap

in resources of the State. Even excluding that, the net receipts under loans and advances from the Central Government (after repayment of loans and advances becoming due) came down from Rs. 318 crores in 1985-86 to Rs. 296 crores in 1986-87. On the other hand, the interest paid to Central Government on loans and advances increased to Rs. 261 crores during 1986-87, making the net resources availability (Rs. 35 crores) from this important source almost insignificant. Total market borrowings declined by almost Rs. 8 crores in 1986-87. Share of small savings collected remained more or less stagnant. The borrowings from other sources were thus not adequate to absorb the very high revenue deficit after meeting the capital expenditure and lending commitments. Defaults in repayment of loans and interest by the borrowers continued. The result was that the general cash balance at year end came down to a precariously low level of Rs. 57 crores, which was just adequate to meet revenue expenditure for about eight days.

2.2.3 Apart from normal growth, the following factors also contributed to increase in non-plan revenue expenditure:

- substantial increase in expenditure on education (Rs. 123 crores);

- increased interest burden on growing debt from Central Government (Rs. 57 crores);

- increased pensionary liability (Rs. 12 crores);

- more expenditure on improvement in Medical, Housing, Police and Fiscal Services (Rs. 66 crores);

- higher expenditure on relief from natural calamities (Rs. 16 crores).

2.2.4 According to Government policy, education is free up to higher secondary stage in this State. The non-plan revenue expenditure on education constituted over 27 per cent of the total non-plan revenue expenditure and absorbed 51 per cent of the total tax revenues of the State. The actual assistance to non-Government secondary schools for boys during 1986-87 was Rs. 191 crores against the budget estimates of Rs. 117 crores. On the other hand, the overall plan expenditure fell short of budgetary projections by 11 per cent during 1986-87. The capital expenditure fell short of approved estimates by over 16 per cent. State's lending for development and other programmes actually came down by about Rs. 20 crores, the lending for power projects being only Rs. 43 crores in 1986-87 as against Rs. 118 crores in 1985-86. The plan expenditure on Agriculture and Allied

services came down, for the first time, in 1986-87 during the last three years.

2.2.5 The increase over 1985-86 (Rs. 95.16 crores) in tax revenue of the State Government was mainly due to increase in the collection of sales tax by Rs. 65.56 crores and land revenue by Rs. 23.42 crores. Collection from tax revenues was anticipated at Rs. 1,438 crores including additional resources mobilisation of Rs. 47 crores on account of the budget proposals. The actual collection from the tax revenues, was only about Rs. 1,390 crores, indicating a net shortfall of Rs. 48 crores in spite of additional resources mobilisation of Rs. 29 crores from Land Revenues during the year. The major shortfall was in collection of Sales Tax (Rs. 58.73 crores), followed by State Excise (Rs. 8.53 crores) and Agricultural Income-Tax (Rs. 6.91 crores) in that order. Non-tax revenue came down by Rs. 20.85 crores in 1986-87 mainly because of adjustment of a special item (Rs. 32.90 crores) received as grant from Government of India to write off loan to refugees in 1985-86 partly set off by the increase of Rs. 18.15 crores under interest receipts during 1986-87. Receipts from the Government of India during the year (Rs. 1,125.41 crores) on account of share of Union taxes and grants-in-aid represented 44.83 per cent of the total revenue receipts of the State and registered an increase by Rs. 92.64 crores over 1985-86.

2.2.6 Central plan assistance under different heads increased by 21 per cent in 1986-87 over 1985-86. However, the overall plan investment increased by only 11 per cent, indicating decline in investment from State's own resources. While the Central assistance increased by Rs. 68.62 crores in absolute terms, additional investment from State's own resources was of the order of Rs. 8.16 crores. The plan investment during 1986-87 included Rs. 11 crores released to Industrial Development Corporation for the Haldia Petro-Chemical Complex which was again received back as deposit in public account. If that is adjusted, there would be less investment from State's own resources for plan projects during 1986-87 compared to 1985-86. In both the years, the actual plan investment fell far short of the budgetary projections.

2.2.7 The Budget Estimates for revenue and capital expenditure including loan and public debt was Rs. 4,015.27 crores (gross), which was augmented to Rs. 4,272.18 crores (gross) by obtaining supplementary grant of Rs. 256.91 crores (gross). The actual expenditure, however, was Rs. 3,938.71 crores (gross), indicating overall savings of Rs. 333.47 crores (gross).

2.2.8 The original Budget Estimate assumed an opening cash balance of Rs. 28·58 crores and anticipated an increase of Rs. 21·95 crores in the cash balance at year end as a result of transactions of the year. However, the actual opening cash balance was Rs. 166·91 crores, providing additional funds of Rs. 138·33 crores over the assumed budgetary level. The budget forecast was modified at the Revised Estimates stage assuming opening cash balance of Rs. 157·38 crores and marginal overdraft of Rs. 0·34 crore due to augmentation of estimates for net expenditure during the year. The proposed total expenditure of Rs. 3,077·39 crores (net) on capital and revenue account was scaled down by Rs. 47·93 crores to Rs. 3,029·46 crores (net) at Revised Estimate stage. The expectation for higher revenue collection made in the Revised Estimates did not materialise. In view of the resources constraint and also on account of compulsion for clearing the overdraft within a certain time limit, both the capital and revenue expenditure had to be further restricted leading to savings of Rs. 125·07 crores with reference to the Revised Estimates. The actual transactions of the year ultimately led to a closing cash balance of Rs. 74·49 crores (as against expectation of Rs. 124·73 crores on the basis of adjusted Revised Estimates) reducing the degree of reliability of the budgetary control system.

2.2.9 The resources constraint was not only reflected in the form of reduced cash balance at the year end with reference to 1985-86, shortfall in plan expenditure and lending for development etc., but also in the form of substantial savings with reference to approved appropriations mainly under the following heads:

	Original	Supple- mentary	Total	Actual	Shor- fall
	(In crores of rupees)				
1. Revenue—					
General Services	766·33	25·27	791·60	758·13	33·47
Social and Community Services	1,200·88	130·46	1,331·34	1,268·66	62·68
Economic Services	607·21	13·96	621·17	584·40	36·77
2. (a) Capital—(Non-Plan)	18·18	15·81	33·99	7·44	26·55
(b) Capital—(Plan)	191·84	20·93	212·77	199·46	13·31
3. (a) Loan—(Non-Plan)	98·52	26·75	125·27	113·94	11·33
(b) Loan—(Plan)	134·70	12·95	147·65	137·05	10·60

2.2.10 The trend of expenditure with reference to the appropriations as obtained and the resources actually mobilised indicate that at the time of obtaining the supplementary demands, the required resources were not apparently in sight. This resulted in avoidable supplementary provisions for expenditure which could not be incurred. For example, test check revealed that under 18 major heads (involving savings of more than Rs. 1 crore in each case) an aggregate savings of Rs. 133 crores resulted from non-payment of Additional Dearness Allowance for which appropriations were obtained under revenue heads.

2.2.11 Under an agreement with the Reserve Bank of India, the State Government has to maintain with the Bank a minimum daily Balance of Rs. 1 crore. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ways and means advance/overdraft from the bank. There is also a compulsion to clear the overdraft within certain time limit.

During 1986-87 the minimum balance was maintained without taking any advances on 293 days. Ways and means advances (Rs. 257.39 crores) were taken on 63 days and overdrafts (Rs. 47.04 crores) were taken on remaining 9 days. Both the ways and means advances and the overdrafts were fully repaid by the end of the year along with interest of Rs. 0.60 crore on ways and means advances and Rs. 0.06 crore on overdrafts.

2.2.12 At the end of 1985-86, the balance under Loans and Advances by Government was Rs. 1570.79 crores. During 1986-87 Government paid Rs. 250.99 crores and recovered Rs. 58.74 crores under Loans and Advances. The balance at the end of the year stood at Rs. 1763.04 crores.

In respect of loans and advances the detailed accounts of which are maintained by the Accountant General (A&E), the terms and conditions of repayment of 1310 number of loans involving a total amount of Rs. 834.98 crores were not settled. The earliest loan for which terms and conditions of repayment had not been settled was extended in 1955-56. In respect of 1357 loans the terms and conditions of repayment of which were settled, the total amount overdue for recovery as on 31st March 1987 was Rs. 135.73 crores (Principal : Rs. 70.47 crores and Interest : Rs. 65.26 crores), the main defaulters being Durgapur Chemicals Ltd. (Rs. 17.69 crores), Durgapur Projects Ltd. (Rs. 16.91 crores), Kalyani Spinning Mills Ltd. (Rs. 14.42 crores), West Bengal State Electricity Board (Rs. 12.17 crores), Westing-

house Saxby Farmer Ltd. (Rs. 11.35 crores) and Calcutta State Transport Corporation (Rs. 9.04 crores). The earliest year to which the arrears relate is 1953-54.

2.2.13 The interest paid on debt and other obligations during the year was Rs. 333.49 crores as against Rs. 274.93 crores during 1985-86. Interest received during the year was Rs. 47.97 crores including that from departmental commercial undertakings and others as against Rs. 29.82 crores during 1985-86. The net interest burden during the year was thus Rs. 285.52 crores (11.37 *per cent* of total revenue receipts and 23.4 *per cent* of the tax revenues of the State). Interest due to Government from Damodar Valley Corporation at the close of the year amounted to Rs. 90.09 crores as against Rs. 83.20 crores at the end of March 1986. Payment of interest due to Government was withheld by the Corporation pending adjustments against the dues from the Government on account of water rates and deficits on Irrigation, Power and Flood control.

2.2.14 With fresh investment of Rs. 36.13 crores during the current year in Statutory Corporations (Rs. 1.25 crores), Government Companies (Rs. 28.10 crores), Co-operative Societies (Rs. 6.60 crores) and Bank (Rs. 0.18 crore), the total investment of the Government in shares and debentures on 31st March 1987 was Rs. 230.74 crores. Interest and dividend received during the year on such investments was Rs. 54.56 lakhs only representing a poor return of 0.24 *per cent* on the investment. Information on profit earned/ loss incurred by the organisations in which investments were made was not available except in 19 cases where cumulative loss was Rs. 199.99 crores in 16 cases and profit in three cases was Rs. 1.67 crores. Even in these 19 cases, the data pertained to 1986-87 only in 9 cases and for the remaining 10 cases the data pertained to various years between 1980-81 and 1985-86.

2.2.15 At the end of March 1987, the Capital Outlay on Six Commercial schemes (Irrigation projects: 2; Navigation projects: 2; Drainage projects: 2) and three Multipurpose river projects amounted to Rs. 252.31 crores. The revenue realised from these schemes was only Rs. 0.77 crore which accounted for a meagre 0.31 *per cent* of return on the capital outlay. The revenue receipts of none of the scheme were sufficient enough to cover even the direct working expenses (Rs. 12.87 crores). After meeting the working expenses (Rs. 12.97 crores) and interest charges (Rs. 14.78 crores), the nine schemes suffered

a net loss of Rs. 26.98 crores (10.69 *per cent* of the capital outlay). The losses under Damodar Valley Project (Rs. 13.48 crores), Kangsabati Reservoir project (Rs. 6.12 crores) and Mayurakshi Reservoir project (Rs. 5.25 crores) were substantial.

2.2.16 The contingent liability for guarantee given by the State Government for repayment of loan etc. by Statutory Corporations, Government companies and co-operative societies etc. on 31st March 1987 was Rs. 1,122.78 crores (against the maximum amount of Rs. 1,644.03 crores guaranteed). No Law under Article 293 of the Constitution has been enacted by the State Legislature laying down the limits within which the Government may give guarantee on the security of the Consolidated Fund of the State. During 1986-87, Rs. 86.19 lakhs were realised as guarantee fee levied at half *per cent* per annum on outstanding sums guaranteed. Rupees 133.12 lakhs were due (March 1987) on account of guarantee fee realisable by Commerce and Industries Department (Rs. 96.41 lakhs), Industrial Reconstruction Department (Rs. 29.69 lakhs), Cottage and Small Scale Industries Department (Rs. 6.43 lakhs), Tourism Department (Rs. 0.54 lakh) and Fisheries Department (Rs. 0.05 lakh). Information on guarantee fee due or guarantee invoked was not received from 8 Departments which also gave guarantees.

CHAPTER III

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

3.1 General

The summarised position of actual expenditure during 1986-87 against grants/appropriations is as follows:

	Original grant/ appropriation	Supple- mentary	Total	Actual expenditure	Variations Saving (—) Excess (+)
	(1)	(2)	(3)	(4)	(5)
<i>(Rupees in crores)</i>					
I. Revenue—					
Voted	2,357.12	178.98	2,536.10	2,408.30	— 127.80
Charged	345.40	1.49	346.89	338.79	— 8.10
II. Capital—					
Voted	294.20	35.92	330.12	283.26	— 46.86
Charged		0.82	0.82	0.49	— 0.33
III. Public Debt—					
Charged	785.33	..	785.33	656.88	— 128.45
IV. Loans and Advances—					
Voted	233.22	39.69	272.91	250.99	— 21.92
Charged	..	0.01	0.01	0.01	..
Total—					
Voted	2,884.54	254.59	3,139.13	2,942.55**	— 196.58**
Charged	1,130.73	2.32	1,133.05	996.16	— 136.89
Grand Total	4,015.27	256.91	4,272.18	3,938.71	— 333.47

*Original appropriation Rs. 10,000.

**Variation of 0.01 due to rounding.

3.2 Important results emerging from Appropriation Audit

3.2.1 Supplementary provision obtained during the year constituted 6·4 *per cent* of the original budget provision as against 17·12 *per cent* in the preceding year.

3.2.2 Supplementary provision of Rs. 70·89 crores obtained in 25 cases (Appendix 3·1) during the year proved unnecessary. In another 10 cases (Appendix 3·2) additional fund required was only Rs. 49·35 crores against the supplementary grant of Rs. 86·53 crores, savings in each case exceeding Rs. 10 lakhs.

In 19 cases (Appendix 3·3) supplementary provisions of Rs. 97·21 crores proved insufficient by more than Rs. 10 lakhs leaving an aggregate uncovered expenditure of Rs. 66·75 crores.

In 11 cases (Appendix 3·4), on the other hand, expenditure of Rs. 27·90 crores was incurred in excess of budget provision without obtaining any supplementary grant.

3.2.3 The overall saving of Rs. 333·47 crores was the result of saving of Rs. 429·05 crores in 64 voted grants (Rs. 292·16 crores) and 29 charged appropriations (Rs. 136·89 crores), partly offset by overall excess (Appendix 3·5) of Rs. 95,57,75,902 in 32 voted grants, requiring regularisation under Article 205 of the Constitution of India.

Besides the above excess for the year 1986-87, sums aggregating Rs. 677,05,08,183 being excess expenditure over 106 grants (Rs. 381,72,08,639) and 30 appropriations (Rs. 295,32,99,544) during the period 1978-79 to 1985-86 were yet to be regularised (January 1988). According to the revised procedure for expeditious regularisations of excess expenditure adopted by the Public Accounts Committee (PAC) in September 1983 the Finance Department is to obtain the explanatory notes for the excess expenditure from the concerned departments of the Government and consolidate and send them to PAC for consideration and recommendation.

Out of the amount of Rs. 677,05,08,183 the PAC recommended (April 1986) regularisation of excess of Rs. 282,61,31,333 for the years 1978-79 to 1981-82. Necessary Appropriation Bill was, however, not introduced, reportedly (October 1987) due to (i) delay in printing of excess expenditure statements required for distribution in the Legislature before introduction of such Appropriation Bill and (ii) very short duration of the Assembly session following.

Regularisation of excess expenditure for the years 1982-83 to 1984-85 has not yet been recommended by the PAC due to non-receipt of explanatory notes of excesses from the Finance Department (October 1987). Thus the delay in regularisation of excess expenditure for some reasons or other had defeated the very objective of adopting the revised procedure.

3.2.4 In the following grants/appropriations, the expenditure fell short by more than Rs. 1 crore each and by more than 10 *per cent* of the total provision:

Description of the grant	Amount of savings (Rupees in crores) (Percentage of provision)	Reasons for savings
5—Elections (Revenue)	1.48 (12)	Reasons for saving have not been intimated (January 1988).
7— Land Revenue (Revenue)	7.37 (21)	Reasons for saving have not been intimated (January 1988).
18— Secretariat General Services (Revenue)	1.08 (11)	Reasons for saving have not been intimated (January 1988).
25—Public Works (Capital)	30.59 (57)	Reasons for saving have not been intimated (January 1988).
30—Miscellaneous General Services	3.41 (40)	Saving was due to suspension of monthly scheme of lottery and sale of less tickets than expected resulting the lesser number of claims for prizes.
40—Urban Development (Revenue)	20.93 (19)	Saving was mainly due to less drawal of funds by urban local bodies on account of addl. D.A. (Rs. 17.98 crores) and non-

Description of the grant	Amount of savings (Rupees in crores) (Percentage of provision)	Reasons for savings
		holding of election in 22 urban local bodies (Rs. 1.03 crores). Reasons for the balance amount have not been intimated (January 1988).
40—Urban Development (Capital)	4.46 (13)	Reasons for saving have not been intimated (January 1988).
44 —Social Security and Welfare (Relief and Rehabilitation of Displaced Persons and Repatriates) (Revenue)	17.90 (69)	Saving of Rs. 1.15 crores was mainly due to non-availability of old records and certain administrative difficulties. Reasons for saving of the balance amount have not been intimated (January 1988).
45—Social Security and Welfare (Welfare of Scheduled Castes, Scheduled Tribes, and other Backward classes) (Revenue)	10.46 (16)	Reasons for saving have not been intimated (January 1988).
Ditto (Capital)	1.29 (13)	Reasons for saving have not been intimated (January 1988).
46—Social Security and Welfare (Excluding Civil Supplies, Relief and Rehabilitation of Displaced Persons and Welfare of Scheduled Castes, Scheduled Tribes and other Backward classes) (Revenue)	19.58 (22)	Saving of Rs. 1.52 crores was due to requirement of less grants by the implementing agencies owing to better climatic conditions in some of the districts and Rs. 0.16 crore was due to non-receipt of approval of the project from the International Labour Organisation. Reasons for the

Description of the grant	Amount of savings (Rupees in crores) (Percentage of provision)	Reasons for savings
		balance amount have not been intimated (January 1988).
49—Secretariat Economic Services (Revenue)	1.25 (18)	Saving of Rs. 0.18 crore was due to vacant posts as well as less organisational expenses. Reasons for the balance amount have not been intimated (January 1988).
50—Co-operation (Revenue)	6.11 (21)	Reasons for saving have not been intimated (January 1988).
50—Co-operation (Capital)	11.87 (40)	Reasons for saving have not been intimated (January 1988).
52—Agriculture (Capital)	1.49 (21)	Reasons for saving have not been intimated (January 1988).
53—Minor Irrigation, Soil Conservation and Area Development (Capital)	10.64 (59)	Reasons for saving have not been intimated (January 1988).
54—Food (Capital)	19.52 (67)	Saving of Rs. 4.31 crores was due to implementation of the scheme of internal distribution of foodgrains in two out of 4 districts targeted. Reasons for the balance amount have not been intimated (January 1988).
57—Fisheries (Revenue)	2.75 (25)	Reasons for saving have not been intimated (January 1988).

Description of the grant	Amount of savings (Rupees in crores) (Percentage of provision)	Reasons for savings
59—Community Development (Panchayat) (Revenue)	6.16 (18)	<p>Saving was due to</p> <p>(I) non-receipt of any proposal for construction of Panchayat Ghar and Buildings of Panchayat Samities and Zilla Parishads (Rs. 0.39 crore.)</p> <p>(II) Saving of Rs. 1.14 crores was due to less release of grants to Zilla Parishad mainly due to non-receipt of utilisation certificates.</p>
60—Community Development (Excluding Panchayat) (Revenue)	20.30 (23)	<p>Saving was mainly due to receipt of less Central assistance (Rs. 6.71 crores) for Rural Landless Employment Guarantee Programme. Reasons for the balance amount have not been intimated (January 1988).</p>
63—Village and Small Industries (Excluding Public Undertakings) (Revenue)	3.12 (16)	<p>Saving was mainly due to restriction on expenditure to the extent of fund released by Government of India (Rs. 1.59 crores), non-sanction of expenditure due to economy measure (Rs. 0.12 crore), non-requirement of funds for addl. D.A. (Rs. 0.86 crore), diversion of funds (Rs. 0.27 crore) and</p>

Description of the grant	Amount of savings (Rupees In crores) (Percentage of provision)	Reasons for savings
		release of fund at the fag end of the year (Rs. 0.05 crore). Reasons for the balance amount have not been intimated (January 1988).
66-- Multipurpose River Projects, Irrigation, Navigation, Drainage and Flood Control Projects (Capital)	18.78 (15)	Reasons for saving have not been intimated (January 1988).
78—Public Health, Sanitation and Water Supply (Sewerage and Water Supply) (Revenue)	17.29 (28)	Reasons for saving have not been intimated (January 1988).
Ditto (Capital)	3.22 (92)	Reasons for saving have not been intimated (January 1988).
85—Public Debt (Capital) (Charged)	128.45 (16)	Saving was due to adjustment of repayment of loans under the new head “F-Pre-1984-85 Loans-VI-Pre-1979-80 Consolidated Loans for Productive and Semi-Productive purposes” instead of under Pre-1979 Consolidated Loans as per direction of Government of India (Rs. 64.08 crores). Reasons for the balance amount have not been intimated (January 1988).

3.2.5 In addition to those mentioned in 3.2.4 above, substantial savings occurred in the following cases on account of

either non-implementation or slow implementation of the plan schemes:

Grant or Appropriation	Name of the Scheme	Amount of savings (Rupees in crores)	Percentage of savings
25—Public Works (Capital)	Promotion of Primary Health Care Services (Minimum Needs Programme)	1.33	24
Ditto	Upgradation of State Rural Health Administration—Construction of quarters for the Medical Officers working in the Primary Centres	1.06	100
Ditto	Special component plan for Scheduled Castes—Establishment of Health Centres in Scheduled Castes areas	1.66	100
Ditto	Construction of Additional Police Housing Units	15.86	86
36—Medical (Revenue)	Promotion of the Primary Health Care Services (Minimum Needs Programme)	1.18	79
37—Family Welfare (Revenue)	India Population Project-IV	3.69	57
Ditto	Compensation for Tubectomy	1.29	32

Grant or Appropriation	Name of the Scheme	Amount of savings (Rupees in crores)	Percentage of savings
Ditto	Health Guide Scheme	2.47	46
40—Urban Development (Revenue)	Development of Municipal Areas	1.18	37
Ditto	Integrated Development of Small and Medium Towns (State's share)	2.57	61
Ditto	Special component plan for Scheduled Castes-Programme for liberation of scavengers by conversion of service privies into sanitary latrines in Municipal Towns (Centre's share)	1.56	82
40—Urban Development (Capital)	Loans to CMDA for surface water system to South Dum Dum and Dum Dum Municipalities and Bidhan Nagar Township (Salt Lake)	3.30	100
Ditto	Additional loan to CMDA for Implementation of:		
	Garia Bus Terminus and Kona Truck Terminal	1.00	100

Grant or Appropriation	Name of the Scheme	Amount of savings (Rupees in crores)	Percentage of savings
Ditto	Loans for integrated Development of Small and Medium Towns	2.60	62
45—Social Security and Welfare (Welfare of Scheduled Castes, Scheduled Tribes and other Backward classes) (Revenue)	Plantation Schemes under Tribal Area Sub-Plan	1.41	73
46—Social Security and Welfare (Excluding Civil Supplies, Relief and Rehabilitation of Displaced Persons and Welfare of Scheduled Castes, Scheduled Tribes and other Backward classes) (Revenue)	Integrated Child Development Services Project	3.40	30
Ditto	Wheat based supplementary Nutrition Programme for pre-school children and nursing expectant mothers	1.01	63
Ditto	Rural Works Programme	5.07	27
52—Agriculture (Revenue)	Minor Irrigation under the scheme for assisting small and marginal farmers' in	1.70	87

Grant or Appropriation	Name of the Scheme	Amount of savings (Rupees in crores)	Percentage of savings
	increasing agricultural productions (Centrally Sponsored)		
Ditto	-do- (State Plan)	1 58	81
Ditto	Project for production and productivity of rice	1·23	35
53—Minor Irrigation, Soil conservation and Area Development (Revenue)	World Bank Project on development of Minor Irrigation (1) Shallow Tubewells	1·00	100
Ditto	World Bank Project Development of Minor Irrigation—cost of energisation of Minor Irrigation Scheme—Payable to West Bengal State Electricity Board	1·40	100
Ditto	Special component plan for Scheduled Castes IFAD assisted Sundarban Development Project	3·18	91
Ditto (Capital)	Surface drainage and Irrigation Scheme	1·41	98
Ditto	World Bank Project on Development of Minor Irrigation (1) Deep Tube well and Medium duty tubewells	3·71	99

Grant or Appropriation	Name of the Scheme	Amount of savings (Rupees in crores)	Percentage of savings
Ditto	World Bank Project on development of Minor Irrigation (ii) River Lift Irrigation	1.08	100
Ditto	Special component plan for Scheduled Castes—World Bank Project on Development of Minor Irrigation—Deep Tubewells and medium duty tubewells	1.00	100
Ditto	Command Area Development Programme in selected areas in West Bengal	1.13	88
60—Community Development (Excluding Panchayat) (Revenue)	District Plan Scheme under Rural Works Programme	3.58	29
Ditto	Rural Landless Employment Guarantee Programme	6.71	15
63—Village and Small Industries (Excluding Public Undertakings) (Revenue)	National Project on Bio-Gas Development	1.59	46
66—Multipurpose River Projects, Irrigation, Navigation, Drainage and Flood Control Project (Revenue)	Water Development	1.44	44

Grant or Appropriation	Name of the Scheme	Amount of savings (Rupees in crores)	Percentage of savings
66—Multipurpose River Projects, Irrigation, Navigation, Drainage and Flood Control Projects (Capital)	Teesta Barrage Irrigation Scheme	16.42	48
Ditto	Drainage works under Major and Medium Drainage Projects	1.39	16
Ditto	Protective works under Major and Medium Flood Control Projects	2.06	29
67—Power Projects (Capital)	Loans to West Bengal State Electricity Board	14.38	32
Ditto	Loans to West Bengal State Electricity Board for construction of inter-State transmission lines	3.78	85
Ditto	Loans to Calcutta Electric Supply Corporation Ltd.	7.00	100
78—Public Health, Sanitation and Water Supply (Sewerage and Water Supply) (Revenue)	Accelerated rural water supply programme	3.23	27
Ditto	Piped Water Supply Scheme (for rural areas)	1.69	28

Grant or Appropriation	Name of the Scheme	Amount of savings (Rupees in crores)	Percentage of savings
Ditto	Rural Water Supply Scheme	1.19	37
Ditto	Piped Water Supply Scheme (for rural areas) in special component plan areas	1.14	88
Ditto	Neoravally Water Supply Scheme	1.00	100

3.2.6 Persistent savings were noticed in the following cases:

Description of the grant			Percentage of savings		
			1984-85	1985-86	1986-87
7 —Land Revenue (Revenue) ..	..	..	11	16	21
25—Public Works (Capital) ..	..	..	31	74	57
26—Fire Protection and Control (Revenue)			16	15	12
40—Urban Development (Revenue) ..	..	..	28	40	19
Ditto (Capital) ..	..	..	35	12	13
44—Social Security and Welfare (Relief and Rehabilitation of Displaced Persons and Repatriates) (Revenue)			26	15	69
Ditto (Capital) ..	..	..	43	50	73

Description of the grant	Percentage of savings		
	1984-85	1985-86	1986-87
45—Social Security and Welfare (Welfare of Scheduled Castes, Scheduled Tribes and other Backward classes) (Revenue)	26	16	16
Ditto (Capital) 	43	21	13
46—Social Security and Welfare (Excluding Civil Supplies, Relief and Rehabilitation of Displaced Persons and Repatriates and Welfare of Scheduled Castes, Scheduled Tribes and other Backward classes) (Revenue)	42	22	22
49—Secretariat-Economic Services (Revenue)	18	11	18
50—Co-operation (Capital) 	44	61	40
52—Agriculture (Capital) 	25	47	21
53—Minor Irrigation, Soil Conservation and Area Development (Capital)	80	65	60
54—Food (Capital) 	41	56	67
59—Community Development (Panchayat) (Revenue)	22	13	18
60—Community Development (Excluding Panchayat) (Revenue)	14	15	23
78—Public Health (Sewerage and Water Supply) (Capital)	43	20	92

3.2.7 In the following grants the expenditure exceeded the approved provision by more than Rs. 25 lakhs and also by more than 10 *per cent* of the total provision:

Description of the grant	Amount of excess (Rupees in lakhs) (Per- centage of excess)	Reasons for excess
13—Other Taxes and Duties on Commodities and Services (Revenue)	55.24 (13)	Reasons for excess have not been intimated (January 1988).
25—Public Works (Revenue)	902.75 (17)	Reasons for excess have not been intimated (January 1988).
27—Other Administrative Services (Revenue)	337.00 (12)	Excess was due to filling up of vacant posts, enhancement of dearness allowance, frequent tours by the staff and payment of outstanding travelling allowances bills of previous years (Rs. 83.46 lakhs). Reasons for the residual amount have not been intimated (January 1988).
36—Medical (Capital)	41.18 (205)	Reasons for excess have not been stated (January 1988).
39—Housing (Revenue)	952.54 (82)	Reasons for excess have not been intimated (January 1988).
Ditto (Capital)	703.08 (59)	Reasons for excess have not been intimated (January 1988),
60—Community Development (Excluding Panchayat) (Capital)	31.26 (205)	Reasons for excess have not been intimated (January 1988).

Description of the grant	Amount of excess (Rupees in lakhs) (Per- centage of excess)	Reasons for excess
61—Industries (Closed and Sick Industries) (Capital)	607.54 (40)	Excess was mainly due to additional requirement of fund for replacement of plant and machinery and addition of balancing equipment of the units for the sake of increased production (Rs. 21.00 lakhs). Reasons for the balance amount have not been stated (January 1988).
62—Industries (Excluding Public Undertakings and Closed and Sick Industries) (Revenue)	211.76 (12)	Excess of Rs. 95.81 lakhs was due to setting up of Industrial Growth Centres in the 'No Industry Districts' of the State, regularisation of a good number of contingency staff and payment of dearness allowance, ex-gratia etc. (Rs. 5.46 lakhs). Reasons for the balance amount have not been intimated (January 1988).
62—Industries (Excluding Public Undertakings and Closed and Sick Industries) (Capital)	434.82 (20)	Reasons for the excess have not been intimated (January 1988.)
66—Multipurpose River Projects, Irrigation, Navigation, Drainage and Flood Control Projects (Revenue)	968.40 (19)	Reasons for excess have not been intimated (January 1988).
70—Roads and Bridges (Revenue)	896.11 (25)	Reasons for excess have not been intimated (January 1988).

Description of the grant	Amount of excess (Rupees in lakhs) (Per- centage of excess)	Reasons for excess
71—Road and Water Transport (Capital)	442.16 (15)	Reasons for excess have not been intimated (January 1988).
75—Investment in General Finan- cial and Trading Institutions (Capital)	31.00 (36)	Reasons for excess have not been intimated (January 1988).
76—Public Undertakings (Capital)	529.06 (15)	Excess of Rs. 181.71 lakhs was due to payment of compensa- tion for acquisition and requis- ition of the land etc. of Westinghouse Saxby Farmer Ltd. Reasons for the balance amount have not been intimated (January 1988).
77—Social and Environmental Services (Revenue)	47.50 (35)	Reasons for excess have not been intimated (January 1988).
81 — Capital outlay on Petroleum, Chemicals and Fertiliser Industries (Capital)	221.50 (23)	Reasons for excess have not been intimated (January 1988).
82—Capital outlay on consumer Industries (Excluding Public Undertakings and Closed and Sick Industries) (Capital)	97.88 (18)	Reasons for excess have not been intimated (January 1988).
84—Investments in Industrial Financial Institutions (Ex- cluding Public Undertakings (Capital)	155.00 (32)	Reasons for excess have not been intimated (January 1988).

3.2.8 Persistent excesses were noticed in the following cases:

Description of the grant	Percentage of excess		
	1984-85	1985-86	1986-87
25—Public Works (Revenue)	57	80	17
66—Multipurpose River Projects, Irrigation, Navigation, Drainage and Flood Control Projects (Revenue)	5	11	19

3.2.9 In spite of repeated recommendations of the Public Accounts Committee rush of expenditure in the month of March was noticed in the following cases:

Description of Major head and Grant	Total provi- sion	Total expen- diture	Expen- diture in March (Rupees in crores)	Percentage expenditure during March to	
				Total provi- sion	Total expen- diture
288—Social Security and Welfare Grant Nos. 43, 44, 45, 46	167.56	128.48	48.25	29	38
498—Capital outlay on Co-operation Grant Nos. 50 & 45	12.69	6.70	2.50	20	37
500—Investment in General Financial and Trading Institutions Grant No. 75	0.76	0.75	0.30	39	40
506—Capital outlay on Minor Irrigation, Soil Conservation and Area Development Grant Nos. 53, 45	18.23	7.17	3.53	19	49
215—Election Grant No. 5	12.54	11.06	6.27	50	57

Description of the Major head and Grant	Total provi- sion	Total expen- diture	Expen- diture in March	Percentage of expenditure during March to	
				Total provi- sion	Total expen- diture
	(Rupees in crores)				
296—Secretariat—Economic Services Grant No. 49	6.92	4.80	1.99	29	41
307—Soil and Water Conservation Grant No. 53	5.97	2.34	1.08	18	46
335—Ports, Lighthouses and Shipping Grant No. 68	0.54	0.46	0.29	54	63
339—Tourism Grant No. 72	2.27	2.31	1.11	49	48
247— Other Fiscal Services Grant No. 14	1.81	1.80	0.78	43	43
213—Council of Ministers Grant No. 3	0.53	0.56	0.44	83	79
254—Treasury and Accounts Administration Grant No. 20	6.25	5.98	3.56	57	60
283—Housing Grant Nos. 39 and 25	14.60	21.09	17.45	120	83
289—Relief on account of Natural calamities Grant No. 47	47.94	49.39	20.98	44	42
336—Civil Aviation Grant No. 69	0.30	0.19	0.12	40	63
514—Capital outlay on Community Development (Panchayat) Grant No. 59	0.25	0.47	0.41	164	87
483—Capital outlay on Housing Grant No. 39	29.33	16.58	14.93	51	90

3.3 Irregular or inadequate re-appropriation

Important instances where provision required for expenditure under individual sub-heads within a grant or appropriation was not properly regulated during the year by reappropriation or surrender of funds, are indicated in the notes and comments below the concerned grants in the Appropriation Accounts for the year.

3.4 New Service/New Instrument of Service

The rules provide that expenditure on any item coming under 'New Service/New Instrument of Service' not included in the Budget should not be incurred without obtaining the specific approval of the Legislature in the form of Supplementary Demand for grant. In case of urgency, such expenditure can be met from out of advance from the Contingency Fund of the State pending authorisation by the Legislature. In the cases detailed in the Appendix 3.6 expenditure was incurred without obtaining supplementary grant or an advance from the Contingency Fund though they satisfied the criteria for being treated as New Service or New Instrument of Service.

3.5 Contingency Fund

A Contingency Fund of Rs. 20 crores is placed at the disposal of the Government to meet unforeseen expenditure not covered by the Appropriation Act. The rules provide that advances from the Fund can only be made to meet unforeseen expenditure of such emergent nature that postponement thereof till the enactment of the Supplementary Appropriation Act would be undesirable. The Supplementary estimate for all expenditure met out of advance from the Contingency Fund should be presented to the State Legislature, as far as practicable within the same financial year in which the advances are sanctioned, the recoupment being thus made within that year.

The total amount of advance drawn from the Contingency Fund during 1986-87 was Rs. 6,13,10,088 out of which the amount recouped was Rs. 6,12,89,480 leaving a balance of Rs. 20,608. Advances drawn prior to 1986-87 and remaining unrecouped at the beginning of 1986-87 were Rs. 4,31,926 out of which Rs. 2,41,329 were also recouped during the year leaving a balance of Rs. 1,90,597.

The following table shows the cases where recoupments were delayed or are yet to be made:

Sl. No.	Head of account	Amount Rs.	Month of sanction/ withdrawal	Year in which recouped
1.	509—Capital outlay on Minor Irrigation, Soil Conservation and Area Development	33,000	September 1983	Not yet recouped
2.	280—Medical	24,079	March 1984	„
3.	259—Public Works	1,33,418	March 1984	„
4.	252—Secretariat—General Services	100	July 1984	„
5.	Ditto	1,27,000	July 1984	Recouped in 1986-87
6.	306—Minor Irrigation	91,345	October 1984	Recouped in 1986-87
7.	509—Capital outlay on Food	17,984	November 1984	„
8.	213—Council of Ministers	5,000	January 1985	„
9.	521—Capital outlay on Village and Small Industries	20,608	December 1986	Not yet recouped
	Total:	4,52,534		

3.6 Trend of recoveries and credits

Under the system of gross budgeting followed by the State Government, grants and charged appropriations authorised by the Legislature are for gross expenditure and exclude all credits/ recoveries which are adjusted in the accounts in reduction of expenditure. The anticipated recoveries and credits are shown separately in the budget estimates. During the year 1986-87, such recoveries were anticipated at Rs. 136.25 crores (Revenue: Rs. 52.07 crores and Capital: Rs. 84.18 crores). Actual recoveries during the year, however, were Rs. 126.45 crores (Revenue: Rs. 49.60 crores and Capital: Rs. 76.85 crores). Some of the

major shortfalls/excesses in recoveries are detailed below; reasons therefor have not been intimated (January 1988).

Description of grant			Budget Estimates	Actuals	Shortfall(—) Excess(+)
(Rupees in crores)					
21—Police (Revenue)	..	..	2.49	2.10	(—)0.39
22—Jails (Revenue)	..	..	0.15	—	(—)0.15
25—Public Works (Revenue)	..	..	18.00	37.69	(+)19.69
28—Pensions and other Retirement Benefits (Revenue)			0.11	—	(—)0.11
36—Medical (Revenue)	..	..	16.59	0.39	(—)16.20
39—Housing (Revenue)	..	..	0.50	—	(—)0.50
Ditto (Capital)	..	..	3.52	4.15	(+)0.63
45—Social Security and Welfare (Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes) (Revenue)			0.11	—	(—)0.11
50—Co-operation (Capital)	..	..	—	0.10	(+)0.10
52—Agriculture (Revenue)	..	..	0.49	—	(—)0.49
53—Minor Irrigation, Soil Conservation and Area Development (Revenue)			0.10	—	(—)0.10
54—Food (Capital)	..	..	21.01	8.46	(—)12.55
66—Multipurpose River Projects, Irrigation, Navigation, Drainage and Flood Control Project (Revenue)			0.65	2.79	(+)2.14
Ditto (Capital)	..	..	49.49	43.90	(—)5.59
70—Roads and Bridges (Revenue)	..	..	1.70	2.02	(+)0.32
Ditto (Capital)	..	..	10.10	20.17	(+)10.07
78—Public Health (Sewerage and Water Supply) (Revenue)			11.00	4.59	(—)6.41

3.7 Reconciliation of Departmental figures

In order to exercise effective control over expenditure all Departmental officers are required to reconcile monthly their respective departmental expenditure with those booked in the accounts maintained by the Accountant General (A & E) before the close of accounts for a year. This also enables the Departmental officers to detect in early stages frauds and defalcations, if any, and also enables the Government to get reimbursement of the share of actual expenditure incurred on different schemes from the Government of India.

The reconciliation is heavily in arrears in some departments and specially the Agriculture Department, which have not completed verification from the year 1980-81. During 1986-87 reconciliation was not done for all the twelve months by 822 out of 169 Controlling Officers, while it was not done for varying periods of less than twelve months by 16 Controlling Officers.

The above position was brought to the notice of the Finance Department for issuing necessary instructions to all the departments for immediate completion of verification work. The total amount remaining unreconciled for the year 1986-87 was Rs. 922.17 crores approximately.

The year-wise number of wanting reconciliation certificate is given below: "

1979—80	..	..	..	..	..	17
1980—81	..	..	..	..	..	60
1981—82	..	..	..	..	..	12
1983—84	..	..	..	..	..	84
1984—85	..	..	..	..	..	137
1985—86	..	..	..	..	..	140
1986—87	..	..	..	..	..	438
Total:						888

3.8 Non-receipt of explanation for savings/excesses

The explanations for variation between grants/appropriations and corresponding expenditure were not received at all or were received in an incomplete form (January 1988) in respect of 781

heads (853 heads in 1985-86). These formed 86 *per cent* of the number of heads 907, the variations under which needed explanation. Non-submission or delay in submission of information required for the Appropriation Accounts results in the Audit Report and Accounts remaining incomplete in certain essential respects.

3.9 Drawal of funds in advance of requirement

In course of test audit (August-September 1986) of the accounts of the District Magistrate, Jalpaiguri for the period February 1985 to July 1986, the following case of drawal of funds in advance of requirement and diversion thereof was noticed:

For implementation of the Special Nutrition Programme, Government sanctioned in February 1985, Rs. 1.50 lakhs which were drawn in March 1985 evidently to avoid lapse of budget grant. Although additional fund for implementation of the scheme was asked for in August 1985 even the amount already drawn by them was not spent before December 1985 when it was diverted for payment of cash for fuel and refreshment charges not connected with the scheme.

Drawal of funds in advance of requirement with a view to avoiding lapse of provision and diversion of fund for purposes other than that for which it was sanctioned is against the financial rules.

The matter was reported to Government in December 1986; comments of the Government have not been received (March 1988).

3.10 Non-accountal of assistance in kind

The accounting procedures prescribe the valuations of assistance to the States, in kind, received from Central Government and their accountal as receipts of grants-in-aid from Central Government with per contra debit as expenditure to the programmes for which the assistance was received and used. Such adjustments for a total value of Rs. 17.15 crores could not be made in the accounts of 1986-87, in the absence of required sanction from the State Government. To this extent, there is an underaccountal of receipts and payments.

CHAPTER IV

CIVIL DEPARTMENTS AGRICULTURE DEPARTMENT

4.1 Building lying unutilised due to delay in renovation and repairs

Mention was made in paragraph 5.7 of the Report of the Comptroller and Auditor General of India 1976-77 (Civil) about underutilisation of a building complex comprising an institute, dormitory, 30 units of staff quarters, garages, godown, etc. constructed at a total cost of Rs. 7.59 lakhs. Although the complex was to be utilised for intensification of in-service training programme of village level workers, it was utilised by Home (Jails) Department since January 1972 as a Special Jail and from January 1973 for running a Wardens' Training Centre.

On being informed by the Department during evidence in July/August 1983 about the proposal to convert the buildings into a Gram Sevak Training Centre which was under the consideration of the Finance Department the Committee on Public Accounts in their thirteenth Report (1984-85) (presented to the Legislature on September 20, 1984) recommended vigorous follow up action in the matter so that the building did not remain unutilised any longer and the interest of the public was best served.

The Home (Jails) Department sought (November 1975) the building complex to be transferred permanently to their control for modernisation and expansion of Wardens' Training Institute. The Agriculture Department, however, did not agree (December 1981) to the proposal as they needed the properties for starting a Krishi Prajukti Sahayak Training Centre-KPSTC (Gram Sevak subsequently redesignated as Krishi Prajukti Sahayak) and a Dry land Research Station (DRS). Consequently, the Home (Jails) Department vacated the buildings in February 1982.

In May 1982, the Agriculture Department moved the Finance Department for sanction of Rs. 31.95 lakhs towards recurring and non-recurring expenditure for the proposed KPSTC. Due to paucity of funds and ban on recruitment the proposal was not considered during 1982-83 to 1984-85. Considering the financial constraints, the Agriculture Department recast their proposal for

three months (original proposal remaining unchanged) and moved the Finance Department in August 1985 for sanction of Rs. 15.72 lakhs including Rs. 9.71 lakhs for renovation and repairs of the buildings for opening KPSTC. That proposal also was awaiting approval of the Finance Department (July 1987).

Thus the Complex on which Rs. 17 lakhs had been spent on initial construction and subsequent addition and Rs. 4.20 lakhs incurred on security staff between February 1982 and February 1987 (information up to which available) remained unutilised for about three years even after the recommendation of the Public Accounts Committee for proper utilisation.

The matter was reported to Government (June 1987); reply has not been received (March 1988).

4.2 Wasteful Expenditure on abandonment of a scheme

Out of the amount sanctioned for Drought Relief Programme, Rs. 3.60 lakhs were sub-allotted by the District Magistrate (DM), Midnapore in cash and kind (including Rs. 0.90 lakh being cost of 60 tonnes of wheat) to the Block Development Officer (BDO), Midnapore Sadar in March 1983 for re-excavation of the old and excavation of new tanks and canals. On the strength of a resolution of "Krishi-Sech-O-Samabay Sthayee Samity" dated 14th March 1983, the BDO started re-excavation of "Kulda-Kankua Khal" on 17th March 1983 departmentally under the supervision of the Sub-Assistant Engineer (SAE) of the Block. The plan and estimates of the scheme, excluding the masonry work, for Rs. 8.71 lakhs for deepening the canal (khal) for total length of 10 kilometres had been sent to the DM by the BDO in February 1983 for approval. No technical feasibility report was, however, prepared for the scheme. The scheme was not approved by the DM for lack of technical information called for by him in April 1983. According to the BDO (May 1987), such information could not be supplied, as major portion of the work had been completed already due to urgent need in connection with drought relief. No further fund was allotted for the scheme.

By May 1983, after completing reportedly, one third of the work at a cost of Rs. 3.59 lakhs, further work was abandoned due to non-availability of funds. Neither the measurement of the work executed was recorded in the Measurement Book, nor were the Muster Rolls, on which payments reported to have been made to the daily labourers, produced to Audit. In the absence

of these documents, the extent of work done and the number of mandays of employment generated for giving relief were not susceptible of verification. In the absence of the technical feasibility report, the benefit expected from the execution of the scheme was also not ascertainable.

It was reported by the BDO (December 1986) that some silt had been deposited over the excavation already done. The execution of the scheme without technical sanction and thereafter abandoning it midway did not yield durable assets, an important criteria for selection of work for Drought Relief Programme.

The matter was reported to Government (January and June 1987); reply has not been received (March 1988).

ANIMAL HUSBANDRY AND VETERINARY SERVICES DEPARTMENT

4.3 Unproductive expenditure due to delay in procurement of a speed boat

In March 1979 Government sanctioned Rs. 7.80 lakhs (including the cost of one speed boat with accessories Rs. 7.40 lakhs) and in March 1980 Rs. 0.48 lakh for spares for establishment of one mobile veterinary dispensary in speed boat in Sandeshkhali area of 24-Parganas district under Special Central Assistance Programme for Tribal Sub-Plan Areas under Integrated Tribal Development Programme.

Government decided to procure the speed boat from Garden Reach Shipbuilders and Engineers Ltd. (GRSEL), a Government of India undertaking to suit the specific requirements of the department. Accordingly on the basis of quotation received from GRSEL in September 1979, the Director of Veterinary Services, West Bengal (DVS WB) issued work order to the firm in November 1979 for supply of the speed boat at a cost of Rs. 6.39 lakhs stipulating delivery schedule in about 10 months from the date of receipt of import licence/advance payment whichever was later and subject to payment of 90 *per cent* of the total contract price with order and balance 10 *per cent* plus price variation before despatch as quoted by the firm. No contract was executed with the firm.

In March 1979, an amount of Rs. 7.50 lakhs was drawn as advance, but the stipulated 90 *per cent* advance could not be paid

to GRSEL as there was strike in the company. The cheque was lapsed and the amount was surrendered.

In September 1979, Government sanctioned afresh Rs. 7.40 lakhs for the speed boat and Rs. 0.48 lakh for spares. The firm was paid Rs. 5.08 lakhs (90 *per cent* of the basic cost of speed boat) in July 1984 and Rs. 2.33 lakhs (balance 10 *per cent* plus price variation) in November 1984, against bills submitted by the firm in December 1983. A further sum of Rs. 0.48 lakh was paid to the firm as cost of spares in July 1984.

The boat was delivered by the firm on April 16, 1986 more than a year after the date of full payment. On April 17, 1986, when it was put to operation it developed some troubles and GRSEL took back the boat on April 20, 1986 to rectify the defects. The boat was not returned till October 1987.

Thus, due to delay in procurement of the speed boat the mobile dispensary could not be set up for the benefit of animal owners in riverine areas thereby rendering expenditure of Rs. 7.89 lakhs unproductive and defeating the very objectives of the programme.

Government stated in October 1987 that they had to incur more expenditure than sanctioned in 1979 and further added that the boat was expected to be delivered shortly and would be utilised properly.

4.4 Under-utilisation of ambulatory clinic vans due to shortage of staff

Government sanctioned Rs. 0.69 lakh in March 1979 and Rs. 1.30 lakhs in March 1980 for establishment of two ambulatory clinic vans at Malbazar and Jalpaiguri respectively in Jalpaiguri district for providing veterinary services where no other facilities existed for treatment of animals. Two jeeps fitted with vans were acquired by the District Veterinary Officer (DVO) in November 1980 and November 1984 at a cost of Rs. 0.60 lakh and Rs. 0.98 lakh respectively. Government sanctioned (November 1979) 5 temporary posts for Malbazar Clinic. While the veterinary surgeon and the compounder were appointed in May 1984 and June 1986 respectively, the posts of driver, cleaner and veterinary attendant remained unfilled. In January 1981, Government also sanctioned 4 temporary posts for Jalpaiguri Clinic, against which the driver and the cleaner were appointed in June 1987 and February 1987 respectively. However, the posts of surgeon and compounder remained unfilled. The reasons

for delay in filling up the remaining posts were not explained (September 1987).

Out of a target of 3,500 animals, 445 animals only were attended to during 1986-87 by the Malbazar Clinic, while the Clinic at Jalpaiguri did not attend to a single animal. In the meantime, Rs. 1.21 lakhs had been spent on minor repairs and pay and allowances of the staff of the two clinic vans till September 1987. The shortfall in the activities was attributed by the Government (October 1987) to shortage of staff. The vans were also reported to have been utilised with the help of drivers meant for other vehicles of DVO's office for other purposes like carriage of medicines, equipment and furniture to different veterinary hospitals and aid centres, panchayat election and meeting flood situation. The two clinic vans thus remained by and large unutilised for the purpose for which those were meant, and the total expenditure of Rs. 2.79 lakhs incurred on them became largely unfruitful.

Government stated (October 1987) that the van at Malbazar was rendering services and was being utilised for the purpose for which it was purchased though all the posts attached to that van had not been filled up and that the posts of veterinary surgeon and compounder for the van at Jalpaiguri would be filled up shortly.

4.5 Defective implementation of a scheme

Government sanctioned (November 1983) Rs. 1.64 lakhs (non-recurring-Rs. 0.35 lakh and recurring-Rs. 1.29 lakhs) for establishment of one Tuberculosis and Brucellosis Control Unit at Serampore in Hooghly district, under a Centrally sponsored scheme for systematic control of livestock diseases of national importance. According to the scheme, each cow and calf in a herd would be subjected to tests against Tuberculosis and Brucellosis twice a year and positive and negative reactors would be suitably marked; animals found positive on two consecutive tests would be declared as "positive reactors" and segregated and transported to the nearest 'Gosadan' on payment of compensation to the owners of such animals.

The unit started functioning only from January 1986 with three members of staff out of four sanctioned in October 1984. The delay was reportedly due to want of accommodation, equipment etc. According to the Annual Report for 1985-86 preliminary works of the unit were started in January 1986 in

the hospital. The equipments consisting of refrigerator, steriliser, incubator, motor cycle etc., valuing Rs. 0.27 lakh were, however, received in the unit in April 1987 from the Central Medical Stores, Calcutta.

Out of 261 cows and calves on which first Tubercular tests were done between January 1986 and June 1987, 233 cows and calves were found "negative" and 28 "positive". In case of Brucellosis, out of 707 animals tested, 656 were found negative and 33 positive. Results of tests of 18 animals were not recorded. Neither full particulars of the owners of the cows and calves subjected to tests were recorded, nor were the animals suitably marked. The prescribed second test in positive cases was not done at all. As a result neither positive reactors could be segregated as envisaged nor was the control against the spread of diseases ensured. The District Veterinary Officer stated (June 1987) that retesting of animals after 6 months posed problem as the owners of the animals being apprised of the result of the first test resented to allow second test on their animals.

In the absence of second test and follow up action like segregation and transportation, the purpose of the scheme was defeated and the expenditure of Rs. 1.13 lakhs (non-recurring: Rs. 0.27 lakh and recurring: Rs. 0.86 lakh being pay and allowances of staff up to May 1987) proved unfruitful.

Government stated (November 1987) that constant persuasion and growth of public consciousness are required to make the scheme successful. With the help of local Panchayat they are trying to apprise the owners of the animals of the benefit of the scheme so that the purpose of the scheme is achieved. Further, to identify the owners of animal a system of issuing 'Health Card' had been introduced.

COMMERCE AND INDUSTRIES DEPARTMENT

4.6 Delay in use of equipments

On the basis of quotation received (August 1981) from a monopoly firm, Superintendent, Government Printing, West Bengal placed (November 1981) an order on the firm for supply of one Mono Automatic Type Caster (cost: Rs. 2.39 lakhs) and one Automatic Universal Strip Caster (cost: Rs. 1.03 lakhs) to the West Bengal Government Press, Cooch Behar (WBGPCB). The Deputy Superintendent (DS) in charge of the Press had not,

however, placed any indents for them. These machines, supplied in May 1982 and paid for in June 1982 were installed in September 1982. But these could not be put into operation till June 1987 for want of operating staff and materials required. Although, they were not required for the Press, the Government was moved in June 1987 for sanction of the posts of operators immediately after their installation so that the machines could be operated. The posts were, however, not sanctioned due to ban on creation of new posts by the Finance Department. Thus, the machines costing Rs. 3.42 lakhs are lying idle for over five years.

The matter was reported to Government in May 1986 and July 1987; reply has not been received (March 1988).

COTTAGE AND SMALL SCALE INDUSTRIES DEPARTMENT

4.7 Development of Small Scale Industries Programme

4.7.1 *Introduction*

Small Scale Industries (SSI) comprise manufacturing, repairing and servicing units having investment in plant and machinery up to Rs. 20 lakhs (in the case of ancillary units up to Rs. 25 lakhs). These limits were revised to Rs. 35 lakhs and Rs. 45 lakhs respectively in June 1985. For creating additional employment through new SSI units, sustaining the existing employment already generated, Government implemented a number of schemes like setting up of District Industries Centres in all districts for rendering services and support in the form of loans, grants, etc. for overall development of SSI units; establishment of wider entrepreneurial base through appropriate training and package of incentives; creation of necessary support for marketing of SSI products; providing assistance for viability of sick units; modernisation of SSI units for improvement in the quantity and quality of products; creation of additional employment opportunities on a dispersed and decentralised basis etc.

Mention was made in paragraph 3.1 of the Report of the Comptroller and Auditor General of India for the year 1981-82 (Civil) about the implementation of one such scheme viz the "District Industries Centre Programme" during 1978-79 to 1981-82.

4.7.2 Pattern of Central assistance

The expenditure on the District Industries Centres is shared equally between the Central and State Governments. Against the budget provision made by the State Government, Central assistance is released. State Government then allots funds to the Director, Cottage and Small Scale Industries, West Bengal for sub-allotment to the General Managers, District Industries Centres, who draw the fund for disbursement to the beneficiaries for implementation of the schemes.

Setting up of new SSI units in backward districts is covered by the Central Investment Subsidy Scheme, the entire expenditure on which is borne by the Central Government on reimbursement basis.

Central assistance in the form of loans is also received for certain loans given to SSI entrepreneurs.

4.7.3 Organisational set-up

The Director of Cottage and Small Scale Industries (DCSSI) with field officers viz., General Managers, District Industries Centres (GMDIC) in seventeen districts and different State Government undertakings have been implementing different schemes for promotion of SSI units in the State.

For providing escort services to prospective entrepreneurs by supplementing and co-ordinating different promotional organisations to enable them to obtain, within specific time limit, various clearances required for setting up their units in five specified districts, Small Scale Industries Development Agency (SIDA) was set up in June 1983.

4.7.4 Coverage

The implementation of the schemes for development of SSI units during 1980-81 to 1986-87 was test checked (April-August 1987) with reference to records maintained in the Department, Directorate and field offices in Birbhum, Burdwan, Murshidabad, Midnapur and 24-Parganas (North and South) districts. The results of test check are set out in the following paragraphs.

4.7.5 Highlights of test check results

Actual expenditure of Rs. 1,817.25 lakhs on various schemes during 1980-81 to 1985-86 fell short of budget provision by Rs. 313.76 lakhs.

—Of Central assistance of Rs. 327.90 lakhs received for the schemes, Rs. 50.72 lakhs remained unutilised.

—Provisional certificates of registration issued to SSI units rose to 16709 in 1985-86 from 5737 in 1980-81 while issue of permanent certificates fell to 3762 in 1985-86 from 7032 in 1980-81. Decrease in permanent certificates indicated unstable conditions of industrial units set up.

—Out of Rs. 135.66 lakhs of Central Investment subsidy paid to 877 units between 1972-73 and 1986-87, reimbursable by Central Government, claims for Rs. 59.31 lakhs had not been preferred and claims for Rs. 24.10 lakhs although preferred had not yet been reimbursed. The activities of the units which received this subsidy were not evaluated.

—No evaluation was attempted of the activities of 3482 units which were paid Rs. 791.62 lakhs under State incentive schemes.

—6651 units received Rs. 535.11 lakhs as margin money loans and 941 units got Rs. 100.97 lakhs as loans under Central Loan Programme. Their performance was not reviewed. Recovery of loans from them was poor. 175 units which obtained margin money loans of Rs. 23.43 lakhs either did not start functioning or were closed.

—In four districts out of the targeted institutional finance of Rs. 10,582.52 lakhs only Rs. 6,825.22 lakhs were invested between 1980 and 1986 but neither the details of the industries set up were available nor were the activities of the units assessed.

—Institutional finance fell short of the targets. During 1983 to 1986 out of the targeted investments of Rs. 26,902.04 lakhs by three commercial banks only Rs. 19,154.64 lakhs (71 *per cent*) were mobilised. Out of 9257 applications for term loan of Rs. 17,707 lakhs received by West Bengal Financial Corporation during 1980-81 to 1986-87, 8510 cases involving Rs. 13,367 lakhs were sanctioned but only Rs. 6,950 lakhs (52 *per cent*) were disbursed and out of Rs. 614.51 lakhs composite loan sanctioned by the Corporation between 1983-84 and 1986-87, disbursement was only Rs. 396.83 lakhs or 66 *per cent*.

—Non-occupation of sheds in Industrial Estates varied between 15.6 and 53.4 *per cent*.

—Out of Rs. 749.33 lakhs, being the cost of production

of SSI units marketed by West Bengal Small Industries Corporation, Rs. 328.40 lakhs remained unrealised.

—Of Rs. 100 lakhs received by the West Bengal State Leather Industries Development Corporation Limited for the economic welfare of Scheduled Caste leather workers, Rs. 23.17 lakhs were spent on the salaries and wages of the staff of its own.

—Of targeted 10000 weavers to be brought under Intensive Handloom Development Project only 3,565 weavers were brought under the project at a cost of Rs. 136.50 lakhs.

—The Export Production Project implemented at a cost of Rs. 43.63 lakhs did not yield the desired result as only 431 looms in 4 centres out of the targeted 800 looms in 5 centres were opened and only 505 metres of cloth valued at Rs. 0.11 lakh could be exported between 1980-81 and 1986-87.

—The progress of implementation of different schemes was not monitored properly nor was an evaluation attempted of the impact of the schemes on the industrialisation and employment situation in the State.

4.7.6 Shortfall in utilisation of budget provision

Between 1980-81 and 1985-86 the budget provisions for various schemes to develop SSI units amounted to Rs. 2,131.01 lakhs against which an expenditure of Rs. 1,817.25 lakhs was actually incurred up to 1985-86. The shortfall in utilisation of budget provision was Rs. 313.76 lakhs.

4.7.7 Shortfall in utilisation of Central assistance

Out of the Central assistance of Rs. 327.90 lakhs received during 1980-81 to 1985-86 for the various schemes, Rs. 50.72 lakhs (15.47 per cent) remained unutilised.

4.7.8 Performance of District Industries Centres

The implementation of the Programme for promotion of Small, Village and Cottage Industries and providing all services and support required by the decentralised industrial units under a single roof are the responsibility of District Industries Centres (DICs) at district level. The expenditure on DICs is shareable equally by Central and State Government. Against budget provision of Rs. 432.45 lakhs during 1980-81 to 1986-87,

Rs. 452.56 lakhs were spent, and against Central assistance of Rs. 226.28 lakhs receivable during that period Rs. 218.30 lakhs were received, leaving a shortfall of Rs. 7.98 lakhs.

The DICs issue provisional certificates initially for one year of new SSI units and grant thereafter three extensions each for six months duration. Permanent registration certificates are issued only after inspection of the units set up by the entrepreneurs, on the basis of approved schemes, accepted for assistance by the financial institutions.

Out of 71,099 registration certificates issued between 1980-81 and 1985-86, 48,859 certificates (69 *per cent*) were provisional and 22,240 certificates (31 *per cent*) were permanent. The number of provisional certificates issued rose to 16,709 in 1985-86 from 5,737 in 1980-81 while issue of permanent certificates fell to 3,762 in 1985-86 from 7,032 in 1980-81. Increase in provisional certificates and decrease in permanent certificates indicated unstable condition of industrial units set up. DCSSI stated (July 1987) that in many cases units obtaining provisional certificates could not secure necessary working capital, statutory licence or requisite clearance from Government authorities.

4.7.9 Central Investment Subsidy

The Scheme for payment of subsidy (reimbursible by the Central Government) at 10 to 15 *per cent* of fixed capital investment by a unit limited to Rs. 15 lakhs, introduced by the Central Government in August 1971 for industrially backward districts, was launched by the State Government in three backward districts in 1972-73 and ten more districts in April 1983. The registered units receiving such subsidy are required to submit half yearly reports on their production and sales to the GMDICs.

There was a delay in obtaining reimbursement from Central Government, as out of Rs. 135.66 lakhs of subsidy disbursed through DICs among 877 units between 1972-73 and 1986-87, only Rs. 52.25 lakhs were reimbursed by the Central Government and claims for Rs. 59.31 lakhs were not preferred with the Government of India till June 1987. The outstanding amount includes claims for Rs. 26.09 lakhs pertaining to periods prior to 1980-81. Claims for Rs. 24.10 lakhs, preferred in the year 1986-87, had not been reimbursed up to June 1987. Reasons for not preferring claims for Rs. 59.31 lakhs were attributed to non-receipt of reimbursement claims in prescribed form from the concerned DICs.

Out of 201 units to which subsidies of Rs. 29.60 lakhs were disbursed between 1975-76 and 1982-83 in two districts, 22 units were closed within five years from the dates of receiving subsidy amounting to Rs. 2.92 lakhs. This amount, due for recovery, could not be realised (July 1987) in spite of issuing notices.

Reports on production and sales, in support of performance of 8 units in two districts which had received subsidy amounting to Rs. 7.06 lakhs in 1984-85 were not obtained. Steps were not taken at any level to evaluate the activities of the units which had received subsidy to see whether the subsidy had assisted the development of SSI in the backward districts.

4.7.10 *Subsidies under State Incentive Schemes*

Between 1980-81 and 1986-87, subsidies aggregating Rs. 791.62 lakhs financed by State Government, were disbursed to 3,482 units by the concerned CMDICs for consultancy service, rents for sheds, fixed capital investment, captive power generating sets, etc. But the economic viability of these units were never assessed to evaluate the overall impact of these subsidies (June 1987).

In spite of the report made by the Extension Officer, Industries, Jaunagar Block in February 1985 that the factory of a unit of Nimpith meant for manufacturing thermoinsulating bricks was locked up and there was no production, a subsidy of Rs. 0.73 lakh was disbursed to it in March 1985 by the DIC, 24 Parganas. The provisional registration certificate of the unit had also expired in August 1984 and it did not start functioning up to July 1987. The unit had also received (May 1981) term loan of Rs. 8.36 lakhs from the West Bengal Financial Corporation. No steps were taken to recover the subsidy and the amount of term loan from this closed unit.

No records in support of scrutiny and acceptance of utilisation certificates of Rs. 156.74 lakhs disbursed between 1980-81 and 1985-86 and stated to have been received were shown to Audit. Utilisation certificates aggregating Rs. 182.66 lakhs disbursed in the year 1986-87 to 384 units were not furnished by the concerned DICs till July 1987.

4.7.11 *Margin Money Loan Scheme*

For promotion of self-employment in industry, commerce and services, State Government sanctioned margin money loan

(10 *per cent* of the total project cost), bearing 6½ *per cent* interest for utilisation as working capital of SSI units. The remaining 90 *per cent* of the project cost was to be provided by the nationalised banks and the beneficiary units. Up to 1976-77, the entrepreneurs were to repay the margin money loan only after liquidating the bank loan. From 1977-78 to 1980-81 the margin money loan together with interest was recoverable in four equal instalments, commencing from the third year of the date of advance. Since 1981-82, the terms of recovery of margin money loan had been revised to cover the two components of the margin money for term loan and for working capital. While the recovery of margin money for term loan was to commence after liquidation of term loan or eight years whichever was earlier and the recovery of margin money for working capital was to commence from the beginning of the third year and was to be completed within four years in annual instalments.

The DICs disbursed margin money loan of Rs. 531.11 lakhs between 1973-74 and 1986-87 to 6,651 units. Of Rs. 285.05 lakhs disbursed up to 1980-81 and recoverable by March 1987 as per the terms, Rs. 25.56 lakhs (9 *per cent*) only could be realised up to May 1987. Although interest due for recovery was not calculated, Rs. 3.98 lakhs were recovered up to May 1987 towards interest. Delay in effecting recovery was mainly due to lack of information about liquidation of bank loan.

Units receiving margin money loan were either closed or did not start functioning as detailed below defeating the purpose of the loan:

Name of the District	Period of payment	Margin money loan paid (Rupees in lakhs)	Number of units to which paid	Observation
Calcutta	1973-74 to 1982-83	16.63	171	Units were already closed and as a result chances of recovery of loan had become remote.

Name of the District	Period of payment	Margin money loan paid (Rupees in lakhs)	Number of units to which paid	Observation
Burdwan	December 1980 April 1984	2.22 } 0.54 }	1	The unit meant for production of straw board for which loan was disbursed, did not start production due to defects in machine, as a result chance of recovery of loan became remote.
	June 1981	1.29	1	The unit meant for production of coke with employment potential of 64 persons, did not start production due to dispute among the partners. West Bengal Financial Corporation, which disbursed (October 1986) a term loan of Rs. 10.02 lakhs sold the assets of the unit at Rs. 12.70 lakhs and appropriated Rs. 12.49 lakhs towards repayment of loan together with interest. Thus, the chance of recovery of Rs. 1.29 lakhs became remote.
Midnapore	May 1986 "	0.73	1	In the absence of utilisation certificates (July 1987) it could not be ascertained if

Name of the District	Period of payment	Margin money loan paid (Rupees in lakhs)	Number of unitss to which paid	Observation
				the unit installed machines for processing of bread and biscuits and started production.
	November 1980	1.38	1	The unit meant for production of coal tar became sick in 1985 and remained closed for 2 years resulting in non-realisation of loan money.
	December 1981	0.64		
	Total:	23.43	175	

Prescribed inspections of the SSI units assisted by margin money loan, were not carried over by the DICs and Directorate of Cottage and Small Scale Industries nor could the Directorate produce records to indicate that the units had invested to the fullest extent of the project cost and they had been carrying out their projects with economic viability ensuring steady outturn and employment.

4.7.12 Central Loan Programme

The Central Government provided financial assistance in the form of loan to the State Government for payment of margin or seed money to SSI units in semi-urban or rural areas so as to increase employment opportunities. Ten *per cent* of total investment on a SSI project comprising fixed capital investment, pre-operative expenses and three months working capital requirement or Rs. 0.20 lakh whichever was less was to be provided as loan bearing a simple interest of 5½ *per cent* per annum and repayable after liquidation of bank loan and interest thereon or eight years whichever is earlier.

Out of Central assistance of Rs. 143.12 lakhs received between 1980-81 and 1986-87 for this purpose, Rs. 100.97 lakhs were actually disbursed to 941 units, leaving Rs. 42.15 lakhs (29 *per cent*) unspent (July 1987).

No portion of the loan together with interest was, however, recovered from the beneficiaries. Performance of these 941 units was neither ascertained nor was their existence verified by the Directorate.

4.7.13 *Support from Institutional Finance*

In West Bengal, three nationalised commercial banks acted as 'lead banks' for 16 districts for co-ordinating district development plans and sanctioning institutional finances for industrial projects selected for the purpose. Out of the targeted investment of Rs. 26,902.04 lakhs, Rs. 19,154.64 lakhs (71 *per cent*) were actually mobilised between 1983 and 1986. The amount of loans granted by financial institutions outstanding at the end of December 1986 from the beneficiary units was Rs. 49,539.44 lakhs. In four districts test checked, of the targeted institutional finance of Rs. 10,582.52 lakhs, Rs. 6,825.22 lakhs (64 *per cent*) were actually invested in the shape of loan between 1980 and 1986; reasons for shortfall of Rs. 3,757.30 lakhs were not furnished (July 1987). Neither the names and nature of the industries set up with Rs. 6,825.22 lakhs were furnished nor were the activities of these units *vis-a-vis* the impact of the running of these industries on socio-economic condition of the entrepreneurs assessed (July 1987).

Out of 9,257 applications received by the West Bengal Financial Corporation (WBFC) between 1980-81 and 1986-87 for term loan of Rs. 17,707 lakhs, 8,510 cases involving Rs. 13,367 lakhs were sanctioned and Rs. 6,950 lakhs (52 *per cent*) were disbursed. Reasons for shortfall of Rs. 6,417 lakhs (49 *per cent*) and the position of recovery of loans were not on record.

Out of Rs. 614.51 lakhs composite (fixed and working capital) loan sanctioned by the WBFC between 1983-84 and 1986-87, Rs. 396.83 lakhs were disbursed to 5,050 SSI units. Reasons for shortfall of Rs. 217.68 lakhs (34 *per cent*) and the position of recovery of loans were not on record (July 1987).

4.7.14 *Overall impact of the schemes*

Although 64,493 units were reported to have been set up in the State between 1980-81 and 1986-87, the working results i.e. production, employment and earnings of these units had not been ascertained by the Directorate as the submission of returns showing financial viability were never insisted upon from these units either by the Directorate or by the GMDICs. In the absence

of evaluation, the overall impact of the schemes remained unassessed.

In two districts, 21 SSI units receiving institutional finance of Rs. 9.05 lakhs and margin money loan of Rs. 0.52 lakh between 1977-78 and 1985-86 were found sick owing to inadequate working capital, inadequate power supply, shortage of raw materials, etc. In one of these districts, two other units in receipt of institutional finance of Rs. 6.69 lakhs and margin money loan of Rs. 0.70 lakh during 1980-81 to 1983-84 could not start functioning till June 1987 owing to paucity of raw material and power supply.

4.7.15 *Poor performance of departmental service units*

The performance of two departmental units set up to render technical services to cobblers and industrial units and assist development of Small Scale units was poor as elaborated below:

	Name of the unit	Year of setting up	Cost of setting up	Purpose envisaged	Maintenance cost (Rupees in lakhs)	Extent of assistance rendered
(i)	One footwear and one tannery unit in Calcutta	1958-59	NA	Rendering services to cobblers and machine services to leather units	21.95	The number of shoes fabricated by the footwear unit and the units benefited came down to 6887 pairs and 88 units in 1986-87 from 27072 pairs and 170 units in 1980-81. Pieces of leather processed by the tannery unit and the units serviced by it came down to 5660 pieces and 46 units in 1986-87 from 33,955 pieces and 164 units in 1980-81.
(ii)	Cutlery servicing unit, Kurseong in Darjeeling district	January 1981 (taken over from a State Government undertaking)	NA	Providing services to industrial units	4.31	The unit remained non-functional since taking over. Total expenditure of Rs. 4.31 lakhs on pay and allowances of staff from January 1981 to March 1987 proved infructuous.

4.7.16 *Census-cum-sample Survey*

A survey was started in 1981-82 to be completed within two years for updating data about industrial units and collection of latest statistics from 20,000 SSI units at an estimated cost of Rs. 8.99 lakhs, to be borne entirely by the Central Government. Although the machinery was set up in the State in 1981-82, the field work was actually taken up in 1983-84 for completion in five years. Till March 1986, 47,855 units were reported to have been surveyed at a cost of Rs. 20.11 lakhs, Central assistance received being Rs. 17.04 lakhs. The delay in field work was attributed (July 1987) by the Joint Director, SSI, to delay in recruitment of census personnel while reasons for surveying 27,855 units in excess were not furnished. Out of Central assistance of Rs. 8 lakhs received in 1986-87, Rs. 7.74 lakhs were utilised for second round of survey of 5,097 units.

The survey showed (January 1987) that out of 13,737 units surveyed, 3,078 units were not traceable, 3,425 units although traceable were closed and 617 units had not been responding. As per records made available to audit more than 50 *per cent* units were not functioning but Government assistance for these units was not indicated therein.

4.7.17 *Ancillary development by public sector enterprises*

The guidelines issued by the Central Government in 1971 and revised in 1978, for development of ancillary small scale units, by its Public Sector Enterprises (PSE) expect each enterprise to appoint an Ancillary Development Officer not below the rank of Deputy Manager and to constitute a Plant Level Committee (PLC) consisting of representatives from Cottage and Small Scale Industries, DCSSI, financial institutions and local Small Scale Ancillary Industries Association. Ancillary status is to be awarded by the PSE to the eligible SSI units assuring procurement of at least 50 *per cent* of their total requirement from these units. Out of a total of 85 Central Government PSEs in the State, 13 PSEs have constituted PLC (June 1987). Against four meetings, to be held annually in each PSE for review of the programmes, two meetings one in 1985-86 and the other in 1986-87 were held. Although Rs. 11.07 lakhs were spent between 1980-81 and 1986-87 for maintenance of an Ancillarisation Cell at Durgapur, to cover units in Asansol-Durgapur and Haldia regions, only 196 out of 1,600 enlisted units were awarded ancillary status by eight PSEs. Slow progress of ancillarisation

was generally attributed to reluctance of the PSEs in following the guidelines which were not considered obligatory.

4.7.18 *Training Schemes*

The State Government implemented a number of schemes for providing training in improved technology to artisans in different trades. The performance of these training schemes was inadequate as detailed below:

Name of the scheme	Year of setting up	Cost of setting up (Rupees in lakhs)	Purpose	Total expenditure during 1980-81 to 1986-87 (Rupees in lakhs)	Performance of the scheme
(1)	(2)	(3)	(4)	(5)	(6)
(i) Ahmedpur Engineering Training Workshop in Birbhum district	1960-61	1.05 excluding cost of building	Training of artisans in 8 Trades viz., blacksmithy, sheet metal works-turner, fitter, etc.	28.27	Out of 90 artisans trained against the target of 112, 21 were absorbed in service and 26 set up their own units leaving 43 persons (48 per cent) yet to be rehabilitated (June 1987). No trainee was admitted in 1986-87.
(ii) Cutlery Training Centre, Purulia	1956	NA	Training of 16 artisans per year for the benefit of 250 units	8.79	For providing a new 2 year training course a building was constructed (1978-83) at a cost of Rs. 6.66 lakhs. Training was not conducted at all during 1984-85 to 1986-87 for want of finalisation of new course. Thus, the building (cost: Rs. 6.66 lakhs) and the services of 5 staff to whom Rs. 1.39 lakhs were paid as pay and allowances were utilised in the office of GM, DIC, Purulia

Name of the scheme	Year of setting up	Cost of setting up (Rupees in lakhs)	Purpose	Total expenditure during 1980-81 to 1986-87 (Rupees in lakhs)	Performance of the scheme
(1)	(2)	(3)	(4)	(5)	(6)
(iii) Training in fancy leather goods in Calcutta	1861-62	NA	Two year course for 25 women	16.76	Of the targeted 75. 65 women were trained (1985-86) but their gainful employment was not watched. No training was imparted in 1986-87. As a result expenditure of Rs. 2.21 lakhs, being pay and allowances of 17 staff of the centre for that year proved infructuous.
(iv) Sports goods training centre at Baranagar in 24-Parganas (North) district	NA	NA	Annual training to 25 persons for making sports goods	11.43	Out of targeted 125 persons, 84 persons were trained. Of the 84 persons 2 had been running their own business, 3 were recommended to Bank for financing. The position of employment of the remaining 79 persons had not been ascertained (June 1987).

4.7.19 Marketing

Out of the targeted 87 rural marketing outlets for marketing the products of Cottage and Small Scale Industries, 64 outlets were set up between 1980-81 and 1986-87 at a cost of Rs. 16.81 lakhs financed by State Government. Of these, 9 outlets were found by the Joint Director of Industries, SSI to be not functioning and 2 outlets were closed between 1983-84 and 1986-87 resulting in nugatory expenditure of Rs. 2.93 lakhs, being the cost of their setting up. Marketing activities of the remaining 53 outlets,

set up at a cost of Rs. 13.88 lakhs, were not evaluated owing to non-submission of periodical returns by the Panchayat Samities.

4.7.20 *Performance of State Government Undertakings in assisting SSI units*

The performance of State Government Undertakings in assisting SSI units in the State is summarised as below:

(a) *Allocation of raw materials*

Utilisation of raw materials like, mutton tallow/fatty acid, paraffin wax, iron and steel items, hard coke and breeze coke by the SSI units between 1980-81 and 1986-87 varied between 28.89 *per cent* (mutton tallow) and 81.03 *per cent* (paraffin wax) of the total quantity allocated by Government agencies and undertakings to SSI units.

(b) *West Bengal Small Industries Corporation Ltd.*

Non-occupation of 294 sheds in 9 industrial estates constructed by the Corporation between 1981 and 1987 for SSI units varied between 15.6 *per cent* and 53.4 *per cent* during 1982 to 1987. Out of Rs. 749.33 lakhs, being the cost of production of SSI units marketed by it between 1980-81 and 1986-87, Rs. 328.04 lakhs remained unrealised. It also disbursed Rs. 56.16 lakhs between 1984-85 and 1986-87 as loan to 15 entrepreneurs for revival of their sick industries. No inspection was, however, carried out to ascertain the utilisation of loans and the extent of rehabilitation of sick units.

(c) *West Bengal State Leather Industries Development Corporation*

Of Rs. 100 lakhs received by this Corporation in March 1981 from State Government for the economic welfare of Scheduled Caste leather workers, Rs. 23.17 lakhs were diverted on the salaries and wages of its staff without any benefit to SSI units.

(d) *West Bengal Handloom and Powerloom Development Corporation*

Of the targeted 10,000 weavers to be brought under Intensive Handloom Development Project in the districts of Nadia, Malda and West Dinajpur, only 3,565 weavers were brought at a cost of Rs. 136.50 lakhs between April 1982 and July 1987 by this Corporation.

Its export production project implemented between 1980-81 and 1986-87, at a cost of Rs. 43.63 lakhs did not yield the desired

result of substantial fillip to SSI units as only 431 looms in 4 Centres out of the targeted 800 looms in 5 Centres were opened and only 505 metres of cloth valued at Rs. 0.11 lakh could be exported during those years.

(e) *The Small Industries Development Agency*

This was set up to provide escort services to prospective entrepreneurs for setting up SSI units and had been functioning in 5 districts out of 17 from June 1983. Out of 4,551 entrepreneurs interviewed during 1984-85 and 1985-86, 372 cases were sponsored. Of these 372 cases, 73 units involving project cost of Rs. 14.74 crores and employment capacity of 3,879 persons were reported to have gone into operation. Eightyseven more units involving project cost of Rs. 23.42 crores and employment capacity of 6,082 persons although reported to have been cleared by the financial institutions had not started functioning. Seventy cases were dropped due to non-inclination of the entrepreneurs and 142 cases had been under consideration (July 1986).

4.7.21 *Monitoring and evaluation*

Prescribed reports and returns were not obtained regularly from all the SSI units and as a result the progress of implementation of the various schemes could not be monitored and corrective measures, where necessary, also could not be taken. The impact of the scheme on industrialisation and employment situation in the State was not evaluated.

The matter was reported to Government (September 1987); reply has not been received (March 1988).

4.8 **Idle investment on a filature unit**

Government approved (October 1976) setting up of a 100—basin filature, comprising ancillary buildings, staff quarters, boiler house, etc. at Berhampore in Murshidabad district at an estimated cost of Rs. 27.57 lakhs for production of quality raw silk, and sanctioned a sum of Rs. 16 lakhs during 1976-77. The construction of the buildings was entrusted to the State Public Works Department which spent Rs. 15.11 lakhs between 1976-77 and 1985-86. Four staff quarters, and one Reeling-cum-Training room were taken over by the Department in May 1980 while reeling waste godown, cocoon warehouse, one staff quarter, etc. were taken over in July 1981. However, the factory building and the boiler house had not been handed over yet. The factory

building was reported to be used by the Zilla Parishad, Murshidabad.

In accordance with a revised proposal of the Director of Sericulture, Government approved installation of a 20-basin reeling machine instead of a 100-basin one and sanctioned Rs. 1.33 lakhs in January 1981 for purchase of a reeling machine and Rs. 2.20 lakhs in February 1982 for fitting and installation of steam and water lines necessary for the machine. Central Engineering Organisation, Dasnagar (a Government of India Undertaking) was given a total advance of Rs. 3.53 lakhs in March 1981 (Rs. 1.33 lakhs) and April 1982 (Rs. 2.20 lakhs) towards the cost of machine and ancillaries. The machine was not, however, supplied till July 1987 as the type of boiler required for heating was not decided (July 1987) by a Committee formed in March 1983 for the purpose. Thus, production of quality raw silk has not started (November 1987) and the total investment of Rs. 18.64 lakhs has proved idle.

Government stated (November 1987) that a part of the building used by the Zilla Parishad temporarily had since been vacated and that the machinery had since been manufactured and steps were being taken for installation of machinery and completion of ancillary works to make the filature operational.

4.9 Idle staff of a defunct reeling unit and a twisting plant

One Japanese reeling unit established in 1950 at a cost of Rs. 0.27 lakh at Berhampore in Murshidabad district having become defunct from February 1982 due to obsolescence and non-availability of spares for repair of its non-functional boiler and the nine staff members of the unit became idle since then. They were trained in twisting of yarn for their gainful utilisation and attached in a twisting plant at Berhampore.

The twisting plant at Berhampore meant for rendering services to the silk handloom weavers on payment of service charges was due for installation by March 1980 but was actually installed in March 1981 at a cost of Rs. 1.87 lakhs (cost of the machine). However, this plant could not also be utilised for over six years (October 1987) reportedly due to non-availability of yarn from the handloom weavers. Consequently, the plant and seven of its staff members posted between November 1980 and March 1984 along with the nine staff members of the defunct Reeling Unit remained out of any gainful employment over the years.

Thus, the total expenditure of Rs. 9.06 lakhs up to July 1986 (information up to which available) on the plant and on pay and allowances of 16 staff during November 1980 to July 1986 proved unfruitful.

While admitting non-utilisation of the plant and the services of the 16 staff members of the two units gainfully over the years, Government stated (October 1987) that order had been issued for utilisation of the staff in the new filature to be commissioned very soon and steps were being taken to dispose of the worn out machinery which could no longer be used.

4.10 Unproductive expenditure on handloom training centres

The Training-cum-Demonstration Centre (TCDC), Kalyani with an annual intake capacity of 24 persons under the Directorate of Handloom and Textiles was imparting training from May 1962 to persons mostly sponsored by the Powerloom Co-operative Societies. The Centre could be run with adequate training and activities till 1979-80 but due to slump in Powerloom industry and winding up of Powerloom Co-operative Societies the number of trainees started declining from 1980-81 and came down to 17 during 1981-82. The Centre became non-functional from 1982-83 as no trainee was admitted during that year, on the basis of a proposal to close it.

In September 1984, Government sanctioned Rs. 2 lakhs for setting up a new Research, Training and Design Centre for handloom at Santipur (RTDC), in which the redesignated staff of the TCDC, Kalyani were to be absorbed.

In January 1985, Government allocated the sanctioned amount of Rs. 2 lakhs to meet non-recurring expenditure of Rs. 1.25 lakhs and recurring expenditure of Rs. 0.75 lakh and revised the date of closure of the TCDC from April 1, 1982 as approved in September 1984 to January 1, 1985. In July 1985, the Handloom and Textile Directorate moved the Department for sanction of Rs. 6 lakhs to meet the non-recurring and recurring expenditure of the proposed Centre and to finalise the recruitment rules of the additional technical staff to be recruited for the Centre.

In March 1986, Government further sanctioned Rs. 3.34 lakhs (non-recurring Rs. 2.43 lakhs and recurring Rs. 0.91 lakh) and authorised the Accounts Officer of the Directorate to draw the amount in advance in abstract contingency bill and utilise it

within 60 days for setting up the RTDC. The recruitment rules for the additional technical staff were not, however, framed by the Department.

The Centre could not start functioning even by October 1987 as Rs. 3.09 lakhs out of Rs. 3.34 lakhs drawn as advance remained unspent reportedly for non-availability of suitable suppliers and want of additional technical staff who could not be recruited for three years due to non-finalisation of recruitment policy by Government.

Thus, due to the delay in winding up of the TCDC followed by delay in setting up the newly created RTDC, the expenditure of Rs. 5.34 lakhs incurred by Government on these two non-functional units between April 1982 and October 1987 proved unproductive.

The matter was reported to Government in February 1987; reply has not been received (March 1988).

EDUCATION DEPARTMENT

4.11 Avoidable expenditure on interest

With a view to ensuring timely payment of salaries to the teachers of primary schools situated within the districts of Howrah, Hooghly, Nadia, Burdwan and 24-Parganas, the State Government approved a scheme and executed an agreement with the State Bank of India on June 26, 1976. The scheme provided that the Education Department will maintain five Main accounts with the Bank at Howrah, Chinsurah, Krishnanagar, Burdwan and Alipore (hereinafter called the Link branches) for arranging payment to the teachers working in the respective districts.

The passed bills for the total amount of salaries for the teachers of the concerned district are to be forwarded to the Link Branch of the district by the Treasury Officer for credit to the Main account with it. Individual Savings Bank Accounts in the names of the teachers are to be opened with the selected branches of the Bank in the concerned district, to which on the last working day of each month credits will be afforded for the amounts of salaries shown in the lists provided by the Area officer of the Bank by debiting the respective Main Account. This would enable the teachers to draw their salaries on or after the first working day of the month following the month for which it is due. On receipt of the relative debit advices from the branches, the Link

Branch would debit the respective Main Account in its books irrespective of whether the total amount of salaries of all the teachers has been received or not from the Government at the appropriate time.

The agreement with the Bank further provided that the Bank will allow temporary overdrafts in the five Main Accounts to cover delays in receipt of the credits. The clearance of this overdraft was also guaranteed by the State Government. The overdrafts involved a liability for payment of interest by Government.

The crucial step in the scheme was the prompt sending by the Treasury Officer of the passed bills to the Link Branch for credit to the Main Account even before related debits appeared, so as to avoid overdrafts. In actual practice, there were delays in affording prompt credit to the Main Account. During January 1979 to December 1984, the delays ranged between 8 and 10 days in the 24-Parganas District. As a result, the overdrafts in accounts attracted interest of Rs. 16.33 lakhs which the Government paid in July 1987.

It was also noted that while the scheme and agreement with the Bank provided for passed bills being sent to the Bank, by the Treasury Officers, the actual practice was to deposit with the Bank, cheques drawn by Treasury Officers, and this work involving some delay was undertaken by the officers of Education Department.

The failure of the Department to deposit the cheques in time thus resulted in an avoidable expenditure of Rs. 16.33 lakhs by way of interest.

The matter was reported to Government (June 1987); reply has not been received (March 1988).

4.12 Nugatory expenditure on leasehold land not put to use

Mention was made in paragraph 38 of the Audit Report 1968 of the expenditure of Rs. 1.31 lakhs on rent up to June 1967 of a plot of land acquired on lease (1956) by the Bengal Engineering College, Shibpore for 30 years at the rate of Rs. 1,000 per month for starting Naval Architecture and Marine Engineering Course without, however, actually starting the Course. The Department dropped the idea of starting the said course in 1967 as the Indian Institute of Technology, Kharagpur had started the course. But the college continued to retain the land with a

view to starting some other courses like Water Resource Engineering, River Model Studies, etc.

The Public Accounts Committee (1972-73) in paragraph 36 of their Report (presented to the Assembly on 6th April 1973) while expressing the opinion that the plea of the Department for retention of land for other reasons sounded like shielding some bad deal, invited serious attention of Government to the huge wastage of public money and urged upon the Government to fix the responsibility for such ill planning and also to derive lessons for this total miscalculation.

The Principal, Bengal Engineering College, moved (November 1973) the Calcutta Port Commissioner (lessor) for transfer of the land on permanent basis but the proposal was not accepted (February 1974) by the Port Commissioner. The lease agreement, according to the Government Pleader (July 1974), was an absolutely one sided document as it did not include any clause giving the college any option to review the lease whereas the Port Commissioner had the absolute right to ask for vacation of the land and buildings with a six months' notice; even construction of buildings by the college was subject to permission given in writing by the Port Commissioner. Thereupon, the Department decided (January 1975) to acquire the land through land acquisition proceedings for development of the college. The Land Reforms Department which was approached for the purpose, however, informed (January 1980) that as the land belonged to the Government of India (being the superior landlord), it could not be acquired under the land acquisition law and that the transfer could be settled by negotiations.

The lease expired on 16th July 1986 but it was neither renewed nor was the land utilised or handed over to the Port authorities (May 1987). According to the Calcutta Port Trust (February 1987), the State Government would be considered as holding-over-tenant on month to month basis from 17th July 1986, with a liability to pay Rs. 10,828.59 per month as per the current rent schedule.

Thus, due to non-utilisation of the land till July 1987, Government had to incur further unproductive expenditure of Rs. 3.58 lakhs during the period from July 1967 to July 1987, including an amount of Rs. 1.35 lakhs towards holding-over-tenant charges to non-release of the land after the expiry of the lease term in July 1986. The Principal of the College stated (November 1987) that in terms of a Government order (July 1987)

the land had been handed over to the Transport Department (July 1987). Government stated in December 1987 that since the land was handed over to the Transport Department in July 1987 it could not be handed back to the Calcutta Port Trust.

FISHERIES DEPARTMENT

4.13 Expenditure on production of a film

For exhibition of the latest innovations in fish breeding technology so as to educate the fishery officers, fish farmers and fish cooperatives, the Director of Fisheries, West Bengal proposed in 1983, the production at a cost of Rs. 1.25 lakhs of a 35 mm. colour documentary film of 610 metres length subsequently raised (June 1984) to 1,220 metres with an estimated cost of Rs. 3.60 lakhs. The West Bengal State Fishermen's Co-operative Federation Limited (WBSFCFL) which was to produce the film, issued the work order for production of the film to a film maker selected on the basis of a schedule rates for production of colour films approved by Information and Cultural Affairs Department in March 1984. The production of the film was to be completed by March 1985 and in anticipation of sanction by Government, the WBSFCFL advanced Rs. 2.56 lakhs between March 1984 and February 1986 to the film maker. Government, however, sanctioned only Rs. 2.54 lakhs in February 1986 for reimbursement to the WBSFCFL and the amount was paid in March 1986. The production of the film was completed at a cost of Rs. 3.16 lakhs and handed over to WBSFCFL in March 1986, for exhibition to the target groups.

However, as the District Fishery Offices had only 16mm. projectors, the Government was approached in May 1986 to sanction Rs. 4.04 lakhs for making twenty 16 mm. reduction prints of the film. Government decided in March 1987 to entrust the WBSFCFL, with the task of production of required number of 16 mm. reduction prints of the film at their own cost for sale to District Fishery Offices at a price which was to be fixed by Government. In August 1987, Government stated that the 35 mm. film had been exhibited on different occasions to those who were connected with the development of fisheries in the State and that the 16mm. prints were not ready for exhibition.

Since the 16mm. prints are not still ready, it was not clear to audit how the film helped in educating fishermen, served by the District Fishery Offices, with facilities to project only 16 mm.

films, and how expenditure of Rs. 3.16 lakhs thereon can be considered fruitful.

HEALTH AND FAMILY WELFARE DEPARTMENT

4.14 National Leprosy Eradication Programme

4.14.1 Introduction

In 1955, the State Government launched the National Leprosy Control Programme with the financial assistance of the Government of India. The main objective of the Centrally sponsored programme was to control leprosy through domicilliary *sulphone treatment. The strategy to control the disease envisaged:

- (i) Survey and early detection of patients;
- (ii) Sustained and regular treatment; and
- (iii) Education of the patients, their families and the community about leprosy.

The entire State of West Bengal was endemic in as much as prevalence rate of all the 16 districts of the State ranged (1983) from 5 to 30 per 1000 population.

In July 1981, Government of India constituted a Working Group to evolve a strategy for eradication of leprosy from the country by 2000 A.D. On the recommendations (March 1982) of the Working Group the programme was made a time bound programme with the specific goal of arrest of disease activity in all leprosy cases by the turn of the century. The programme was also redesignated (April 1983) as National Leprosy Eradication Programme (NLEP) with new strategy providing for early detection of the disease, regular treatment with multidrug regimen, health education and public co-operation, augmentation of training, rehabilitation and welfare of patients and encouragement to voluntary organisations.

4.14.2 Organisational set up

The Deputy Director of Health Services (Leprosy) functioned as the State Leprosy Officer under the overall control of the Director of Health Services, West Bengal. Thirteen district level Zonal Leprosy Officers, provided for 17 districts of the State,

*Diamiso-diphehenyl sulphone commonly known as DDS or Dapsone.

were responsible for proper implementation of the programme at the district level.

Infrastructural set up provided (March 1987) in the State to combat leprosy consisted of 43 Leprosy Control Units, 705 Survey, Education and Treatment Centres, 53 Urban Leprosy Control Units, 32 Temporary Hospitalisation Wards in existing hospitals, 2 Leprosy Hospitals, 16 State Leprosy Clinics and 3 Leprosy Training Centres. A few voluntary organisations were also engaged (March 1987) in the State to carry out anti-leprosy activities under NLEP.

A State Level Policy Guidance Committee (SLPGC) under the Chairmanship of the Chief Minister of the State was set up (November 1983) for the guidance and surveillance of the NLEP in the State. A State Level Implementation Committee which was set up (November 1983) under the Chairmanship of the Secretary, Department of Health and Family Welfare was to act as executive instrument of the SLPGC to implement the plan and policies laid down by the SLPGC. For reviewing regularly the progress of work under NLEP and taking suitable steps for implementation of the programme, a District Level Committee for each of the districts of the State with District Magistrate as Chairman was also formed (April 1985).

4.14.3 *Audit coverage*

The accounts records of 4 districts (Bankura, Jalpaiguri, Midnapore and Purulia) as well as those of the Department and Directorate of Health and Family Welfare pertaining to NLEP were test checked in audit between April 1987 and June 1987. The points noticed in audit are mentioned in the succeeding paragraphs.

4.14.4 *Highlights*

The total expenditure incurred in the programme from 1980-81 to 1986-87 was Rs. 2315.52 lakhs, against which Rs. 256.53 lakhs were received as Central assistance. The expenditure included a sum of Rs. 39.60 lakhs provided by the foreign agencies. About 79 per cent of the expenditure was on pay and allowances.

Fifteen Temporary Hospitalisation Wards constructed at a cost of about Rs. 19.84 lakhs remained unutilised (March 1987) for more than 4 years. More than one-third

of the sanctioned posts of Medical Officers and Operational staff remained (March 1987) vacant. While more than half of the staff were untrained as on March 1987, the potential for training in the three training centres of the State remained underutilised to the extent of 52.7 *per cent* to 62.2 *per cent* between 1967 and 1987.

Even after a lapse of over 30 years since the introduction of the programme, an estimated number of 4.62 lakh patients were suffering from leprosy in the State. By March 1987, about 41 *per cent* of the estimated cases remained undetected, while 30 *per cent* of the recorded patients could not be brought under treatment. Thirty-five *per cent* of even those brought under treatment, were irregular in taking treatment.

Against the target of providing infrastructural facilities throughout the entire State by the end of Sixth Plan, about 30 *per cent* of the total population (598.9 lakhs) of the State could not be covered (1986) by such facilities.

Population survey for case detection was inadequate in as much as 19.20 lakhs (58.4 *per cent*) out of 32.90 lakhs population were not examined by the Para-Medical Workers during 1986-87 in 4 districts.

In spite of an expenditure of Rs. 174.07 lakhs in a district where multidrug regimen project was in operation from February 1982 to March 1987, 45.8 *per cent* of the registered patients were not provided with any treatment.

As a result of overstocking and consequent expiry of shelf-life of various medicines during 1980-87, State Government sustained a loss of Rs. 8.39 lakhs.

Between 1981-82 and 1986-87 medicines worth Rs. 2.28 lakhs were diverted in 5 districts for utilisation in other hospitals.

An avoidable expenditure of Rs. 2.86 lakhs was incurred during 1980-87 for purchase of medicines in excess of requirement, by one depot.

In two districts, twenty Survey Education and Treatment centres became non-functional from April 1983 due to non-availability of para-medical workers.

Submission of monthly reports by the Field Officers was erratic. Supervision of the activities under the programme by the various executing officers was inadequate.

Required meetings were not held at all levels during 1980-87 for the purpose of monitoring the programme.

It was admitted (1985) by the Directorate that the impact of the programme in the State as a whole had not been satisfactory.

4.14.5 *Financial outlay*

From 1969-70 onwards, the scheme is a Centrally sponsored scheme with 100 *per cent* financial assistance from Central Government except during the period from 1979-80 to 1980-81 when the expenditure was shared equally with the State. The maintenance cost of the units/centres established up to the end of 1977-78 became non-plan expenditure from 1979-80 for which liability is borne by the State Government.

The Budget provisions and actuals of plan expenditure as well as financial assistance received by the State Government from the Government of India from 1980-81 to 1986-87 are given below:

Year	Plan expenditure		Central assistance received
	Budget Estimate	Actuals	
	(Rupees in lakhs)		
1980-81	94.69	78.99	13.00
1981-82	24.00	51.84	40.00
1982-83	36.00	108.03	32.89
1983-84	65.87	115.23	55.00
1984-85	95.00	110.58	61.89
1985-86	150.00	213.33	13.75
1986-87	126.00	208.29	40.00
		<hr/> 886.29 <hr/>	<hr/> 256.53 <hr/>

In addition to above drugs and equipment worth Rs. 152.30 lakhs (Allocation: Rs. 106.75 lakhs) were released by the Government of India as assistance in kind during 1980-81

to 1984-85; but the amount of assistance was not adjusted in accounts of the State Government in the absence of necessary sanction and budget provisions. Further, a sum of Rs. 39.60 lakhs provided by foreign agencies during February 1982 to March 1985 was spent for implementation of a project in Purulia District. A sum of Rs. 1237.33 lakhs was also spent by the State Government as non-plan expenditure for anti-leprosy work during the period from 1980-81 to 1986-87.

4.14.6 *Analysis of expenditure*

A major portion of the total expenditure of Rs. 2,315.52 lakhs during 1980-81 to 1986-87 was on pay and allowances as analysed below:

				Total amount (In lakhs of rupees)	Percentage of total expenditure
Pay and allowances	..	..	..	1831.78	79.1
Materials/equipment	..	..	..	381.63	16.5
Others	..	..	..	102.11	4.4

4.14.7 *Non-reconciliation of figures of expenditure*

In the reports submitted to the Government of India by the Deputy Director of Health Services (Leprosy) the Plan expenditure on NLEP from 1980-81 to 1986-87 was shown as Rs. 291.82 lakhs which was computed notionally by the Directorate on average basis due to non-receipt of statements of expenditure from field offices. This resulted in a wide gap between figures of expenditure notionally computed and those actually booked in accounts by the Accountant General (A & E). No action was taken by the Directorate to compile the actual departmental figures of expenditure and to reconcile the same with the figures booked in accounts.

4.14.8 *Physical progress*

Targets fixed by Government of India for providing infra-structural facilities and achievements made thereagainst during the Sixth Plan period (1980-85) and first two years (1985-86 and 1986-87) of the Seventh Plan period are indicated below:

Sl. No.	Particulars	1980-81 to 1984-85			1985-86 to 1986-87		
		Target	Achievement	Short-fall	Target	Achievement	Short-fall
1.	Establishment of Zonal Units	5	3	2	1	-	1
2.	Upgradation of Zonal Units	8	8	-	-	-	-
3.	Establishment of Urban Units	6	4	2	46	nil	46
4.	Upgradation of Urban Units (ULC)	5	4	1	-	-	-
5.	Establishment of Training Centre	1	1	-	-	-	-
6.	Upgradation of Training Centre	2	2	-	-	-	-
7.	Maintenance of voluntary beds	2,000 (Cumulative)	nil	2,000	200	nil	200
8.	Construction of Leprosy Control Units	5	-	5	5	nil	5
9.	Construction of Training Centre	1	-	1	-	-	-
10.	Construction of THW	14	-	14	-	-	-
11.	Establishment of THW	3	2	1	3	nil	3
12.	Establishment of Sample Survey-cum-Assessment Units	2	-	2	1	nil	1
13.	Establishment of Epidemiological Surveillance Unit	1	-	1	-	-	-
14.	Establishment of SET Centres	5	5	-	-	-	-
15.	Establishment of Rehabilitation Promotion Unit	1	-	1	-	-	-
16.	Establishment of Leprosy Control Unit	-	-	-	12	-	12
17.	Establishment of Modified Control Unit	-	-	-	17	nil	17

Shortfalls were mainly due to:

- (a) non-sanctioning of infrastructural target by the State Government,
- (b) enhancement of the cost of construction,
- (c) non-selection of sites,
- (d) public resistance,
- (e) poor response from voluntary organisations towards maintenance of beds, etc.

4.14.9 *Temporary Hospitalisation Wards*

For providing proper treatment to serious, drug resistant leprosy cases in endemic areas, where facility for such treatment was meagre or non-existent, the State Government sanctioned and also accorded administrative approval (between March 1975 and December 1982) for construction of 35 separate buildings for establishment of a 20-bedded temporary hospitalisation ward in each of the 35 existing hospitals at a total estimated cost of Rs. 44.16 lakhs. Between September 1977 and March 1983 construction of 22 buildings was completed (cost: Rs. 28.26 lakhs) and these were handed over to the Superintendents of the respective hospitals. While construction of 4 buildings was in progress (June 1987) the construction of remaining 9 buildings could not be taken up due to non-selection of sites and public resentment.

Twenty out of twentytwo completed buildings were sanctioned for opening between September 1977 and January 1985. Seven wards had started functioning between September 1977 and November 1983 while 11 wards could not start due to shortage of Medical Officers and staff and also due to public resistance. The remaining 2 buildings were utilised by the hospital authorities for other purposes (as maternity ward and store room of the hospitals). Thus, out of 22 completed buildings, 15 constructed at a cost of about Rs. 19.84 lakhs had remained unutilised for the purpose for which they were constructed for more than 4 years (March 1987).

Mention about non-utilisation of certain hospital buildings has also been made in paragraph 3.7 of the Report of the Comptroller and Auditor General of India for the year 1983-84 (Civil), Government of West Bengal.

4.14.10 *Leprosy Rehabilitation Promotion Unit*

This unit, proposed (February 1984) to be established by

the Government of India at a cost of Rs. 14 lakhs during the Sixth Plan period for rehabilitation of leprosy patients could not be set up (October 1987) on account of delay in selection of site.

4.14.11 *Reconstructive Surgery Units*

For providing facilities for reconstructive surgery to deformed leprosy patients the State Government sanctioned Rs. 1.50 lakhs between December 1974 and August 1976 for setting up of six such units in five districts of the State. However, only two were opened. The reasons for which the rest could not be opened were not stated (October 1987) by the Directorate.

The unit set up in Bankura in 1976 did not function for 3 years (1983 to 1985) due to non-availability of a specialist surgeon, while the unit at Howrah could not start functioning for want of Medical Officer and adequate number of nursing staff. Out of Rs. 0.25 lakh allotted (December 1975) for the establishment of a unit in Howrah Hospital, Rs. 0.19 lakh was spent (March 1976) towards acquisition of equipment which was diverted for utilisation in general operation theatre of the hospital.

Nine hundred and eighty deformed leprosy patients could not be provided with reconstructive surgery in 3 districts (Midnapore, Jalpaiguri and Purulia) in the absence of facilities for reconstructive surgery in the districts.

4.14.12 *Manpower*

The success of NLEP depended primarily upon a band of dedicated and well-trained workers. Of the total sanctioned strength of 2726 key posts (Medical Officer: 142 and other operational staff: 2584), men in position (March 1987) were 1736, (Medical Officer: 80 and other operational staff: 1656). Non-filling up of 990 or 38 *per cent* of the posts was attributed to dearth of willing Medical Officers and shortage of other workers.

Out of 80 Medical Officers and 1656 other operational staff, only 623 (Medical Officer: 16 and others: 607) or less than half the manpower were trained in leprosy treatment.

4.14.13 *Training Centre.*

State Government opened three leprosy training centres one each at Calcutta (May 1975), Howrah (January 1978) and Bankura (June 1966) for imparting training on anti-leprosy work

to Medical Officers (MO), Para-Medical Workers (PMW) and Non-Medical Supervisors (NMS).

Against training capacity of 1050 personnel (MO: 280, NMS: 280 and PMW: 490) of the two training centres at Calcutta and Howrah relating to the period from 1980 to 1986, only 554 personnel (MO: 93, NMS: 80 and PMW: 381) were admitted which resulted in underutilisation of the centres to the extent of 52.7 per cent. Training capacity of the other training centre at Bankura remained underutilised to the extent of 62.2 *per cent* during 1967 to 1987 (i.e., 449 persons trained against capacity of 1225 persons in 35 courses). According to MOs (April and January 1987) in charge of the training centres of Calcutta and Bankura, underutilisation of training capacity was due to non-availability of hospital facilities and inability of the State Government to depute adequate staff for training purpose.

Of 1003 trainees who were given training between January 1967 and January 1987 in the three training centres at an expenditure of Rs. 38.14 lakhs, 120 trainees could not successfully complete the training course. Against 1157 days practical training to be given in field by LTC, Howrah during November 1981 to March 1987 as per syllabus, 1050 days (90.7 *per cent*) field training could not be conducted due to breakdown of one vehicle for 36 months between April 1984 and March 1987 and utilisation of another vehicle of the LTC from August 1979 to December 1985 in a State Government Hospital and on a project at Purulia.

4.14.14 *Detection and Treatment*

Each State was given certain targets by the Government of India in respect of (i) new cases to be detected and brought under treatment and (ii) number of patients to be discharged as disease arrested or cured during each year.

Achievements of the State against these targets during 1980-81 to 1986-87 were as below:

Name of the Activity	Sixth Plan period 1980-81 to 1984-85			First two years of Seventh Plan (1985-86 and 1986-87)		
	Tar- get	Achie- vement	Short- fall	Tar- get	Achie- vement	Short- fall
	(Figures in lakhs)					
Case detection	2.65	1.36	1.29	0.70	0.65	0.05
Case treatment	2.65	1.11	1.54	0.70	0.59	0.11
Case discharge	0.60	0.14*	0.46	0.50	0.89	—

*Pertains to the last two years 1983-84 and 1984-85 only.

The reasons for shortfall were not stated (October 1987).

At the end of March 1987, estimated number of leprosy cases in the State was 4.62 lakhs of whom 1.89 lakhs or 41 *per cent* were not detected and brought on record. Of the recorded cases (2.73 lakhs) as at the end of 1986-87, 0.81 lakh patients or 30 *per cent* could not be brought under treatment the reasons for which were not stated (October 1987). During 1982-83 to 1986-87, number of additional cases detected varied between 0.23 lakh and 0.39 lakh and those brought under treatment varied between 0.17 lakh and 0.34 lakh. Number of cases discharged from 1982-83 to 1984-85 and during 1986-87 was not significant, and ranging from 0.05 lakh to 0.27 lakh. Out of 0.62 lakh patients discharged during 1985-86, 0.23 lakh were discharged due to cure, death or otherwise. The reasons for deletion of remaining 0.39 lakh patients as cured from records were not stated (October 1987).

About 30 *per cent* of the total population (598.9 lakhs) of the State could not be covered (1986) by the available infrastructural set up although it was contemplated to cover the entire State by the end of the Sixth Plan. 82.78 lakhs out of 124.25 lakhs population could not be covered (March 1987) under NLEP in 3 (Bankura, Jalpaiguri and Midnapore) out of 4 districts test checked.

During 1986-87, against the norm of 32.90 lakhs population to be examined as per existing norms, by Para-Medical Workers of 4 districts test checked, 19.20 lakhs (58.4 *per cent*) population were not examined. This was attributed mainly to inadequacy of Para-Medical Workers, lack of supervision and paucity of funds under travelling allowance.

A report of the Directorate disclosed (1985) that about 35 *per cent* of the patients was not taking regular treatment which was essential for the arrest of the disease.

Of 0.65 lakh patients who were under treatment at the end of March 1987 in 4 districts test checked, 0.24 lakh (36.9 *per cent*) patients were irregular in getting treatment. Necessary retrieval action to get them back for treatment was not taken during 1986-87 in one district (Bankura) while in another district (Purulia) such action was wanting in 75 *per cent* cases during 1986-87. In the remaining 2 districts (Midnapore and Jalpaiguri), no records were made (June 1987) available to show the action taken in this regard.

At the end of March 1987, bacteriological status of 0.41 lakh out of 0.65 lakh patients of 4 districts test checked remained

unknown owing to inadequate laboratory facilities. Of 0.16 lakh patients under treatment (March 1987) in one district (Bankura), case records of patients were found (June 1987) incomplete which, adversely affected the treatment.

4.14.15 *Multidrug Regimen Project*

This project envisaged treatment of leprosy patients with a combined therapeutic regimen (Rifampicin, Clofazimine and Dapsone) in place of dapsone monotherapy. It was introduced in Purulia District of West Bengal from February 1982 with the financial assistance of SIDA (Swedish International Development Agency) and technical and administrative support of WHO (World Health Organisation) mainly with a view to rendering all infectious cases into non-infectious and ensuring early detection and providing adequate and regular treatment to all patients for curing them in a short period by effective chemotherapy.

The intensive phase of the project was implemented from February 1982 to March 1985 when the assistance of Rs. 39.60 lakhs provided by SIDA were spent. Maintenance phase of the project which was to continue for 3 years was started in the district from April 1985 with cent *per cent* financial assistance of the Government of India. In addition to fund provided by SIDA, a sum of Rs. 134.47 lakhs or a total sum of Rs. 174.07 lakhs, was spent from February 1982 to March 1987 by the State Government on the project.

Intensive phase of the project was not preceded by essential preparatory work as contemplated. At the start of the project 35 out of 129 sanctioned posts of officers and operational staff were lying vacant while 16,600 out of estimated number of 46,250 cases or 36 *per cent* remained undetected against required 80 *per cent* case detection.

Of the total 44,286 patients registered for treatment during intensive phase, 13,632 patients were administered multidrug therapy and 15,771 patients were given dapsone-monotherapy while the rest were given no treatment although both the types of treatment were simultaneously in operation in the district during the period.

Despite engagement of 12 teams for case detection in the district, an estimated number of 15,839 patients remained undetected at the end of intensive phase.

During maintenance phase fresh efforts were to be made by the NLEP staff to detect and treat the remaining newly developed

or immigrant cases in the district so that all the potential source of infection was brought under multidrug therapy. Against total 19,228 registered patients at the end of March 1987, 10,418 patients were so brought while the rest or 45.8 *per cent* were not provided with any treatment following discontinuance of dapsone monotherapy in the district from January 1986. Non-provision of any treatment to such a large fraction of the registered patients even after five years was attributed (June 1987) to the reluctance of the patients to seek treatment, absence of motivation and social stigma.

Adjustment vouchers for Rs. 1.13 lakhs in support of expenditure incurred during maintenance phase through personal Deposit Account could not be produced (June 1987) to audit. No cash book was also maintained for the purpose by the Project Officer.

4.14.16 *Laboratory Services*

For providing facilities for bacteriological examination (smear test, etc.) of leprosy patients under NLEP, positioning of trained Laboratory Technician (LT), as well as supply of microscope and necessary chemical reagents were essential. However, against 89 posts of LTs created by the State Government, men in position (March 1987) were only 45, of whom only 7 were trained in recognised training institutes. The significant number (84.4 *per cent*) of LTs remaining untrained was attributed to absence of training facilities in the State.

In 6 leprosy control units of 3 districts (Bankura, Midnapore and Jalpaiguri), no bacteriological examination of patients could be undertaken for periods ranging from 3 years to 9 years between April 1977 and March 1987 due to non-availability of either LTs or microscopes or chemical reagents or delay in repairing the defective microscopes. During this period, an infructuous expenditure of Rs. 2.72 lakhs was incurred on pay and allowances of 5 LTs whose services could not be utilised in 5 out of these 6 units. The services of the LT Midnapore, were utilised for other official work from April 1982 to March 1987 due to non-availability of a microscope.

4.14.17 *Medicines*

Dapsone, Rifampicin and Clofazimine were the recommended specific medicines for the treatment of leprosy, besides other supporting drugs. Government of India supplied bulk of the

required medicines. During the period from 1980-81 to 1986-87 medicines worth Rs. 213.04 lakhs were procured from the Government of India while medicines worth Rs. 74.39 lakhs were purchased by the State Government.

While the units in the districts were short of medicines, there was abnormal delay (14 to 21 months) between January 1985 and November 1986 in lifting a quantity of 2.05 crores of Dapsone tablets from the stock of Government of India.

As a result of expiry of the period of preservation of various medicines between 1980-81 and 1986-87, Government sustained a loss of Rs. 8.39 lakhs being the value of time-barred medicines stocked at Bagbazar (Calcutta) Depot. It arose due to overstocking of medicines purchased by the State Government. A verification of bin cards of 5 medicines stored in Bagbazar Depot revealed that an avoidable expenditure of Rs. 2.86 lakhs was incurred for the purchase of these medicines during 1980-81 to 1986-87 as the stock of these medicines (cost: Rs. 8.67 lakhs) held by the Depot at the beginning of 1980-81 was more than adequate to meet the requirement of the quantity (cost: Rs. 6.04 lakhs) actually distributed by the Depot during the same period. Tablets valued at Rs. 2.28 lakhs were diverted (June 1986) for use in other hospitals, while tablets worth Rs. 0.94 lakh became unfit for treatment, because of expiry of shelf life.

In three districts (Bankura, Midnapore and Purulia) test checked, medicines worth Rs. 0.99 lakh lost their potency during 1983-84 to 1986-87 owing to failure on the part of the district authorities to utilise them within the prescribed period of preservation. Medicines worth Rs. 0.11 lakh were not accounted for in the stock registers of 13 clinics to whom the medicines were issued during 1981-82 to 1986-87 and the matter was said to be under investigation. During 1981-82 to 1986-87, general medicines worth Rs. 0.70 lakh obtained for the treatment of the leprosy patients were diverted for utilisation in other hospitals of three districts (Midnapore, Jalpaiguri and Purulia).

4.14.18 *Health Education*

Under NLEP health education was to be augmented specially to remove social stigma and ostracism associated with the disease. Pamphlets, posters, booklets, cards, slides and short films were to be produced and distributed and publicity of leprosy eradication work was to be undertaken.

Out of Rs. 8 lakhs approved by the State Government

during 1984-85 (Rs. 3.00 lakhs), 1985-86 (Rs. 2.50 lakhs) and 1986-87 (Rs. 2.50 lakhs), Rs. 3.52 lakhs could not be utilised mainly due to delay in sanctioning of funds by the State Government. Against funds aggregating Rs. 1.04 lakhs allotted to three districts (Bankura, Midnapore and Purulia) during 1985-87, Rs. 0.17 lakh remained unspent. No fund was allotted to Jalpaiguri district for the purpose up to March 1987.

Various health education materials (film strip-cum-slide projectors, booklets and slides) worth Rs. 0.35 lakh remained undistributed as on April 1987 for over 5 years since their acquisition in 1980-82. Two slide projectors remained idle in Bankura district during a period of 7 years from 1980-81 to 1986-87 for want of battery and electricity. No stock register of health education materials was maintained in Bankura and Purulia districts. The DPO of Purulia district stated (March 1987) that supplies of materials on health education in the district were far below the requirement.

4.14.19 *Other points of interest*

(1) Although funds aggregating Rs. 10 lakhs were provided by Government of India for construction of 5 leprosy control units during 1980-81 to 1984-85 the construction work could not be undertaken (March 1987) due to non-selection of sites and enhancement of the cost of construction compared to ceiling of Rs. 2 lakhs per unit fixed by Government of India. During 1980-87, activities of 53 clinics in Bankura district were undertaken under the trees for want of pucca accommodation and this resulted in savings of Rs. 1.34 lakhs provided for payment of rental charges for the clinic during the period. Ten out of 40 clinics of Jalpaiguri district were not opened (March 1987) since inception (1978) due to non-availability of workers.

(2) No records were available to show that work of survey and examination of population carried out in four urban Leprosy Control Units of Jalpaiguri (2) and Midnapore (2) districts during 1980-87.

(3) Survey Education and Treatment Centres (SET) were to be set up in endemic areas where Leprosy Control Units could not be established for carrying out the needed leprosy control work.

Although the reports of the Directorate exhibited that 140 SET Centres were in operation (March 1987) in two (Midnapore: 70 and Jalpaiguri: 70) out of four districts test checked, audit

found (June 1987) that nineteen SET Centres (Midnapore: 15 and Jalpaiguri: 4) were not set up at all and twenty SET Centres (Midnapore: 5 and Jalpaiguri: 15) became non-functional from April 1983 due to non-availability of medical workers. In Midnapore district, five SET Centres were set up between March 1983 and February 1987 in areas which were already covered by Haldia Leprosy control unit while there was delay of about 1 year to 7 years in setting up of 31 centres during 1980-81 to 1986-87. No bacteriological examination (smear test, etc.) for patients treated by SET Centres of the two districts during 1980-87 was conducted in the absence of any arrangement for such examination. Consequently, bacteriological status of the patients remained unknown. Between 1980-81 and 1986-87, 5 SET Centres in Jalpaiguri district had no stock of essential drug (Dapsone) required for the treatment of leprosy patients for the periods ranging from 2 years to 5 years 7 months for which patients could not be provided with prescribed treatment by the Centres. Performance of other important activities of the SET Centres e.g. examination of the prescribed quantum of population, monitoring the daily drug intake by domicilliary visits, initiation of defaulters' retrieval action etc. were found to be uneven. In several cases, prescribed registers were not maintained nor reports submitted regularly. Inadequacy of trained staff, non-availability of full time Medical Officer and lack of supervision by senior officers were responsible for the deficiency.

4.14.20 *Voluntary Organisations*

Voluntary organisations engaged in the State on anti-leprosy work under NLEP were entitled to grants-in-aid for carrying out their activities on fulfilment of certain conditions. As records were not maintained by the Department/Directorate systematically, audit could not ascertain the total amount of grants released and the particulars of utilisation certificates received during 1980-81 to 1986-87. Test check, however, revealed that during 1980-81 to 1986-87, seven organisations of three districts (Bankura, Midnapore and Purulia) received grants-in-aid aggregating Rs. 33.31 lakhs (State : Rs. 23.19 lakhs and Central : Rs. 10.12 lakhs) of which utilisation certificates for Rs. 13.22 lakhs for the period up to 1985-86 relating to State grants were not furnished (June 1987). Between 1978-79 and 1983-84, grants-in-aid to the extent of Rs. 0.89 lakh sanctioned to an organisation (Midnapore) for purchase of a jeep (Rs. 0.52 lakh) and maintenance of the

vehicle (Rs. 0.37 lakh) were irregularly spent on payment of hiring charges of a vehicle.

The organisations receiving grants-in-aid from Government were not to charge the patients for services rendered. However, one voluntary organisation (Purulia) which received grants-in-aid totalling Rs. 5.85 lakhs from 1980-81 to 1986-87 realised Rs. 6.45 lakhs as fees from the patients for rendering services during the same period.

4.14.21 *Reports/Returns*

According to the existing procedure the progress of activities under the NLEP was required to be reported monthly, quarterly and annually by the field units which were to be consolidated and reported to the Central Government.

The Directorate did not maintain records properly to confirm that the reports sent to the Central Government were based actually on the reports of all the field offices. Test check of the monthly reports for the year 1985-86 revealed that 4 out of 13 Zonal Leprosy Officers (ZLOs) did not submit reports throughout the year while there was delay of about 2 to 9 months by other 9 ZLOs in submitting the reports.

Scrutiny of monthly progress reports submitted between 1984-85 and 1986-87 by the ZLOs of two districts (Midnapore and Jalpaiguri) revealed that these reports did not include information in respect of 4 to 13 field units. The annual report for 1986-87 in respect of one district (Midnapore) contained gross mistakes in computing the number of registered patients while the same in respect of another district (Purulia) did not include the report of one out of 5 Leprosy Control Units of the district. The district authorities did not keep watch over the timely receipt of the reports/returns nor adequate follow up actions was taken to obtain the wanting data.

4.14.22 *Supervision*

Supervision of field units by senior Officers of the districts test checked was found to be inadequate. Except on one occasion, the State Leprosy Officer never visited the district of Jalpaiguri during 1980-87. Assistant Chief Medical Officers of Health who held additional charges of the posts of ZLOs in two districts during January 1983 to August 1984 (Purulia) and December 1982 to March 1987 (Bankura) conducted only very limited supervision over the field units. Shortfall in conducting supervisory inspection in one district (Bankura) was to the extent of 40 *per cent*.

4.14.23 *Monitoring and Meetings*

No monitoring cell was set up (June 1987) in the Directorate and funds (Rs. 2.50 lakhs) provided by the Government of India during 1984-85 for strengthening monitoring cell remained (June 1987) unutilised.

During a period of 3 years 5 months from November 1983 to March 1987 the State Level Policy Guidance Committee held only one meeting in February 1985. Two meetings were held (February 1985 and June 1985) by the State Level Implementation Committee during the same period. By April 1987, this Committee had not met for over 20 months to monitor the progress of the NLEP, reasons for which were not stated (October 1987).

To review the progress on NLEP no annual meeting of leprosy workers was held during a period of 7 years from 1980-81 to 1986-87 except once in September 1984. The Directorate was not aware (June 1987) whether all the District Level Committees (DLC) were actually meeting regularly to monitor the progress of work under NLEP. In 4 districts test checked, no meeting of the DLCs was at all held (March 1987), nor the ZLOs of 3 districts (Bankura, Jalpaiguri and Midnapore) held the prescribed quarterly meetings during 1980-81 to 1986-87. Medical Officers in charge of Leprosy Control Units of 2 districts (Jalpaiguri and Purulia) did not hold the required monthly meetings to monitor the progress of work.

4.14.24 *Impact of the Programme*

Prevalence rate of leprosy in the State came down from 10.7 per 1000 population in 1982-83 to 7.37 per 1000 population in 1985-86. The Directorate, however, observed (1985) that the impact of the programme in the State as a whole had not been satisfactory.

4.14.25 *Evaluation*

For the first time since launching of the programme in 1955, NLEP was independently evaluated (February 1986) by a team. It observed that large vacancies were existing at different levels, untrained workers were engaged in programme activities, vehicles were not road-worthy and laboratory services were the weakest link of the programme. Particulars of steps taken by the State Government to remove these difficulties were not furnished (October 1987).

4.15 National Programme for Control of Blindness

4.15.1 *Introductory*

The National Programme for Control of Blindness (NPCB), introduced by Government of India in 1976-77, is being implemented in the State from 1980-81 for prevention of blindness. The activities envisaged under the Programme for reducing the incidence of blindness from 1.4 *per cent* in 1975 A.D. to 0.3 *per cent* in 2000 A.D. were, (i) wide dissemination of information about eye-care, (ii) orientation of teachers, social workers and students on the problems of eye-care, (iii) augmentation of ophthalmic services so as to provide relief to the community in shortest possible time on the basis of eye-camp approach and (iv) establishment of permanent infrastructure for community oriented eye-health care at peripheral (Primary Health Centres), intermediate (Hospitals, Colleges, etc.) and central (Regional Institutes Ophthalmic Department of the Colleges, etc.) levels. The Central Government was to provide cent *per cent* financial assistance for these activities besides supply of certain equipment received under foreign aid programme free of cost. One time assistance for purchase of equipment for different activities was, shareable between the Centre and the State at different proportions, the Central share varying between 2.25 and cent *per cent*.

4.15.2 *Physical Progress*

Targets and achievements for permanent infrastructure at Central, intermediate and peripheral levels between 1980-81 and 1986-87 were as below:

Level	Nature of infrastructure	Target (Number)	Achievement
Central	(i) Establishment of Regional Institute of Ophthalmology	1	1
Peripheral	(ii) Establishment of Mobile Unit	3	3
Central	(iii) Establishment of Ophthalmic Training School	3	3
Intermediate	(iv) Upgradation of Medical College	6	6
	(v) Upgradation of District Hospitals	15	15
Peripheral	(vi) Upgradation of Primary Health Centres (PHC)	235	235

4.15.3 Organisation

Assistant Director of Health Services, Ophthalmology, West Bengal (ADHSOWB) under the Directorate of Health Services, West Bengal is in charge of the State Ophthalmic Cell and responsible for allocation of funds and co-ordination of the implementation of the programme at different levels. Regional Institute of Ophthalmology was set up at Calcutta for overseeing the implementation of the programme in the Eastern Region with the Director (DRIO), in charge of the Institute. At the district level, the programme is being implemented by the Chief Medical Officers of Health and the District Medical Officers while the Block Medical Officers of Health implement the programme at the Primary Health Centre (PHC) level. The State Implementation Committee consisting of the Health Minister of the State, official and non-official members representing State Health and other concerned Departments, etc. is to review the progress of the programme periodically while the Committee at the PHC level is to ensure follow-up actions in operation cases and keep a watch over the manner of rendering eye-care to the people.

4.15.4 Test Check

Records maintained in the Department/Directorate and in the field offices in Bankura, Bardhaman, Malda and Murshidabad districts for the period from 1980-81 to 1986-87 were test checked, results of which are mentioned in the succeeding paragraphs.

4.15.5 Highlights of Audit test check

The State Government received Central assistance of Rs. 186.55 lakhs during 1980-81 to 1986-87 on the scheme, of which Rs. 169.61 lakhs were spent leaving Rs. 16.94 lakhs unspent at the end of March 1987. Details of Central assistance received in kind were not available.

— Regional Institute of Ophthalmology, Calcutta maintained at a cost of Rs. 9.23 lakhs did not render the services envisaged under the programme.

Equipment worth Rs. 4.74 lakhs remained unutilised.
— Two mobile units set up at a cost of Rs. 8 lakhs and maintained at a cost of about Rs. 18 lakhs between 1981-82 and 1986-87 failed to provide the expected comprehensive eye-care facilities.

— In three medical colleges, the Departments of

Ophthalmology were converted into Departments of Community Ophthalmology but they did not render all services envisaged in spite of outlay of Rs. 22.83 lakhs.

— Out of 235 Primary Health Centres upgraded, 88 were not provided with opthalmic assistants needed for such upgradation. Activities like opthalmic services to pre-school going children, educating masses for visual health, assisting mobile units in setting up eye camps and follow-up of opthalmic cases attended to, were not done by the upgraded centres.

— Utilisation certificates were not received from 63 Voluntary Organisations in four districts for grants totalling Rs. 5.80 lakhs, out of 64 organisations which received grants of Rs. 5.92 lakhs.

— Although the programme had been implemented for more than 6 years and expenditure of Rs. 182.81 lakhs incurred, the impact of the programme on control of blindness was not evaluated.

4.15.6 Total expenditure and unspent Central assistance

Out of total Central assistance of Rs. 186.55 lakhs received between 1980-81 and 1986-87, Rs. 169.61 lakhs were spent on the programme, leaving Rs. 16.94 lakhs (9.08 *per cent*) unspent (July 1987). The expenditure borne by the State Government during that period was Rs. 13.20 lakhs resulting in a total expenditure of Rs. 182.81 lakhs on the programme. As to the non-utilisation of Central assistance, it was stated (June 1987) that expenditure depended on progress of different development works and on the efficiency of the activities of existing services.

4.15.7 Non-availability of details of Central assistance in kind

ADHSOWB could not furnish details of the Central assistance received in kind (equipment, instruments, etc.) which was also envisaged in the scheme.

4.15.8 Underutilisation of fund in field offices

In one field office in Calcutta and other offices in 4 districts, out of Rs. 26.56 lakhs allotted between 1983-84 and 1986-87, Rs. 15.76 lakhs were drawn and spent, leaving Rs. 10.80 lakhs (40.66 *per cent*) unutilised owing to delay in allotment of funds and delay in finalisation of tender formalities.

4.15.9 *Regional Institute of Ophthalmology*

(a) For evolving and demonstrating methods of delivery of community opthalmic care services, co-ordinating eye-care services at various functional levels, providing facilities for teaching and training, demonstrating eye bank procedures, stimulating and providing facilities for research and developing documentation and reference centre, the Regional Institute of Ophthalmology (RIO) Calcutta was established in 1979. Although it is a Regional Institute and expected to cover activities under the programme in all the States in the eastern region, it had so far extended services only in West Bengal. A Management Board consisting of 11 members was constituted in 1979 for the management of the activities of the RIO.

Against 21 faculty members sanctioned for the RIO, members in position varied between 6 (1979-80) and 11 (1986-87). Against the sanctioned strength of 250, 215 eye-beds were opened in 1979-80. The extent of utilisation of beds was not furnished by the Director (June 1987).

Against the targeted 42,200 cataract operation cases between 1981-82 and 1986-87, 13,890 cases were achieved; reasons for shortfall of 28,310 cases (67 *per cent*) were not stated (June 1987). One thousand seven hundred twenty three cases of Glaucoma operations were done in the RIO during 1981-82 to 1986-87; but no target had been fixed. To measure this performance, other services viz., evolving and demonstrating methods of delivery of community eye-care, co-ordinating such services at various functional levels, etc. envisaged were not rendered. The Board held only three meetings during 1979-80 to 1981-82 after which no meetings were held at all.

Thus, the RIO maintained at a cost of Rs. 9.23 lakhs between 1980-81 and 1986-87 did not render the services envisaged under the Programme.

4.15.10 *Idle equipments*

Thirteen sets of equipment viz., Optikonoftal Hooligiaspa, Video, Camera, Applanation tonometer, contact lenses manufacturing kits, etc. purchased between March 1984 and March 1986 at a cost of about Rs. 4.74 lakhs remained unutilised.

4.15.11 *Mobile Eye-care Units*

For adopting comprehensive eye-care approach including survey for prevalence of various eye diseases and blindness,

educating people for prevention of blindness providing medical and surgical treatment etc., three Mobile Eye-care Units were set up in September 1979 in RIO Calcutta, Bankura Sanmilani Medical College (BSMC) and North Bengal Medical College (NBMC) at a total cost of about Rs. 12 lakhs. Each of these units was provided with one mini bus, one truck, camp-materials, ophthalmic equipment and instruments and 15 staff.

The two units attached to the RIO, Calcutta and BSMC were maintained at a cost of Rs. 18 lakhs between April 1981 and March 1987. Against the targeted 42,200 and 8,000 cases of cataract operations, 13,890 and 4,858 operations were done between 1981-82 and 1986-87. Reasons for shortfall were not furnished. Other activities viz., survey, education, etc. envisaged were not done by these two units.

Thus, the two units set up at a cost of Rs. 8 lakhs and maintained at a cost of about Rs. 18 lakhs failed to achieve a comprehensive eye-care approach.

Information about the unit attached to NBMC was not available.

4.15.12 Ophthalmic Assistant Training School

For providing a 2-year training course to the Ophthalmic Assistants who are expected to carry out eye-health education activities, to assist Medical Officers of PHCs/Ophthalmic surgeon in estimation of refractive errors and to carry out common ophthalmic diagnostic procedures, three training Schools were set up in RIO, Calcutta, BSMC and NBMC in September 1981 and April 1983.

Total expenditure incurred on the maintenance of 2 of these Schools in Calcutta and Bankura between 1981-82 and 1986-87 was about Rs. 10.67 lakhs. Against 240 Assistants to be enrolled in 2 Schools in Calcutta and Bankura 191 were enrolled between September 1981 and December 1986. Of 191 Assistants enrolled, 136 came out successful, 34 had deserted the training and 21 were continuing with the training. Reasons for shortfall in enrolment of 49 Assistants were not stated. Similar information about the training school attached to NBMC was not available.

4.15.13 Upgradation of Medical Colleges

For providing specialised ophthalmic care to referred cases, participating in teaching, training and continuing education, field-based ophthalmic care activities and basic and applied

research activities and also for providing professional support to the practising ophthalmologists, the Departments of Ophthalmology in the Medical Colleges were converted into the Departments of Community Ophthalmology. For the purpose, the Colleges were to be provided with maximum of 75 beds for eye patients, minimum of 7 faculty members and one time assistance of Rs. 10 lakhs for equipment.

Records of three (of 6) Colleges—Bankura Sanmilani Medical College (BSMC), Bardhaman Medical College (BMC) and Nil Ratan Sarkar Medical College (NRS MC) taken up for conversion in 1981-82, 1983-84 and 1985-86 respectively showed that of Rs. 30 lakhs to be spent for equipment, Rs. 8.94 lakhs were spent between 1982-83 and 1986-87 and only BSMC was equipped with necessary instruments. In these colleges, only 15 faculty members were posted out of 21 admissible. In BSMC and NRS MC out of 68 staff sanctioned only 40 were in position (information about BMC not furnished).

Out of 265 beds sanctioned for these Colleges by State Government against 225 approved by Government of India, only 195 beds were opened; shortfall of 70 beds (26 *per cent*) was stated to be due to paucity of accommodation.

Although about Rs. 13.89 lakhs were spent on the maintenance of the converted wing, examination of eye-patients and operation of cataract and glaucoma only were done in the Colleges while other services envisaged in the programme were not rendered. Between 1982-83 and 1986-87, 5.51 lakh eye-patients were examined and 838 glaucoma operations were done (no target was fixed), while 5,080 cataract operations (26 *per cent*) were done in BSMC and NRS MC against the target of 19,860. In BMC also 2,875 cataract operations were done although the target thereof was not stated. Shortfall in cataract operations was ascribed to non-availability of patients.

Thus, the Department of Community Ophthalmology in 3 Colleges did not render all the services envisaged in spite of a large outlay of Rs. 22.83 lakhs.

4.15.14 *Upgradation of District Hospitals*

For providing direction, co-ordination and guidance to all the small units engaged in the eye-care programme and to advise local industries on safety measures for visual health of industrial workers, district hospitals were to be upgraded by providing 2 ophthalmic surgeons and 2 ophthalmic assistants with

necessary facilities for diagnosis and treatment. One time assistance of Rs. 0.50 lakh for equipment and recurring expenditure of Rs. 0.24 lakh per hospital were also to be provided. Fifteen district hospitals were upgraded between 1980-81 and 1986-87 at a cost of about Rs. 7.50 lakhs but performance of these hospitals was not watched by the State Ophthalmic Cell.

Equipment worth Rs. 0.44 lakh (against admissible Rs. 0.50 lakh) was purchased for District Hospital, Malda while no such assistance was received by the authorities of the District Hospital, Murshidabad. In four district hospitals, 7,840 cataract operations and 610 glaucoma operations were done between 1980-81 and 1986-87; targets had not been fixed. The envisaged direction, co-ordination and guidance to the small units engaged in eye-care programme and advise to local industries on visual health of industrial workers were not provided by these hospitals, maintained at a cost of about Rs. 1.16 lakhs.

4.15.15 *Upgradation of Primary Health Centres*

For providing institutional base for rendering ophthalmic care to the community, Primary Health Centres (PHC) were to be upgraded by posting one Ophthalmic Assistant in each and providing one time assistance of Rs. 3,000 per PHC for equipment. Out of 337 PHCs in the State 235 PHCs targeted were stated to have been upgraded between 1980-81 and 1986-87. But Ophthalmic Assistants were not posted in 88 PHCs nor was the performance of the PHCs assessed. Thus, only 147 PHCs could be considered as effectively upgraded for the programme.

Out of 91 PHCs in four districts, 72 PHCs were targeted for upgrading and 46 PHCs (63.88 per cent) were shown to have been upgraded. Out of 46 PHCs upgraded, 31 PHCs had no ophthalmic Assistants while 43 PHCs were not provided with equipment. In 31 PHCs, 28,584 ophthalmic cases were stated to have been attended between 1980-81 and 1986-87. Other activities like ophthalmic services to pre-school going children, educating masses for visual health, assisting mobile units in setting up eye camps and follow-up of ophthalmic cases attended to were not done.

4.15.16 *Voluntary Organisations*

For providing comprehensive eye-care to the community by organising eye-camps in rural areas having population below 50,000, grants-in-aid were to be paid by the concerned CMOH to voluntary organisations at Rs. 60 per intraocular operation

performed subject to a maximum of Rs. 12,000 per camp and Rs. 40 per operation performed where services of Government Mobile Units would be utilised. Total number of voluntary organisations receiving grants-in-aid, amount of grants disbursed and total number of operations done by those organisations in the State were not furnished by the Directorate.

In 4 districts grants of Rs. 5.92 lakhs were released between 1980-81 and 1986-87 to 64 organisations which had reportedly done 8,950 operations. Utilisation certificates were not furnished by 63 organisations for grants totalling Rs. 5.80 lakhs out of which Rs. 3.62 lakhs paid to 29 organisations on second and subsequent occasion without obtaining utilisation certificates in respect of grants amounting to Rs. 1.19 lakhs released on the final occasion or in respect of grants other than the last given on subsequent occasions, although under rules the utilisation certificate should have been furnished within a period of two months from the release of the grant. No system for checking of the records of the organisations was introduced in these districts.

4.15.17 *Monitoring and evaluation*

The progress reports were not regularly obtained from the field officers. The Block level monitoring Committees were not set up while the State Committee seldom held meeting for reviewing progress and taking corrective measures where necessary. Although the programme had been implemented for more than 6 years and expenditure of Rs. 182.81 lakhs incurred, the extent of reduction in blindness was not assessed by any authority. DRIO, WB stated (July 1987) that cataract blindness was increasing in the State. Impact of the programme on control of blindness was also not evaluated.

The matter was reported to Government in August 1987; reply has not been received (March 1988).

4.16 National Tuberculosis Control Programme

4.16.1 *Introductory*

For detecting as large a number of patients suffering from Tuberculosis (TB) as possible and to treat them effectively so that the infectious patients are rendered non-infectious; and active and non-infectious cases do not become infectious, the National Tuberculosis Control Programme (NTCP) introduced by Government of India in 1962 was taken up for implementa-

tion in West Bengal in 1965. The strategies adopted were extensive survey, detection (by X-ray and through sputum examination) and treatment of affected people, immunisation of children through B C G vaccination as well as wide involvement of all agencies including voluntary organisation. The cost of the anti-TB drugs and roll miniature X-ray films supplied to the TB clinics run by State Government was shareable equally by the Central and State Governments while all other expenditure incurred for smooth running of the programme was borne by State Government. The cost of anti-TB drugs supplied to the voluntary bodies running TB clinics was, however, to be borne entirely by the Central Government. There are 16 District Tuberculosis Centres with 108 TB clinics (State: 64; Central: 13; Local funds: 7 and voluntary organisations: 24) in the State while 6121 beds are available in 5 TB Sanatoria (2635), 18 TB Hospitals (2115) and 49 other institutions (1371).

4.16.2 *Organisation*

Assistant Director Health services Tuberculosis, West Bengal (ADHSTBWB) under the Director of Health Services, West Bengal (DHSWB) is directly in charge of implementation of the programme. District Tuberculosis Officers implement the programme at the district level while peripheral health institutions viz., chest clinics, Primary Health Centres (PHCs) and rural hospitals are under the control of Chief Medical Officers of Health of the Districts.

4.16.3 *Coverage*

Out of 16 districts in the State, the records of four districts viz., Birbhum, Burdwan, Malda and Murshidabad for the years 1980-81 to 1986-87 were test checked in audit and results of test check are mentioned in the succeeding paragraphs.

4.16.4 *Highlights of audit test check results*

- **Against the total budget provision of Rs. 685.26 lakhs on the programme during 1980-81 to 1985-86, the expenditure was Rs. 571.41 lakhs, of which the establishment cost alone amounted to Rs. 454.17 lakhs (79 per cent).**
- **Of 2.13 lakh patients X-rayed between 1984-85 and 1986-87, 0.71 lakh (33.33 per cent) new patients were detected while out of 1.72 lakh cases for whom sputum**

examinations were done 1.43 lakhs (83.1 per cent) new patients were detected.

— The performance in the four districts of Murshidabad, Burdwan, Malda and Birbhum, as regards detection of new cases, treatment and cure was low. The general deficiencies noticed were non-maintenance of treatment Cards, failure of Tuberculosis home visitors to visit homes, poor supervision, and inadequate utilisation of facilities.

— Out of targeted 8.57 lakhs sputum microscopy cases only 0.53 lakh (6 per cent) microscopy cases were done between 1983-84 and 1986-87.

— Only 39 per cent of the target set for BCG vaccination was achieved in 1980-87 despite adequate availability of vaccines.

— The unused capacity utilisation of training facilities in State TB Training and Demonstration Centre in two courses was 78 and 86 per cent during 1980 to 1986 due to insufficient number of trainees.

— Utilisation certificates of grants amounting to Rs. 110.09 lakhs paid to 37 voluntary organisations were not obtained.

— Impact of the programme on reduction of prevalence rate was not evaluated.

4.16.5 *Financial outlay*

Out of the total budget provision of Rs. 685.26 lakhs between 1980-81 and 1985-86, Rs. 571.41 lakhs were spent from Non-Plan (Rs. 549.55 lakhs), State Plan (Rs. 19.34 lakhs) and Central Plan (Rs. 2.52 lakhs) budgets. Reasons for shortfall of Rs. 113.85 lakhs (16.61 per cent) in utilisation of budget provision were not on record while shortfall in expenditure under Central Plan of Rs. 16.82 lakhs were ascribed (June 1987) to non-adjustment of values of drugs supplied by the Central Government in the accounts of State Government.

Total cost of drugs and materials received from the Central Government for the TB clinics run by the State as well as Voluntary Bodies was not furnished (July 1987).

Out of total expenditure of Rs. 571.41 lakhs on the programme, Rs. 454.17 lakhs (79 per cent) were on pay and allowances of staff and the remaining Rs. 117.24 lakhs (21 per cent) on other

requirements. Reasons for high establishment cost were not furnished (July 1987).

Rupees 110.09 lakhs were disbursed as grants-in-aid to 37 voluntary bodies between 1981-82 and 1986-87 in addition to expenditure of Rs. 571.41 lakhs.

4.16.6 *Shortfall in setting up isolation beds*

During the Sixth Five Year Plan, 8 Chest clinics were set up as targeted while only 19 isolation beds were provided against target of 100; reasons for shortfall in provision of beds were not furnished by the ADHSTBWB (July 1987).

4.16.7 *Detection of cases*

Out of 2.13 lakhs new patients for whom X-ray examinations were done between 1984-85 and 1986-87, 0.71 lakh (33.33 *per cent*) new tuberculosis patients were detected. New cases detected from sputum examination were 1.43 lakhs (83.1 *per cent*) out of 1.72 lakh new cases examined.

One significant feature is that in 1986-87, the highest number of new cases were examined by X-ray and through sputum examination but the percentage of new TB patients detected was the lowest in the three years.

Further particulars are also given below:

Year	Centres	Number of patients examined X-Rays			patients examined Sputums		
		New	Old	Total	New	Old	Total
1984-85	DTCs	30,351	13,540	43,891	25,547	11,626	37,173
1984-85	PHIs	41,718	22,893	64,611	29,684	12,405	42,089
1985-86	DTCs	27,524	12,930	40,454	5,224	14,961	40,185
1985-86	PHIs	36,144	22,707	58,851	26,812	12,672	39,484
1986-87 (Provisional)	DTCs	36,969	16,532	53,501	28,989	16,636	45,625
1986-87 (Provisional)	PHIs	40,203	28,785	68,988	36,214	14,217	50,431
Total:		2,12,909	1,17,387	3,30,296	1,72,470	82,517	2,54,987

Number of new TB patients detected

Year	Centre	X-ray	Sputum			Total
			Positive	Negative	Extra pulmonary	
1984-85	DTCs	9,253	2,965	13,679	1,288	17,932
1984-85	PHIs	13,254	2,652	24,324	1,958	28,934
1985-86	DTCs	10,010	3,104	16,559	1,461	21,124
1985-86	PHIs	17,705	2,559	23,611	1,883	28,053
1986-87 (Provisional)	DTCs	8,172	2,775	19,545	1,515	23,835
1986-87 (Provisional)	PHIs	12,390	2,048	20,076	1,390	23,514
	Total:	70,784	16,103	1,17,794	9,495	1,43,392

(DTC—District TB centre; PHI—Peripheral health institution).

4.16.8 *Low performance in four districts*

It was seen from the records of Murshidabad, Burdwan, Malda and Birbhum districts that performance in treatment of TB patients in DTCs and PHIs between 1980-81 and 1986-87 was generally low as detailed below:

(a) Of the total 15.86 lakh TB Patients under treatment (Murshidabad: 8.47 lakhs; Burdwan: 3.38 lakhs; Malda: 3.31 lakhs and Birbhum: 0.70 lakh), only 0.18 lakh patients (Murshidabad: 0.09 lakh; Burdwan: 0.02 lakh; Malda: 0.05 lakh and Birbhum: 0.02 lakh) completed treatment while 0.34 lakh patients (Murshidabad: 0.08 lakh; Burdwan: 0.04 lakh; Malda: 0.17 lakh and Birbhum: 0.05 lakh) discontinued their treatment.

(b) Detection of new patients varied between 3 *per cent* in Murshidabad district and 26 *per cent* in Birbhum district.

(c) Percentage of patients X-rayed varied between 32 in Birbhum district and 6 in Murshidabad district.

(d) Percentage of sputum test carried out varied between 29 in Birbhum district and 8 in Murshidabad district.

4.16.9 *General deficiencies*

The general deficiencies in the implementation of the programme were as below:

(1) Treatment cards, showing in each case full case history, results of sputum microscopy and X-ray radiography and dates of drug collections required to be maintained at all treatment centres for close follow-up of each patient by Tuberculosis Home Visitors were not maintained (excepting District TB Centre Malda and Jangipur Chest clinic) for want of supply of printed cards by ADHSTBWB.

(2) Tuberculosis Home Visitors entrusted with locating the defaulting patients and enforcing their treatment were not performing home visits mainly for want of non-availability of vehicles. Instead, they were utilised for different clerical work of the offices and clinics.

(3) The District TB Officer (DTO) along with his trained staff are required to visit each peripheral institution once in a quarter and train the concerned staff in case findings and treatment activities, locate the constraints and take steps for their removal. Excepting the DTO, Malda, the supervision visits were not done by the DTOs owing to non-availability of second Medical Officer in District TB Centre, Birbhum and vacancy in the post of DTOs in Murshidabad (from 1975 onwards) and Burdwan (from September 1986) districts.

(4) TB clinics each equipped with a small X-ray unit (value: Rs. 0.87 lakh) and laboratory equipment (value not available) are to look after the needs of population living nearby. During test check of records of 11 clinics set up to July 1983 the following deficiencies were noticed:

(i) Availability of medicines was irregular and scanty in 5 clinics in Burdwan district and 1 clinic in Birbhum district which resulted in shortfall in treatment of patients.

(ii) Neither X-ray examinations nor sputum microscopy was done in 2 clinics in Burdwan district, 1 clinic in Birbhum district and 2 clinics in Murshidabad district.

(iii) One clinic in Malda district set up in July 1983 started functioning in January 1986.

4.16.10 *Achievement against targets*

New TB patients were to be detected and sputum microscopy done against specific targets. For the purpose, involvement of all concerned including Public Health Workers at PHCs and Sub-Health Centres was to be ensured. All patients diagnosed to be suffering from TB were to be put on domiciliary treatment; patients put on treatment were to take anti-TB

drugs regularly for the prescribed period of time; and monthly progress reports on performance were to be sent to the Directorate.

As per the report of the ADHSTBWB (June 1987), out of 4,27,500 of new cases targeted to be detected, 3,66,488 cases were detected between 1982-83 and 1986-87 while against the target of 8,56,800 set for sputum microscopy, 53,345 examinations were done between 1983-84 and 1986-87, although 357 PHCs were equipped with microscopes at a cost of about Rs. 3.21 lakhs. Shortfalls of 61,012 case detection (14 *per cent*) and 8,03,455 (94 *per cent*) sputum microscopy was attributed (June 1987) by the ADHSTBWB to shortage of manpower, lack of supervision by the key personnel due to non-availability of vehicles and lack of integration of programme at the grass root level. Overall information about the number of the TB patients continuing treatment and number of patients cured could not be furnished. The PHCs appeared to serve only as medicine distribution centres instead of comprehensive treatment centres as envisaged while 830 subsidiary health centres were not equipped for sputum microscopy radiographs.

4.16.11 *Vaccination programme*

TB being an infectious disease, immunisation of the infants and new borns (age group 3 months to 2 years) is essential for effective control of the disease. This is done through BCG vaccination by touring teams, child welfare clinics, hospitals and PHCs, along with other immunisation activities.

Out of targeted 72 lakh infants and new borns to be immunised between 1980-81 and 1986-87, 28.38 lakhs (39 *per cent*) infants, etc. were immunised between 1980-81 and 1986-87. Shortfall, in spite of adequate availability of BCG vaccines was attributed to dearth of trained vaccinators in the State.

4.16.12 *Inadequate training*

Training courses for key personnel viz., Medical Officer, health visitors, laboratory technician, X-ray technician and statistical clerks are conducted by the National Tuberculosis Institute (NTI) Bangalore.

No target for training of key personnel was fixed. Against the sanctioned strength of 152 medical and 305 para-medical staff for NTP only 36 (24 *per cent*) and 100 (33 *per cent*) persons were trained up to March 1987 respectively.

The low percentage of trained staff was ascribed (June 1987) to reluctance of the medical and para-medical staff to undergo training for lack of incentives.

4.16.13 *State TB Training and Demonstration Centre*

For training and reorientation of the personnel engaged in the programme and also for assessing and monitoring of the programme, the State TB Training and Demonstration Centre was set up in Calcutta Medical College and Hospital in 1960. The centre conducted training courses in BCG vaccination and Sputum Microscopy.

Against the capacity of 840 and 84 trainees in the two courses between 1980 and 1986, 184 and 12 medical and para-medical staff respectively were trained. Thus, the training capacity remained unutilised to the extent of 78 and 86 *per cent* as sufficient number of trainees were reportedly not sponsored by different health institutions of the State. No information about other activities like model programming, assessing and monitoring of the programme was furnished.

4.16.14 *Misuse of Vehicles*

Total number of vehicles and cost thereof purchased under the programme was not furnished. However, in four districts, 13 Jeeps (value not furnished) were provided to four DTCs and 9 chest clinics attached to the district and Sub-Divisional hospitals for carrying out domiciliary treatment of the TB patients. The vehicles, however, were retained by the Superintendents of the hospitals who were the Drawing and Disbursing Officers instead of placement at the disposal of authorised users. Log-books of these vehicles indicated that those were used between 1980-81 and 1986-87 for purposes other than domiciliary treatment of patients.

4.16.15 *Assistance in kind*

Total assistance in respect of anti-TB drugs and roll miniature X-ray Films received from Central Government between 1980-81 and 1986-87 was not furnished by the ADHSTBWB (June 1987). He stated that as this programme was integrated with general health services; in addition to the purchase of anti-TB drugs under the programme, a considerable amount of drugs, X-ray films, chemicals and reagents, were purchased and other expenses in respect of printing of treatment cards and registers, stationery articles, etc., out of funds available to the Department. Such

expenditure, however, could not be segregated in the absence of maintenance of separate accounts for the purpose.

Some points on erratic supply, non-availability and storage of anti-TB drugs coming to notice from the records of 4 districts are as below:

(a) *Erratic supply of anti-TB drugs*

Although medicines and drugs were to be supplied to the District Tuberculosis Centres direct in equal shares by the Central and State Governments, it was noticed in three districts test checked that parity in supply was not maintained between January 1981 and May 1987 as indicated below:

Name of the drug/medicine	Quantity supplied to DTCs	
	Central (in lakhs)	State
INH 100 mg	29.45	16.70
INH 300 mg	3.55	17.33
TZN 50 mg	10.85	5.92
TZN 150 mg	11.50	0.60
Injection streptomycin 1 gm	0.98	4.24
Ethambutol 800 mg	2.00	0.05
Ethambutol 200 mg	3.75	0.81

As a result of erratic supply, some units in the districts ran without medicines and drugs to the detriment of the patients.

(b) *Non-availability of anti-TB drugs*

Examination of the stock books of anti-TB drugs in different units showed that anti-TB drugs were not available in the stores of those units for varying periods between 1983 and 1987 resulting in non-supply of such drugs for treatment of patients.

(c) *Shortage of drugs*

During physical verification of stores during September 1986, Chief Medical Officer, Burdwan found shortage of some medicines and drugs valuing Rs. 0.57 lakh. He stated (June 1987) that the matter was under investigation.

4.16.16 *International assistance*

According to a report of ADHSTBWB (June 1987), 4 X-Ray machines with Odelca Camera received from abroad, as gifts were installed and utilised in DTCs; 23 vehicles, 2 Generators, 2 Projectors and Kit bags were received from UNICEF under BCG vaccination programme; 16 sets 100 MA X-ray machines, 16 sets laboratory equipment and 15 vehicles were also received from UNICEF and utilised in the DTCs and the State TB Demonstration and Training Centre. The dates on which above equipment, vehicles, etc., were received and value thereof were not furnished.

It was noticed that 27 rolls of miniature X-ray film and the X-Ray machine with Odelca Camera received by DTC Birbhum in July 1984 and March 1985 respectively remained unutilised as the switch of the camera was out of order, without any steps for repair being taken. In Malda district sputum steriliser and metal cups for sputum collection received from abroad in 1978 also remained unutilised. Information about working of X-Ray machine with Odelca Camera by DTC Burdwan was not furnished (June 1987).

4.16.17 *Voluntary organisations*

Standard anti-TB drugs were to be supplied free of cost by Central Government to voluntary organisations for encouraging them to organise domiciliary treatment and to help them bringing in more TB cases under domiciliary care and enable them to supply drugs free of cost to indigent patients.

Between 1981-82 and 1986-87, State Government disbursed grants-in-aid aggregating Rs. 110.09 lakhs to 37 organisations under the programme. Neither the utilisation certificate for such grants obtained could be shown to audit nor were total quantity and value of anti-TB drugs received by these organisations ascertained. The performance of these organisations in organising domiciliary treatment was also not assessed by any authority (June 1987).

4.16.18 *Monitoring and evaluation*

The ADHSTBWB and the DTOs are the monitoring authorities in the State and district levels respectively. Quarterly reports based on monthly reports from the field units are forwarded by the DTOs concerned to the Government of India. Such quarterly reports were, however, not shown to audit either by the

ADHSTBWB or by the concerned DTOs. However, the reports of ADHSTBWB for the period from January to June 1986 made available to audit revealed the following shortcomings.

- (i) Absence of correct and complete reporting in some cases;
- (ii) Poor performance in the matter of X-ray and sputum examination resulting in shortfall in detection of positive cases;
- (iii) Loss of treatment in large number of TB cases;
- (iv) Lack of regular supervision on the activities of PHIs by the DTCs; and
- (v) Filling up of key posts with untrained staff in many cases and non-filling up of vacant posts of key personnel in some cases.

4.16.19 *Impact of the programme*

The prevalence rate of tuberculosis as per sample survey conducted from 1955 to 1958 varied from 13 to 25 per 1,000 and in the State about 10 lakh people were estimated to be suffering from tuberculosis out of which sputum was positive in 2.5 lakh cases. Since introduction of NTCP no fresh survey has been conducted. The State Government felt that such survey was unnecessary in the present epidemiological situation in the country.

Consequently, the impact of NTCP in terms of reduction of prevalence rate of total number of tubercular patients in the State could not be evaluated.

The matter was reported to Government (September 1987); reply has not been received (March 1988).

4.17 **Unfruitful expenditure on surplus staff**

With the taking over of the management of one Medical College in North Bengal by the Government in August 1978 from the North Bengal University, the responsibility for maintenance of the buildings, electric supply, sanitary and plumbing installation as well as water supply arrangements of the Medical College was entrusted to the Public Works (Construction Board) Department. As a result, 17 technical staff of the college hitherto responsible for those works became employees of the State Govern-

ment on and from the date of taking over but were practically left without any work. No decision to place those surplus staff elsewhere to utilise their services gainfully was taken by Government (May 1987) although according to the Principal of the College (December 1983), Government had been moved several times in the matter. Even the service particulars of those staff furnished in October 1981 by the Principal to the Additional Director of Health Services, West Bengal followed by a proposal from him in October 1983 to the Director of Health Services, West Bengal either to place them in Public Works Department or to transfer the work to them for utilising those technical staff did not yield any result (May 1987).

Thus, expenditure of Rs. 18.57 lakhs incurred between August 1978 and January 1987 (information up to which available) on pay and allowances of those staff proved unfruitful.

The matter was reported to Government four times between March 1985 and November 1987; reply has not been received (March 1988).

4.18 Defunct Public Health Laboratory

According to the provisions of the Prevention of Food Adulteration Act, 1954, Public Analyst (PA) of a Public Health Laboratory shall analyse food samples received from the Food Inspectors of the respective areas. The District Diagnostic and Public Health Laboratory, Jalpaiguri, originally a Public Health Laboratory run by the Jalpaiguri District Board, was taken over and upgraded by Government in January 1959 for analysis of food samples received from inspectors of five North Bengal districts. This laboratory, however, could not perform its statutory functions from June 1984 as the post of the PA fell vacant and Government decided (October 1984) to get the samples of these districts analysed in the West Bengal Public Health Laboratory, Calcutta. Between March 1985 and April 1987, neither a PA was posted to the Jalpaiguri Laboratory, nor were the services of 8 other staff (chemist-1 upper division clerk-1, laboratory assistants-2, general duty attendants-3 and sweeper-1) utilised. Thus, the district laboratory remained without any work for more than three years and total expenditure of Rs. 3.72 lakhs incurred on pay and allowances of 8 staff and rent of the premises from June 1984 to September 1987 proved nugatory.

The matter was reported to Government (July 1987 and September 1987); reply has not been received (March 1988).

HOME (POLICE) DEPARTMENT

4.19 Modernisation of State Police Force

4.19.1 Introduction

The Government of India introduced a scheme—“Modernisation of State Police Forces” in 1969 initially for a period of 10 years. The scheme envisaged improvement of operational efficiency by providing the Police forces with improved equipment, vehicles, facilities for communication, latest technology for crime detection, etc. Government of India (GOI) provided financial assistance to the State in the shape of loan (75 *per cent*) and grants (25 *per cent*) up to 1973-74. Thereafter, the pattern of assistance was revised to 50 *per cent* loan and 50 *per cent* grant. The State Government spent Rs. 387.57 lakhs on the scheme during 1969-70 to 1979-80, of which Central assistance amounted to Rs. 357.47 lakhs.

Based on the report of a Study Group and the National Police Commission in 1976 and 1979 respectively, the scheme was slightly modified and continued as a Non-Plan Scheme from 1980-81 to 1989-90, with relative priority for equipments and construction of buildings as below:

- (i) Wireless equipment for better communication, on line-communication including teleprinter services; the objective was to provide each police station be fitted with a wireless set;
- (ii) Transport equipment primarily to supply each police station with a jeep;
- (iii) Equipment for training institutions;
- (iv) Equipment for Forensic Science Laboratories and for other scientific aids to investigation and for Finger Print Bureau;
- (v) Equipment for examination of questioned documents;
- (vi) Construction of buildings for State Forensic Laboratories up to a ceiling of Rs. 20 lakhs; and
- (vii) Data processing machines for computerisation of crime records, statistics and accounts.

The scheme also included an area-based approach by identifying problem areas and utilising Central assistance on upgrading the police administration of such identified problem areas.

4.19.2 *Organisational set-up*

The scheme was executed with the existing set-up of the Police organisations viz., Director General and Inspector General of Police, West Bengal, Commissioner of Police, Calcutta (CPC) and Director, Forensic Science Laboratory, West Bengal (DFSL).

No additional staff was covered by the modernisation scheme except for Police Computer Centre. Several proposals for sanction of additional staff necessary for implementation of the scheme, made from time to time were pending (June 1987) with the Government due to financial stringency and ban on recruitment of staff imposed by State Government.

4.19.3 *Coverage*

Records maintained in the Department, Directorates and other field offices for the years from 1980-81 to 1986-87 were test checked and results thereof are mentioned in the succeeding paragraphs.

4.19.4 *Highlights of results of test check*

—The Action Plan prepared for modernisation for the decade 1980-90 was defective.

—Expenditure on the programme during 1980-87 was Rs. 889.72 lakhs for which Central assistance of Rs. 388.81 lakhs was received. This was, however, less by Rs. 109.10 lakhs than the allocation for Central assistance.

—The telecommunication network strengthened at a cost of Rs. 260.56 lakhs by procurement of Wireless sets and allied equipments could not be geared to optimum utilisation for want of skilled manpower at operating level, procurement of defective/incomplete equipment, and defects and delay in commissioning radio towers.

—Envisaged training in the sophisticated telecom system could not be provided as the proposal to set up a Telecom Training Centre was awaiting approval of Government since April 1985.

—Shortage of vehicular fleet led to hiring of vehicles involving annual expenditure of Rs. 20.81 lakhs in Calcutta Police and Rs. 45.06 lakhs in West Bengal Police. Out of 362 Police Stations, 12 were not provided with jeeps.

—The State Forensic Science Laboratory could not function as programmed due to slow progress in utilisa-

tion of funds, non-receipt of ordered equipment and non-utilisation of those already procured.

—The Computer system, ordered at a capital cost of Rs. 71.21 lakhs, could not become operational due to deficiencies. It was also fast becoming obsolete. It suffered from staff shortages in critical cadres.

—The impact of the programme on the operational efficiency of police is yet to be assessed.

4.19.5 Defective Action Plan

A perspective plan of action under the scheme, covering the ten year period 1980-90 was required to be submitted to GOI by December 1980, but such plan for Rs. 1,704.15 lakhs was actually submitted in February 1982 and approved by GOI in July 1983 subject to some modifications. The delay was ascribed (July 1987), by the department to late submission of plans by the Director General and Inspector General of Police. This action plan was defective as neither the problem areas were identified and proposals formulated accordingly nor were the availability of funds and provision of manpower taken into consideration.

4.19.6 Outlay and shortfall in receipt of Central assistance

During the seven years 1980-87, a total expenditure of Rs. 889.72 lakhs was incurred, of which, Rs. 388.81 lakhs were financed by Central assistance. Against the allocation of Rs. 497.91 lakhs for the year 1980-81 to 1986-87, the Central assistance received was less and the shortfall in receipt of Central assistance of Rs. 109.10 lakhs was attributed by Government (September 1987) to less allocation of Central assistance during the first five years 1980-85 of the Action Plan.

4.19.7 Strengthening of Communication

For modernisation of wireless net work in the State, wireless sets and allied equipment were procured at a total cost of Rs. 260.56 lakhs between 1969-70 and 1986-87.

After 1980, although targeted, radio towers (20), teleprinter machines (70) and typewriters for teleprinter training (20) estimated to cost Rs. 21.70 lakhs, were not procured. Against targeted 492 equipment, like transreceiver sets, generators, etc. estimated to cost Rs. 102.94 lakhs, 359 equipment were procured at a cost of Rs. 35.74 lakhs; reasons for shortfall in procurement of 133 equipment were not stated (July 1987).

For areas outside Calcutta city, 342 pieces of equipment, like, Walkie-talkies, power output meters etc. were purchased at a cost of Rs. 25.22 lakhs against targeted 125 sets (estimate: Rs. 18.47 lakhs). However, between 1981-82 and 1986-87 for Calcutta city 195 equipment (cost: Rs. 35.88 lakhs) were bought against the target of 70 (estimated cost: Rs. 15.09 lakhs); excess procurement was said to be due to changes in law and order situation.

In Calcutta Police Wing, out of Rs. 1.45 lakhs sanctioned between 1983-84 and 1985-86 for installation of 30 masts required for quick wireless communication, Rs. 0.86 lakh was paid to a firm during 1984-85 (Rs. 0.48 lakh) and 1985-86 (Rs. 0.38 lakh) for supply and installation of 30 masts. Of these 30 masts, 10 (cost: Rs. 0.30 lakh) had been supplied and installed (May 1987). Reasons for non-supply and non-installation of remaining 20 masts (cost: Rs. 0.56 lakh) for about 2 to 3 years were not stated (September 1987) by the CPC.

4.19.8 *Non-achievement of optimum utilisation of telecommunication wing*

Growth of police wireless net work in the State, the requirement of skilled manpower and the actual availability there-against as on March 1970, March 1980 and June 1987 are shown below:

Year	Total number of stations	Requirement of Staff				Staff in Position			
		Supervisors Operational	Technical	Wireless operators	Tele-printer operators	Supervisors Operational	Technical	Wireless operators	Tele-printer operators
March—1970	598	60	60	2,980	10	75	79	451	Nil
March—1980	782	78	78	3,820	90	91	119	594	Nil
June—1987	1,012	101	101	4,925	135	131	142	1,010	Nil

Although Supervisors (273) in position were in excess of requirement (202), 1,010 operators were in position (July 1987) against the requirement of 4,925, with a shortfall of 79 per cent. No teleprinter operator was posted against the requirement of 135. Thus, telecommunication network set up could not be

geared into optimum utilisation for want of manpower at operating level.

4.19.9 *Non-setting up of Telecom Training Centre*

The prevailing practice of providing training to the technical personnel in small batches with the help of senior supervisors/inspectors on *ad hoc* basis was considered (April 1985) to be inadequate and not purposeful. The proposal to set up a Telecom Training Centre having adequate staff for imparting training in a planned and organised manner in the sophisticated telecom system, made in April 1985 was awaiting approval of Government (July 1987).

4.19.10 *Delays in usage of equipments*

As per the advice of the Wireless Advisor, Government of West Bengal and the recommendation of Indian Telephone Industries the CPC purchased (April 1977) five channelling equipment at a cost of Rs. 2.84 lakhs for increasing the number of channels and to link the transmitting (TX) centre at Wireless Headquarters with the Lalbazar Control Room. The equipment, however, could not be installed even now for over ten years due to non-availability of transmitting and receiving attachment required for radio relay.

Testing instruments like oscilloscope, transistor tester, digital signal generators, etc. procured between March 1985 and April 1986 at a total cost of Rs. 1.52 lakhs for wireless workshop of Calcutta Police, could not be used as some of these were received in defective condition and the remaining instruments were supplied without demonstration and technical data books. No steps were taken to get the defective instruments repaired and arrange demonstration of other instruments for their proper usage.

For improvement of long range wireless communication a Calcutta firm, being the lowest tenderer, was entrusted (October 1973) with the work of supply and erection of eleven self-supporting radio steel towers of different heights at different centres at a cost of Rs. 2.43 lakhs. The work was to be completed by February 1974. No formal agreement was executed with the firm nor was the requisite amount of security deposit obtained before placement of work order with them.

The firm claimed (March 1975) to have completed the erection of seven towers at a cost of Rs. 1.87 lakhs to Government.

In May 1976, one tower toppled down and another tower was seriously damaged. According to a team of experts, the towers collapsed and were damaged due to bad workmanship. Six of these towers were got repaired (November 1982 to September 1984) by another agency at a cost of Rs. 1.38 lakhs and another tower was also erected (August 1983) by them at a cost of Rs. 0.55 lakh.

Out of these seven towers, work for reconstruction of four towers (estimated cost Rs. 7.20 lakhs) had to be taken up in October 1986 as these were damaged/had collapsed subsequently due to strong wind. The work is stated to be in progress (July 1987).

Thus, although Rs. 3.80 lakhs were spent for erection of eight towers, improved radio-link coverage with distant places could not be set up for over 13 years.

4.19.11 *Inadequacy of vehicular fleet*

It appeared that the vehicular fleet of the police was inadequate and hiring of vehicles had to be resorted to at a total cost of Rs. 65.87 lakhs per year as detailed below:

(1) Out of total requirement of 599 vehicles, 226 vehicles including 97 purchased from the programme funds at a cost of Rs. 114.24 lakhs, were procured by the Commissioner, Calcutta Police between 1980-81 and 1986-87. Reasons for shortfall in procurement of 373 vehicles were not stated. As a result of shortage, hiring of vehicles was resorted to and it was seen that during 1986-87, 60 vehicles were hired at an approximate annual cost of Rs. 20.81 lakhs.

(2) The total requirement of vehicular fleet under West Bengal Police was not assessed. Under the programme, 452 four-wheelers and 23 two-wheelers were procured till June 1987 at a total cost of Rs. 296.56 lakhs and added to the existing fleet of 1340 vehicles. Hiring of vehicles was, however, continued and in June 1987, 169 vehicles were retained on hire at an approximate annual hiring charge of Rs. 45.06 lakhs.

(3) Out of the total 362 police stations of West Bengal Police, vehicles for 12 police stations could not be provided till June 1987, defeating one of the objectives of the scheme.

4.19.12 *Equipment for State Forensic Laboratory*

Out of Rs. 61.23 lakhs allotted to DFSL between 1969-70 and 1986-87 for procurement of scientific equipment, Rs. 42.29 lakhs were spent therefor, leaving Rs. 18.94 lakhs unutilised.

Non-utilisation of Rs. 16.46 lakhs was attributed (June 1987) to the difference between sanctioned cost (*ad hoc*) and actual cost of imported equipment and non-availability of equipments during the year of financial sanctions. Besides, Rs. 2.48 lakhs, drawn (March 1987) were retained in hand for procurement of indigeneous equipment, while imported equipment ordered at a cost of Rs. 8.19 lakhs were not received till June 1987.

Equipments and a vehicle costing altogether Rs. 11.22 lakhs procured prior to 1980, are still to be put to use.

4.19.13 *Data processing equipment—Police Computer Centre*

Installation of a computer configuration for developing modern data processing facility to cater to the needs of the State Police as a whole by on-line transmission was taken up in 1976-77. Out of total funds of Rs. 81.26 lakhs sanctioned (1976-77 to 1986-87) for acquisition and installation of the main equipment and other allied accessories together with vehicles, Rs. 79.55 lakhs were spent till March 1987.

4.19.14 *Unused Computer System*

A total amount of Rs. 71.21 lakhs (1976-77: Rs. 26.51 lakhs and 1977-78: Rs. 44.70 lakhs) was advanced to M/s Electronics Corporation of India (ECIL), a Government of India undertaking, for supply of a computer for developing a modern data processing system needed for investigating criminal cases.

The computer system was supplied to the West Bengal Police between February 1984 and May 1985. The data entry machines were installed in May 1985 while the converter system was installed in July 1985 at the Police Computer Centre, Calcutta. There was a delay of about two years in conducting the acceptance test of the computer system. As per the report of acceptance test held in May 1987 by a team of experts, the computer system was found deficient in many respects.

The experts conducting 'Acceptance Test' also stated that this computer was fast becoming obsolete and it was difficult to maintain because peripherals were not easily available. A working group of the computer user States set up in 1981 to review the performance and capability of this computer system had observed *inter alia* (October 1984) that the machine was not suitable *prima facie* for Police requirement.

In order to establish teleprinter links between the Police Computer Centre and the Telecommunication Headquarters, two teleprinter machines were purchased (July 1985) at a cost of Rs. 0.48 lakh. The link could not be established as the Telecommunication Department failed to provide a reliable link between the two stations. Further, with a view to hooking up the teleprinter circuit with the computer system at Police Computer Centre for on-line data communication, requisitions for teleprinter circuits between the Computer Centre and four District Headquarters was placed (February 1987) with the Telecommunication Department, the response from which was awaited (June 1987). Both the machines were with the Computer Centre and stated to have been utilised for testing purpose.

The Director, National Crime Bureau, New Delhi had suggested (January 1985), testing the finger print software by feeding the finger print data. This was done in June 1987 by feeding the data relating to pre-independence period which did not match with the data held by the computer. As a result the finger print software supplied by ECIL could not be tested. Thus, the capital outlay of Rs. 71.21 lakhs on this unused computer system has become unproductive.

4.19.15 *Staff for Computer Centre*

Against 47 numbers of staff approved for the Computer Centre, 38 were in position as detailed below, but there was a lack of adequate critical staff for proper utilisation of the computer.

	No. of staff approved	No. of staff in position
(i) Computer operation branch ..	13	1
(ii) Systems and programming branch ..	9	2
(iii) Data acquisition and operation ..	25	35

4.19.16 *Monitoring and evaluation*

For effective implementation of the modernisation programme, no special monitoring cell was created (July 1987). However, as per directives issued by the GOI (May 1981), annual progress reports showing both financial and physical progress were to be forwarded to it. No such annual progress

report was, however, forwarded by the State Government in any year under review. A qualitative report covering the period from 1980-81 to 1985-86 was, however, forwarded in June 1987 along with annual expenditure statements for finalisation of following years' Central assistance. No periodical evaluation was attempted till July 1987 by any authority.

4.19.17 Impact

The impact of the implementation of the scheme at a total cost of Rs. 1,277.29 lakhs in the eighteen years 1969-87, on the operational efficiency of the Police has not been assessed (July 1987).

LAND AND LAND REFORMS DEPARTMENT

4.20 Unproductive expenditure due to delay in implementation of a scheme

For ensuring better implementation of land reforms and land management matters, Government decided (November 1983) to introduce an Integrated set-up of land reforms administration from 1st April 1984. Under this scheme, the Survey and Settlement Wing and the Management Wing hitherto operating under separate commands were to be integrated under a unified command and the administrative machinery was to be extended up to Gram Panchayat (GP) level. Pending finalisation of the rules for recruitment of the Revenue Inspectors (RIs) to be posted at GP level of the proposed Integrated set-up, Director of Land Records and Survey, West Bengal (DLRSWB) started arranging accommodations for their offices from September 1984. Out of 3,305 offices to be set up at GP level, 2,174 premises were hired at different rates between September 1984 and January 1985 by eight Settlement Officers under the Directorate and 755 existing camp offices were converted into RIs' offices while acquisition of remaining 376 accommodations was awaited (June 1987). Implementation of the scheme, however, could not be started owing to a court injunction in April 1985.

DLRSWB decided (February 1985) that the accommodation hired at various places would be utilised by the existing Bhumi Sahayaks (BSs) for collection of revenue and for other incidental matters. The accommodations, however, remained unutilised and a total expenditure of Rs. 62.98 lakhs was incurred

on their hire-charges between September 1984 and March 1987. Besides, sums aggregating Rs. 19.46 lakhs were spent towards purchase of furniture and other office expenses during 1984-85 and 1985-86 (figure for 1986-87 not available). No effective steps were taken either to surrender the accommodations or to utilise them to the best interest of Government. DLRSWB stated in July 1987 that the Collectors under whom the BSs had been working were already requested to engage BSs in these accommodations and in some cases possession of the accommodations was taken by the Collectors, details of which were not furnished (March 1988). He also stated that these accommodations were not vacated in view of possibility of implementation of the scheme in near future. Thus, the total expenditure of Rs. 82.44 lakhs on hire charges of the accommodations and purchase of furniture proved unproductive.

The matter was reported to Government in September 1986; reply has not been received (March 1988).

4.21 Wasteful expenditure on a scheme for consolidation of holdings

In terms of the provisions of the West Bengal Land Reforms Act, 1955, Government introduced (September 1979), a scheme for consolidation of holdings in any area, not in compact blocks, provided two-thirds or more of the owners of these holdings agreed to it. After consolidation, the beneficiaries, particularly patta-holders and marginal farmers, could form themselves into a co-operative farming society to become eligible for different concessions and facilities afforded to the societies. The scheme, however, could not be implemented due to lack of demand from beneficiaries. As a result, 140 officers and staff appointed since 1979 remained without work up to June 1981. From July 1981, however, some of them (not specified) were stated to have been deployed for assessment of revenue outside the purview of the scheme. Thus, the benefits envisaged in the scheme did not accrue to the patta-holders and marginal farmers despite expenditure of Rs. 43.34 lakhs on pay and allowances of staff between 1979 and March 1986. Expenditure of Rs. 2.55 lakhs on pay and allowances of staff between September 1979 and June 1981 as also salary of the staff not deployed for assessment of revenue proved wasteful when no work was done.

The matter was reported to Government in December 1986; reply has not been received (March 1988).

SPORTS AND YOUTH SERVICES DEPARTMENT

4.22 Promotion of Youth Welfare

4.22.1 *Introductory*

For channelising the creative energies of the young people in various activities and involving them in cultural activities so that they can reorient their attitude to a cultural way of life, a programme for promotion of youth welfare was launched in 1972. The schemes envisaged for implementation under the programme were (i) development of rural sports, (ii) self-employment programme, (iii) vocational training, (iv) youth hostels, (v) educational excursions, (vi) open-air stages, (vii) community halls, (viii) youth festivals, etc. The ultimate approach was essentially to facilitate and encourage the youths in helping themselves to the ways of the world with better minds and bodies.

4.22.2 *Organisation*

For implementation of the schemes under the programme, Sports and Youth Services Department with a Directorate of Youth Services was created in August 1972. At the district and block levels, the schemes were implemented by the District Youth Officers (DYO) and Block Youth Officers (BYO) respectively.

4.22.3 *Coverage*

Records maintained in the Department, Directorate, District Youth Offices and Block Youth Offices in Burdwan, Jalpaiguri, Midnapore and Purulia districts for the years 1980-81 to 1986-87 were test checked in audit, results of which are discussed in the succeeding paragraphs.

4.22.4 *Highlights of audit test check results*

During 1980-81 to 1986-87, the actual expenditure of Rs. 896.66 lakhs in the programme fell short of budget provisions by Rs. 481.24 lakhs.

—In the four selected districts of Burdwan, Jalpaiguri, Midnapore and Purulia:

(1) Financial control over the schemes was inadequate.

(2) Rs. 30.62 lakhs were given as grants to cover 75 per cent of the cost of developing 139 playgrounds of which utilisation certificates were received for construc-

tion of only 20 playgrounds with grants totalling Rs. 3.94 lakhs.

(3) 26,215 youths were provided with training at a total cost of Rs. 14.42 lakhs with the per capita cost ranging from Rs. 42 to Rs. 311. But no steps were taken to spot talents.

(4) Rs. 13.71 lakhs were disbursed as margin money loans towards ten per cent of cost of individual beneficiary schemes, to be supplemented by institutional finance. No efforts were made to check whether the supplementary institutional supports were actually received and the schemes improved the economic viability of beneficiaries. 96 per cent of repayment of margin money loans remained unrecovered.

(5) Vocational training imparted at a cost of Rs. 27.91 lakhs did not prove useful in securing self-employment.

(6) Rs. 39.56 lakhs were given for organising youth festivals of which certificates for utilisation of Rs. 11.75 lakhs were not obtained. The impact of festivals was not assessed.

—For constructing youth centres at an estimated cost of Rs. 7 lakhs each, Rs. 11 lakhs were paid to Purulia Zilla Parishad and Rs. 1 lakh to Jalpaiguri Parishad. Both the centres are yet to be constructed and handed over to District Youth Officers.

—Monitoring of the programme on which expenditure of Rs. 1,216.37 lakhs was incurred in the period 1972-87 was ineffective. Impact thereof on the youth is yet to be evaluated.

4.22.5 *Shortfall in utilisation of budget provision*

The total expenditure incurred on the programme between 1972-73 and 1979-80 was Rs. 319.71 lakhs. Out of the total budget provision of Rs. 1,377.90 lakhs between 1980-81 and 1986-87, expenditure incurred was Rs. 896.66 lakhs; reasons for shortfall in expenditure of Rs. 481.24 lakhs (34.92 per cent) were not stated (December 1987).

4.22.6 *Financial Control*

Funds, mainly drawn by the DYOs, are advanced to BYOs, Block Development Officers and Municipal authorities for

release of grants-in-aid to different clubs, institutions, bodies, etc. selected by the Panchayat Samitis for utilisation on different schemes. In four districts, out of sums aggregating Rs. 230.61 lakhs drawn during 1980-81 to 1986-87 by the DYOs for implementing 16 schemes, Rs. 209.75 lakhs were advanced to BYOs for utilisation. The balance Rs. 20.86 lakhs (9.05 *per cent*) was not released and remained unutilised till March 1987. The amounts remaining unused out of advances disbursed to the BYOs, BDOs, etc. were not ascertained nor were records in support of adjustment of Rs. 209.75 lakhs advanced obtained, scrutinised and accepted. Thus, the financial control over the schemes was inadequate.

4.22.7 *Development of playgrounds*

For development of play fields particularly in rural areas, Government provided 75 *per cent* of the total cost to the local organisations of good repute, having clear legal title to the play fields selected for development. The remaining 25 *per cent* of the cost was to be borne by the beneficiary organisations. Between 1980-81 and 1982-83, Rs. 90.79 lakhs were thus allotted for development of 45,305 playgrounds. Details of total expenditure incurred and total number of playgrounds developed were not furnished by the Director (August 1987). In four districts, out of Rs. 30.62 lakhs sanctioned and drawn between 1980-81 and 1982-83 for development of 139 playgrounds, Rs. 25.01 lakhs were advanced to the BYOs concerned by the DYOs, leaving Rs. 5.61 lakhs undisbursed. Out of it, Rs. 1 lakh were transferred (February 1981) by DYO, Midnapore to DYO, 24-Parganas (North), Rs. 1.85 lakhs were refunded to Treasury on different dates and Rs. 2.76 lakhs were retained either by the DYOs or by the BYOs for about 4 years, without utilisation.

Although development of 123 out of 139 selected playgrounds was reported to have been completed, completion and utilisation certificates for 20 playgrounds only (Rs. 3.94 lakhs) in Midnapore district were obtained. Such certificates for 103 playgrounds involving grants-in-aid of Rs. 19.88 lakhs were not obtained (August 1987). In most cases grantee clubs and institutions were neither registered nor did they submit accounts to the DYOs for checking the balancing, 25 *per cent* investment by the beneficiaries was not ensured. The legality of the title to the lands on which playgrounds were developed was also not verified prior to release of grants.

4.22.8 *Supply of sports equipment*

For providing the rural youths with sports equipment viz., football, volley ball, etc. on the basis of the needs assessed by a Committee consisting of Sabhapati of Panchayat Samiti, BYOs and representatives of different organisations, sports equipment valuing Rs. 63.05 lakhs were procured between 1980-81 and 1986-87. Details of equipment purchased and total number of beneficiaries were not furnished (August 1987). In 4 districts, out of Rs. 12.06 lakhs drawn between 1980-81 and 1986-87, Rs. 5.70 lakhs were spent by DYOs for purchase of 16,653 footballs and 3,776 volley balls. No records showing receipts and distribution were made available to audit. Information about utilisation of remaining Rs. 6.36 lakhs was not furnished (August 1987).

4.22.9 *Organising of sports coaching camps*

For providing training to a large number of youth in different sport disciplines and for spotting the local talent from the participants, 2 coaching camps per block were to be organised every year. Information regarding the total number of coaching camps held between 1980-81 and 1986-87 and total number of participants therein involving an expenditure of about Rs. 48.43 lakhs were not furnished by the Directorate (August 1987).

In 4 districts, 26,215 youths were provided with training at a cost of Rs. 14.42 lakhs, the per capita expenditure varying between Rs. 42.01 in Purulia district and Rs. 311.52 in Burdwan district. In these districts coaching camps were not held between 1983-84 and 1985-86.

In Jalpaiguri district, Rs. 0.78 lakh were spent during 1981-82, 1982-83 and 1986-87 for district level residential coaching camps but the number of youth attending such camps were not intimated to audit.

No steps were taken to spot the local talent as envisaged while incurring expenditure of Rs. 14.42 lakhs on the scheme.

4.22.10 *Construction of gymnasium and supply of equipment*

For construction of gymnasium and supply of equipment therein the Government sanctioned Rs. 36.72 lakhs between 1980-81 and 1982-83. The ceiling of expenditure per unit was fixed at Rs. 25,000 (Government: 75 *per cent* and beneficiary: 25 *per cent*), but the items and scales of facilities to be provided were not made available to audit.

Total expenditure actually incurred and total number of gymnasiums set up were also not furnished by the Director (August 1987).

In four districts, 84 gymnasiums were stated to have been set up at a cost Rs. 8.62 lakhs released as grants-in-aid to different clubs and institutions at an average Government assistance of Rs. 10,262 per gymnasium. Utilisation certificates were not received except for Rs. 1.23 lakhs for 12 gymnasiums in Midnapore district.

No inspection was conducted by any authority to ascertain if the gymnasiums built were properly equipped and actually benefited the rural youths. Number of beneficiaries from 3 gymnasiums in Purulia district during 1981-82 and 1982-83 was stated to be 4,050, while DYOs of other three districts did not ascertain the number of actual beneficiaries from 81 gymnasiums set up at a cost of Rs. 8.02 lakhs.

4.22.11 *Self-employment Programme*

For implementation of economically viable individual beneficiary schemes viz., poultry, dairy, etc., Government sanctioned payment of margin money loans (10 *per cent*) after the schemes were approved by the banks for release of 90 *per cent* of the cost as loan. Between 1980-81 and 1986-87, Government allotted Rs. 24.08 lakhs to different DYOs.

Details of total number of youth benefited, total number of schemes actually implemented and total amounts released as margin money loan were not furnished by the Directorate (August 1987).

In four districts Rs. 13.71 lakhs were disbursed between 1980-81 and 1986-87 as margin money loan. The DYOs and BYOs did not, however, at any stage during the period assess the economic viability of the schemes taken up by the youth out of the margin money loans disbursed to them. Out of Rs. 10.83 lakhs of loans the amount due for recovery to end of March 1987, Rs. 10.36 lakhs (95.67 *per cent*) remained unrealised (August 1987). Information about release of remaining 90 *per cent* loan by the banks as envisaged in the programme was not obtained and kept on records of the DYOs and BYOs.

4.22.12 *Vocational Training*

For providing vocational training to unemployed poor rural youth belonging to Scheduled Castes with the ultimate

objective of self-employment, Government allotted funds from year to year to DYOs. Training was to be imparted in trades like cycle repairing, mat making, cloth printing, poultry, etc. The Government assistance also covered the financial aid to be given to the successful trainees apart from training cost.

In three of the four districts test checked, 4,214 youths were trained at a cost of Rs. 18.22 lakhs from 1980-81 to 1983-84 and 1986-87. The number of youth actually trained at a cost of Rs. 9.69 lakhs was not furnished (May 1987) by the DYOs of the fourth district. Out of 1,106 trained youths in Burdwan and Purulia districts, only 87 (7.86 *per cent*) were reported to have obtained employment. No training was provided during 1984-85 to 1986-87 due to non-availability of fund as a result of which training equipments remained unused. In Purulia district, 1,082 garments and in Midnapore district, 1,316 garments made by the trainees remained unsold during 1981-82 to 1982-83 respectively. Information in regard to the other two districts was not available.

4.22.13 *Educational excursions*

The scheme envisaged payment of grants to cover once in three years concessional railway fares to and from the place of visit subject to a maximum of Rs. 100 per head (Rs. 70 before 1986-87) in order to promote touring habits among students. The details of total number of excursions held, total number of institutions, students and teachers participating in those excursions and total expenditure thereof were not furnished by the Directorate. In four districts, Rs. 10.11 lakhs were paid to 383 institutions during 1980-81 to 1986-87. Utilisation certificates for Rs. 2.83 lakhs were received from 88 institutions and refund of Rs. 0.05 lakh was received from two institutions leaving Rs. 7.23 lakhs for which utilisation certificates had been outstanding for about 1 to 7 years.

4.22.14 *Open—Air Stages*

For providing large-scale opportunities to youths to participate in cultural activities, a scheme for construction of open-air stages at an estimated cost of Rs. 14,000 each, shareable by State Government (75 *per cent*) and beneficiary organisations (25 *per cent*) was launched. Up to 1984-85, 170 open-air stages were reportedly constructed at a total cost of about Rs. 23.80 lakhs (Government contribution being Rs. 17.85 lakhs).

In four districts out of Rs. 3.58 lakhs drawn for construction of 30 open-air stages during 1981-82 and 1982-83, Rs. 3.26 lakhs were released to different clubs and organisations, leaving Rs. 0.32 lakh unspent for about 4 years in Midnapore district (Rs. 0.11 lakh) and Purulia district (Rs. 0.21 lakh). Reasons for non-utilisation of Rs. 0.32 lakh were not furnished (May 1987). Out of 3,022 stages involving Rs. 2.21 lakhs were reported to have been completed but completion and utilisation certificates thereof were not received.

Neither any reports on utilisation of the stages for cultural activities were obtained nor were any inspections conducted by any authority to verify the investment by the beneficiaries and the extent of utilisation.

4.22.15 *Community Halls*

For providing opportunities for cultural activities in rural areas, construction of community halls estimated at Rs. 18,750 each shareable between Government (75 *per cent*) and beneficiary organisations (25 *per cent*) was taken up in 1980-81. The scheme was discontinued from 1983-84 owing to constraint of funds. The details of total expenditure incurred and total number of halls constructed were not furnished by the Director (May 1987).

In four districts, Rs. 5.63 lakhs were advanced to BYOs between 1980-81 and 1982-83 for release to the clubs and organisations for construction of 30 halls. Although these halls were stated to have been completed, utilisation and completion certificates for 15 halls for Rs. 3.38 lakhs were not obtained. In none of the cases, statements of account were obtained for verification of the beneficiaries' share of investment. Neither any reports on proper use of the halls were obtained nor were inspections conducted to ascertain the extent of utilisation of the halls.

4.22.16 *Youth Festivals*

Youth festivals were held each year at block, municipal, district and State levels to encourage active participation of youth in cultural activities. Festivals included sit and draw competition, recitation, songs and dances by children, sports events for students and non-students, cultural programmes viz., jatra, dramas, one act plays, etc. For the purpose, the committees set up at each level to hold the festivals were given grants by the Government.

In four districts, grants of Rs. 39.56 lakhs were paid to different committees between 1980-81 and 1986-87 for holding different festivals. Neither the utilisation certificates for Rs. 11.75 lakhs were obtained from the grantee Committees nor was any comprehensive assessment of the impact of festival held on the youth made.

4.22.17 *Information Centres*

Information centres attached to the BYOs were set up to disseminate information on all matters including employment through newspapers, journals, periodicals, etc., which are kept in the centres. In four districts, Rs. 9.12 lakhs were advanced to BYOs for purchase of papers, journals, etc. for the centres. However, accounts and adjustment vouchers were not sent to DYOs concerned (May 1987) and audit could not verify the proper usage of the funds.

4.22.18 *Yuba Manas*

The 'Yuba Manas', a monthly magazine, published by the Department since March 1973, was intended to imbibe youngsters with healthy cultural and socio-economic ideas and to explore potentialities of the youth of the State. The cost of the magazine was subsidised and fixed as 40 paise per copy up to 1985 and was raised to Re. 1 from 1986.

Out of 4.80 lakh copies of magazines published between 1982-83 and 1986-87 at a cost of about Rs. 20.63 lakhs, 4.28 lakh copies were stated to have been sold and the remaining 0.52 lakh copies were distributed free of cost. Neither any register of distribution of magazines free of cost was maintained nor was any record of realisation of sale-proceeds produced. Total sale-proceeds realised was also not stated. The impact of the magazine was also not assessed.

4.22.19 *Construction of Youth Centres*

Youth centres in district were to be constructed in phases. In the first phase, construction of such centres in Howrah, Hooghly, Malda, Murshidabad, Purulia and 24-Parganas (North) districts at an estimated cost of Rs. 7 lakhs each was approved.

In Purulia district, an amount of Rs. 1 lakh was paid (1982-83) to the Zilla Parishad (ZP) authorities by the DYOs for construction of the centre and a further sum of Rs. 10 lakhs was released direct to the ZP authorities between 1983-84 and 1985-86. Reasons for release of funds of Rs. 4 lakhs in excess of

the approved estimated cost of Rs. 7 lakhs were not furnished. Neither the progress of the constructional works was ascertained by the DYO nor was the Centre handed over to the DYO even after 4 years.

In Jalpaiguri district, Rs. 1 lakh was paid (1980-81) to the ZP authorities by the DYO. Neither were further funds allotted for completion of the construction nor was the position of utilisation of fund of Rs. 1 lakh ascertained (May 1987). Information relating to other districts was not furnished to audit.

4.22.20 *Other Activities*

In four districts, out of Rs. 15.48 lakhs drawn by the concerned DYOs for other small programmes viz., observance of birth day of Rabindra Nath Tagore, Science Seminars, Installation of exhibition stalls, holding of melas, literacy survey, grants of Rs. 13.53 lakhs were released between 1980-81 and 1986-87 to different clubs and organisations through BYOs, leaving Rs. 1.95 lakhs unspent for about 1 to 6 years. Neither any certificates for utilisation of the grants were obtained nor were reports on the performances of the clubs and organisations obtained.

4.22.21 *Monitoring and Evaluation*

This is a programme implemented mainly by the grantee clubs, organisations and institutions. Although Rs. 1,216.37 lakhs were spent between 1972-73 and 1986-87 on different activities under the programme, an effective system of monitoring the progress of the programme by obtaining periodical reports and returns, an adoption of remedial measures to set right the flaws in implementation of the programme, if any, was not introduced. Utilisation certificates, statement of accounts, periodical reports and returns in support of actual implementation of different schemes were not received from the grantee in most cases. The impact of implementation of the schemes on the youth was also not evaluated.

The matter was reported to Government (September 1987); reply has not been received (March 1988).

TRANSPORT DEPARTMENT

4.23 **Infructuous expenditure on unserviceable launches**

Out of twelve launches under the District Magistrate (DM) 24-Parganas, ten went out of order between 1969 and 1984.

Of them, one was condemned in 1976, one sank in 1979, and the two were repaired (cost not available), pressed into service in January 1986 and January 1987 and the remaining six continued to be unserviceable for 3 to 18 years. DM, while reporting that some of the launches which were more than 60 years old and in deplorable condition needed replacement, had suggested (July 1976, February 1979 and August 1981) to Government (Transport Department) the withdrawal of all the unserviceable launches and to allow hiring of launches permanently as it was economical. DM had also reported that four launches had to be hired from December 1976 onwards to cope with the problems of law and order, inspection and emergency in the riverine areas of the district. The total hire charges paid during the period December 1976 to March 1987 was Rs. 40.13 lakhs.

The suggestion has not yet been accepted. The unserviceable launches were not withdrawn and their crew continued to be retained. Consequently, fiftyeight member of crews of the 10 launches remained idle during the period between 1969 and 1987 for periods ranging from 3 to 18 years. No steps were taken for the effective utilisation of their services elsewhere. This resulted in infructuous expenditure of Rs. 39.25 lakhs being their pay and allowances between 1969 and March 1986 (information up to which available). Government (Transport Department) intimated (June 1987) the DM that the matter was under examination. Further developments are awaited (August 1987).

Government stated (January 1988) that repair and maintenance of the pool vessels could not be attended to due to lack of resources and that steps were being taken to augment technical staff and to create necessary infrastructure to get the vessels repaired. Government also stated that 43 idle crew members had since been posted to five newly constructed vessels.

4.24 Inadequate assistance to revive a closed unit

The erstwhile Closed and Sick Industries Department (now Industrial Reconstruction Department) set up in December 1980 a Working Group (WG) for a detailed techno-economic study for revival of East Bengal River Steam Services Ltd., a private Company lying closed for a pretty long time and under liquidation, through its workers by forming a Co-operative Society as an alternative to taking over by Government. Accordingly, the workers formed a Co-operative Society and registered it in January 1980.

The WG submitted its report in February 1981 stating that out of the four Divisions of the Company only the Flotilla division for inland river transport had a reasonable chance of being viable; the Repairing division was viable only as a source of employment and not as a commercial venture but the other two Divisions viz. General Engineering division and Wooden Boat Building division had no reasonable chance of becoming viable. According to the WG the estimated expenditure for revival of Flotilla and Repairing divisions was Rs. 33.24 lakhs, consisting of value of assets of the two Divisions to be acquired (Rs. 16.76 lakhs), repair cost thereof (Rs. 6.10 lakhs) and working capital (Rs. 10.38 lakhs).

Meanwhile, the Calcutta High Court ruled (November 1980) that the Society could acquire the property of the said closed unit excluding the land from the Joint Receiver by payment of the depreciated value of the property. Government, therefore, sanctioned Rs. 23.71 lakhs (depreciated value of the assets) in June 1981 for payment to the Society as loan bearing interest at 8 *per cent* per annum. The loan was repayable over a period of 12 years commencing from the third anniversary date of drawal of the amount in 10 equal annual instalments.

As envisaged in the Government order, the Engineer and Chief Ship Surveyor drew Rs. 23.71 lakhs and paid it to the Society in July 1981 after executing an agreement. The Society deposited the amount with the Joint Receiver. The assets, which were in the physical possession of the Society long before the payment, were thereafter formally made over to the Society by the Joint Receiver in November 1981.

But the two viable divisions of the unit are still to be revived (October 1987) as no further amount to meet the repair cost (Rs. 6.10 lakhs) and Working capital (Rs. 10.38 lakhs) as estimated by the WG had been given to the Society.

Thus, despite financial help of Rs. 23.71 lakhs to the Society, the very objective of revival of the closed unit through its Workers Co-operative Society remained unfulfilled for a period of over six years mainly due to inadequate financial assistance. The possibility of recovery of the loan together with interest thereon from the Society had also become doubtful as the chances of revival of the Unit at this distant date are not bright due to further wear and tear of the assets already acquired. Government stated (July 1986) that the Society was pleading financial difficulties and the matter

was under their active consideration. Further developments are awaited (March 1988).

GENERAL

4.25 Outstanding inspection reports

Unresolved audit observations on financial irregularities and defects in initial accounts, noticed during local audit are communicated to Heads of Offices and to next higher departmental authorities through audit inspection reports. More important irregularities are reported to the Heads of Departments and Government. Instructions of Government provide for Heads of Offices sending their first replies to inspection reports within three weeks from the dates of receipt of the inspection reports to the respective Heads of Departments, who, in turn, are required to forward such explanations along with their own comments to the Accountant General within two months from the date of receipt of explanations from their subordinate formations.

At the end of September 1987, 8,339 inspection reports issued up to March 1987 which contained 33,293 paragraphs had not been settled, as shown below (with corresponding figures for the earlier two years).

		As at the end of September		
		1985	1986	1987
Number of inspection reports with paragraphs not settled		11,812	11,563	8,339
Number of paragraphs		45,940	45,320	33,293

The year-wise break up of the outstanding inspection reports is given below:

				Number of inspection reports	Number of paragraphs
Up to 1982-83				4,480	12,118
1983-84				552	2,424
1984-85				504	2,567
1985-86				1,510	7,664
1986-87				1,293	8,520
Total:				8,339	33,293

For prompt settlement of inspection reports, Audit Committees were formed mainly in 1986-87 in 18 out of 29 departments of the Government consisting of the Secretary of the controlling department and representatives of the Finance Department and Accountant General. As a result of such meetings of Audit Committees it was possible to settle 413 inspection reports involving 1,489 paragraphs, in three departments where meetings were held.

Detailed analysis of the position of outstanding reports relating to five departments revealed that 3,194 inspection reports with 11,468 paragraphs issued up to March 1987 had not been settled till the end of September 1987 as indicated below:

Department	Number of inspection reports	Number of paragraphs not settled	Year to which the earliest outstanding paragraphs relate
1. Animal Husbandry and Veterinary Services	341	1,030	1961-62
2. Finance (except Excise) ..	194	636	1967-70
3. Panchayats and Community Development	1,160	4,470	1966-67
4. Cottage and Small Scale Industries	181	791	1962-65
5. Education	1,318	4,541	1962-63
Total:	3,194	11,468	

Further analysis of 5,826 paragraphs in 1,946 inspection reports pertaining to the period 1961-62 to 1986-87 brought out persistent irregularities like defalcation, non-recovery of dues, excess/avoidable expenditure, etc., as elaborated in Appendix 4.1.

The irregularities brought out in these inspection reports could lead to loss of Government money on account of fraud, misappropriation, etc. It is, therefore, necessary that action is taken promptly to settle the outstanding paragraphs.

It may be mentioned that out of these five departments, Audit Committees were formed in four departments, but meeting was held only once in two of the departments.

The matter was reported to Government (October 1987); reply has not been received (March 1988).

4.26 **Misappropriation, losses, etc.**

Cases of misappropriation, defalcation, etc., of Government money, reported up to 31st March 1987 and on which final action was pending at the end of 1986-87 were as follows:

		Number of cases	Amount (Rupees in lakhs)
Cases outstanding at the end of 1985-86	..	638	142.67
Cases reported during 1986-87	..	10	43.70
Cases disposed of during 1986-87	..	6	0.75
Cases outstanding at the end of 1986-87	..	642	185.62

Department-wise analysis of the outstanding cases is given in Appendix 4.2. Of the 642 cases outstanding at the end of 1986-87, 533 cases (Amount: Rs. 92 lakhs) were pending for more than five years. Sixty one per cent of the cases related to the Board of Revenue.

Details of the three cases of misappropriation are given in the succeeding paragraphs numbered 4.27, 4.28 and 4.29.

BOARD OF REVENUE

4.27 **Special audit**

4.27.1 The special audit of the accounts of the District Magistrate and Collector (DMC), 24-Parganas for the period from April 1981 to March 1986 was conducted between April and November 1986 at the request of the Finance Department. The irregularities noticed in audit have been reported to the Government and summarised in the succeeding paragraphs.

4.27.2 *Defects in procedures followed.*

The following were the general defects in the procedures actually followed for drawal and disbursement.

(a) The Nazareth Deputy Collector (NDC), 24-Parganas acted as the Drawing and Disbursing Officer (DDO) of the

entire collectorate including the transactions of 21 other officers-in-charge of various departments under it. According to the prevailing system, the other departmental heads under the Collectorate were required to initiate and finalise transactions pertaining to their departments and passed bills were endorsed to the NDC for drawal and disbursement to the payees. For this purpose, the Collectorate, in addition to the main cash book, maintained several subsidiary cash books. Due to this system of maintenance of centralised cash transactions by the NDC, the officer-in-charge of several other departments of the Collectorate had no control over drawals from the treasury relating to their departments, their accounting in subsidiary and main cash books, amounts remaining undisbursed and also whether disbursements were made by the NDC correctly to the actual payees.

(b) Absence of checks

The rules of the West Bengal Practice and Procedure Manual provide that the NDC should examine the Nazir's cash books daily and check the receipts and disbursements himself with the relevant vouchers and initial it as a token of check. He should also certify to the Collector at the close of each month that the Nazir's cash books have been duly checked by him. But these provisions were never observed to ensure correctness of the cash accounts of the Nazir.

(c) Retention of heavy cash balance

Moneys drawn from the Treasury although not required for immediate disbursements led to accumulation of heavy cash balances. Such balances on twenty two occasions between April 1981 and March 1986 ranged between Rs. 22 lakhs and Rs. 92 lakhs. Moreover, the undisbursed amounts in chest were never analysed to have proper control over the disbursements.

(d) Non-observance of rules and procedure

The undisbursed cash not required for immediate disbursement was never refunded and there were innumerable errors and corrections in totalling and balancing which remained unauthenticated. The Head of the Office (DMC) never ensured physical verification of cash at the end of each month as prescribed.

Absence of control over the drawals and disbursements relating to respective departments by their officers-in-charge, non-exercise of requisite checks over the cash transactions by the drawing and disbursing officer (NDC), non-observance of rules of financial discipline and retention of heavy cash balances were mainly responsible for gross financial irregularities in the Collectorate. Most of these defects/irregularities were being pointed out by audit since May 1962, but no remedial or corrective measures had been taken by the Collectorate.

4.27.3 *Fictitious/Excess payments*

The special audit disclosed fictitious/excess payments of Rs. 24.64 lakhs as detailed below:

(a) Between April 1981 and February 1986, the cash book indicated payments of Rs. 19.13 lakhs to meet expenditure on relief, development, establishment, contingent and election purpose, etc. Again, between August 1981 and November 1986, sums aggregating Rs. 19.13 lakhs were shown to have been paid to different Block Development Officers (BDOs)/Extension Officers of Panchayat Samitis, firms and persons by quoting the same numbers of the bills, already accounted in earlier months.

(b) Between October 1981 and November 1985, Rs. 1.03 lakhs were shown to have been paid in the cash book to 5 BDOs (Rs. 0.96 lakh) and District Nazir (Rs. 0.07 lakh) although the amounts for such payments had neither been sanctioned nor were the amounts drawn from the Treasury.

Further Rs. 0.15 lakh was shown to have been paid to one BDO in April 1985 but according to the DM the amount was not received by the BDO.

(c) Between July 1981 and April 1984, sums aggregating Rs. 1.43 lakhs on account of salary of staff and contingent charges (Land Revenue and Compensation Departments) were shown to have been paid twice in some cases while in some other cases, payments in excess of the amounts due were recorded.

(d) Out of sums aggregating Rs. 0.78 lakh paid under accident benefit scheme to 32 persons, Rs. 0.60 lakh were shown to have been disbursed between April 1982 and February 1986 to some persons twice in excess of the amounts admissible or to persons not entitled to such payments.

(e) In April 1982, Rs. 0.25 lakh was drawn by the NDC in abstract contingent bills for relief purposes without any sanction of the competent authority.

Of this Rs. 0.24 lakh was shown to have been disbursed to two BDOs as late as in August 1985 but acknowledgements in support of receipt of the amounts from them were not available.

(f) Against claims totalling Rs. 0.53 lakh only for payment of contingent charges/travelling allowances to certain firms and persons, Rs. 2.27 lakhs were shown to have been paid between September 1981 and January 1986 altering the amounts of the claims by overwriting and insertion of false figures etc. leading to excess payment of Rs. 1.74 lakhs.

(g) During June 1984 to May 1985, travelling expenses aggregating Rs. 0.04 lakh were shown to have been paid in the cash book to certain persons quoting some bills which were not drawn at all, an amount of Rs. 0.03 lakh was shown to have been paid twice to 8 persons and another sum of Rs. 0.03 lakh was shown to have been paid to 13 persons in excess of their claims, thus leading to fictitious payment of Rs. 0.10 lakh.

(h) Scrutiny of the main and subsidiary cash books revealed shortage of cash of Rs. 0.22 lakh due to errors in recording entries in the receipt and payment sides, incorrect striking of closing balances and non-record of some payments during the period from April 1981 to March 17, 1986.

4.27.4 *Payments not susceptible of verification*

In the following circumstances, authenticity of disbursements of Rs. 11.58 lakhs could not be verified in audit.

(a) Acquittance in support of disbursements of Rs. 5.47 lakhs (Rs. 3.51 lakhs to BDOs, Rs. 0.99 lakh to NDC for election purposes, Rs. 0.87 lakh as cash awards on Small Savings and Rs. 0.10 lakh in connection with All India Speakers' Conference) between April 1981 and September 1985 could not be shown to audit.

(b) There were discrepancies between entries in the bill registers and the corresponding postings in the cash book as detailed below:

- (i) The bill registers indicated entries of 68 bills (61 bills of Land Revenue and 7 bills of other departments) for Rs. 2.49 lakhs during the period from March 1982 to June 1984 relating to claims of establishment, contingencies, etc. whereas the cash book did not indicate drawal of the amounts and subsequent disbursements thereof.

- (ii) Another sum aggregating Rs. 0.23 lakh of Land Revenue branch were paid between August 1982 and October 1983 but the payments were not indicated in the cash book.
- (iii) Against four bills of Land Revenue Department drawn in May, June and July 1984 for a total sum of Rs. 0.16 lakh, only Rs. 0.07 lakh were entered in the cash book leading to non-accountal of Rs. 0.09 lakh.
- (c) Vouchers for payment of Rs. 0.65 lakh made between April 1981 and May 1985 for supply of fuels and lubricants could not be produced to audit and hence authenticity of the supplies and correctness of payments could not be verified in audit.
- (d) Rupees 2.65 lakhs advanced to the District Nazir, 24-Parganas in May 1982 for meeting election expenses were recorded in the cash book after a lapse of more than 2 years on August 23, 1984. Adjustment of the entire advance was awaited (January 1988).

4.27.5 *Outstanding advances*

The control over the rendering of accounts for advances drawn was inadequate as described below:

- (i) Advances of Rs. 25.63 lakhs were given to Government employees between April 1981 and February 1986. No Advance Register was maintained to watch over adjustment of advances paid to various staff.
- (ii) A physical verification of cash conducted on March 17, 1986 by the Additional District Magistrate (Development), South 24-Parganas, detected payment of advances to different Government employees aggregating Rs. 0.47 lakh out of the undisbursed cash without any record as such in the cash book. Adjustment accounts for advances so made have not also been obtained so far (January 1988).

4.27.6 *Wanting detailed contingent bills*

According to the provisions of the West Bengal Treasury Rules, moneys drawn in abstract bills are required to be adjusted within one month and the detailed bills duly countersigned by the controlling officer are required to be transmitted to the Accountant General. However, such detailed bills for a total sum of Rs. 195.61 lakhs drawn in abstract bills between March 1981 and April 1986 were not submitted to the Accountant General and thereby proper utilisation of the amount could not be checked.

4.27.7 Non-maintenance of important records

The subsidiary cash book relating to Land Revenue branch of the Collectorate was not maintained from 3rd July to 31st July 1984. For other periods, the cash book was not also written and closed daily. Besides, the Register of contingent charges was not properly maintained in as much as the entries were not attested by the officer-in-charge, appropriation not noted, monthly totals of expenditure were not struck. Further, acquittances for payments on account of contingencies were obtained in a separate "Payment Register" not authorised by rules, instead of on the original copy of the sub-vouchers as prescribed.

4.27.8 Report to Government

These financial irregularities were reported to Government by Audit in April 1987. The Government set up a committee of enquiry in May 1987 for looking into the matter. Reply from the department as well as report of the enquiry committee have not been received (March 1988).

4.28 Short accountal and other irregularities

During test check (August-September 1986) of the accounts of the District Magistrate, Jalpaiguri for the period from February 1985 to July 1986, short accountal of Rs. 0.78 lakh and other irregularities with a money value of Rs. 4.44 lakhs, as detailed below were detected:

(i) Although short accountal of Rs. 0.02 lakh was brought to the notice of the District Magistrate, Jalpaiguri through the Inspection Report for the period from November 1982 to January 1985, further short accountal of Rs. 0.03 lakh occurred between March 1985 and July 1986 due to mistakes in totalling in payment side (Rs. 0.18 lakh) and receipt side (Rs. 0.21 lakh).

(ii) Amounts aggregating Rs. 0.73 lakh drawn from the Treasury between March 1985 and June 1985 against 11 bills were not accounted for in the cash book.

(iii) The closing cash balance of Rs. 8.23 lakhs as on 31st August 1986 included amounts aggregating Rs. 4.16 lakhs and Rs. 0.28 lakh stated to have been spent through 'slips' and 'vouchers' respectively. Neither the details of expenditure incurred were furnished nor were the 'slips' and 'vouchers' shown to audit (October 1987).

Non-observance of the following financial disciplines mainly facilitated the short accountal and irregular expenditure:

(a) Moneys drawn in excess of requirement led to accumulation of heavy cash balance ranging between Rs. 8 lakhs and Rs. 15 lakhs;

(b) Entries of all monetary transactions were not made in the cash books as soon as they occurred under proper attestation;

(c) Daily closing and balancing of cash book under proper attestation was not ensured;

(d) Monthly physical verifications of cash balance were not conducted regularly by the Drawing Officer;

(e) The bill register was not maintained in the prescribed form, all the prescribed columns therein were not filled in under proper attestation by the Drawing Officer, and it was not reviewed monthly.

Government stated in December 1987 that a report from the Collector, Jalpaiguri was under examination and that instructions had been issued to the Collector, Jalpaiguri to take suitable actions to avoid such irregularities in future.

HEALTH AND FAMILY WELFARE DEPARTMENT

4.29 Misappropriation in a District Health Office

During test check (March and April 1987) of the accounts of the District Health Officer (DHO), Birbhum, for the period from December 1982 to July 1985, misappropriation of Rs. 4,93,596.51, as detailed below, was detected:

(i) Although an aggregate amount of Rs. 6,631.90 was noted in the bill register against 29 bills, Rs. 1,33,481.74 were actually drawn from the Treasury between December 1982 and December 1984 by inflating the figures in those bills. Out of the amounts drawn, Rs. 6,779.02 were only accounted for in the cash book, resulting in misappropriation of the balance of Rs. 1,26,702.72.

(ii) The aggregate amount noted in the bill register against 17 other bills was Rs. 46,689.80. However, the treasury records indicated that Rs. 1,20,873.46 were drawn between January 1983 and March 1985 against those bills. The amounts actually withdrawn from the Treasury were not accounted for at all in the cash book.

(iii) Amounts aggregating Rs. 47,489.10 drawn from the Treasury between December 1982 and March 1985 against 76 bills, as per bill register, were not accounted for in the cash book.

(iv) Rupees 48,086.13 drawn between January 1983 and February 1985 against 5 bills were not recorded in the bill register. Again, Rs. 2,418 were drawn in March 1983 against one cancelled bill. In all these cases, the amounts were not accounted for in the cash book.

(v) Rupees 42,455.57 drawn between March 1983 and July 1985 against 38 bills as per bill register were accounted for in the cash book. However, Rs. 1,48,027.10 drawn again from the Treasury against 38 bills with identical numbers during the same period were not accounted for in the cash book.

Non-observance of the following financial principles mainly facilitated the misappropriations:

(a) There should be no unauthorised corrections, alterations, overwritings, erasures and unattested entries in the cash book. The entries therein should tally with the corresponding entries in the bill register.

(b) The bill register should be maintained in the prescribed form; all the prescribed columns therein should be filled in under proper attestation by the Drawing Officer, and it should be reviewed monthly.

(c) Payments recorded in the cash book and departmental accounts should be regularly reconciled with the records of payments by the Treasury and with the figures of Accounts Office.

While confirming the findings of audit, Government stated (October 1987) that action was being taken to lodge complaints with the police to take appropriate departmental action and to effect recovery of the money. Government added that the matter had been taken up with the Finance Department to see that normal financial procedures were observed to eliminate the scope of such fraudulent practices in future. Further developments are awaited (March 1988).

CHAPTER V

WORKS EXPENDITURE

AGRICULTURE DEPARTMENT

5.1 Infertuous expenditure on quarters

With a view to ensuring smooth functioning of the deep tubewell schemes and securing safety of the machinery and equipment installed, each deep tubewell centre established under the Howrah Agriculture Irrigation Division was provided with residential quarters for the operators and water transmission assistants. For the 89 deep tubewell schemes functioning under the Division, an equal number of quarters for operational staff was constructed at a cost of Rs. 39.16 lakhs between 1962 and 1980. The quarters were, however, never occupied and the reasons for their non-occupation were not known to the departmental officers. The matter was also not reported to the higher authorities by the concerned Executive Engineer. The records made available to audit did not show whether the quarters were intact and free from encroachments or damage after seventeen to twentyfive years of non-occupation. Non-occupation of the quarters constructed at a cost of Rs. 39.16 lakhs has rendered the whole expenditure infertuous.

The matter was referred to Government in March 1986; reply from the Government has not been received (March 1988).

5.2 Unfruitful expenditure on erection of workshop

Administrative approval for the establishment of a District mechanical workshop under Burdwan (Agri-Mech) Division for carrying out repairs and maintenance of machinery and equipment of river lift irrigation schemes of the district, was issued in March 1979 for Rs. 5.32 lakhs. The estimate was later revised to Rs. 13.98 lakhs but was not technically sanctioned.

The work progressed very slowly. The workshop shed was erected only by March 1981 and the electrification of the shed and installation of the machinery (purchased in 1978-79) was completed by the end of 1983 only. As the installation of a transformer was considered to be defective by the West Bengal State Electricity Board no service connection was given. As a result, the expenditure of Rs. 13.22 lakhs incurred on the erection

of the workshop, procurement of plant and machinery and installation thereof, has been unfruitful.

Besides, an Assistant Engineer was appointed in November 1985 for the workshop. The salary paid to him has also been wasteful.

The matter was brought to the notice of the Government in November 1986; reply has not been received (March 1988).

5.3 Idle equipments

For the purpose of investigation of ground water resources, the State Water Board purchased equipments like rigs, drills, trucks etc. between 1975 and 1977 costing about Rs. 12.35 lakhs without making an assessment of their actual requirement. All the items of equipments have been lying idle (1975 to 1977) since acquisition mainly due to non-availability of operational staff and specific works programme.

The Government stated (December 1987) inter-alia that 66 tubewells had been sunk by the departmental drilling rigs so far and full utilisation of the rigs depends on the filling up of vacant posts of drilling personnel and the availability of funds.

DEVELOPMENT AND PLANNING DEPARTMENT

5.4 Avoidable expenditure due to prolongation of works

The work of constructing some buildings under slum modernisation scheme at Chetla was awarded in July 1979 at a tendered value of Rs. 5.24 lakhs. The contractor started excavation work on the basis of departmental drawings and layouts given to him. However due to bad soil conditions, the work was suspended shortly after commencement and the contractor was requested to furnish his 'own detailed designs and structural drawings, though this was not provided for in the contract. In February 1980, the Department approved contractor's designs and drawings and the work was resumed. The progress of work slowed down due to delayed supply of working drawings by the department. After about 75 *per cent* of the work was completed, the contractor claimed compensation for loss on account of prolongation of work. The claim was rejected and the contract terminated in December 1981. The contractor went in for arbitration claiming loss on account of prolongation of work and obtained

an award in his favour. An amount of Rs. 1.07 lakhs apart from Rs. 0.43 lakh as refund of forfeited security deposit was paid to him in July 1985 as award money. A sum of Rs. 0.09 lakh had also to be paid to the contractor as cost of preparation of design and drawing under court's order. The residual work was completed by September 1985 incurring an additional liability of Rs. 2.12 lakhs mainly on account of upward revision of Schedule of Rates.

Had the work been taken up for execution after finalisation of designs and drawings and completion of necessary soil test, the extra expenditure of Rs. 3.28 lakhs could have been avoided.

The Government to whom the matter was referred accepted (April 1987) inter-alia the fact of taking up the work before finalisation of detailed design and drawings as well as completion of necessary soil test.

5.5 Extra expenditure due to delay in finalisation of drawings

The work of two five-storied buildings at Chetla under slum modernisation scheme was entrusted to a contractor in March 1980 at a cost of Rs. 10.50 lakhs to be completed in 12 months. Though the tender for the work was accepted in July 1979, selection of site for one building and detailed drawings for both the buildings were not finalised even when the work order was issued (March 1980). Layout of the first building was given in April 1980 and the work was started on the basis of preliminary drawings. Due to non-availability of site, construction of the other building was excluded from the contract in December 1980 by the Department. When about 75 *per cent* of the work valuing Rs. 3.88 lakhs in respect of the first building was completed, the contractor demanded 30 *per cent* escalation in contractual rate for the balance work on the ground of delay in supply of drawings and curtailment of contract. The claim was rejected and the contract terminated in February 1982 without imposition of penalty. The balance work valued at Rs. 1.37 lakhs as per the original contract was got done through another agency at a cost of Rs. 2.62 lakhs in March 1985. Non-finalisation of site of work and detailed drawings before awarding the contract thus led to an extra expenditure of Rs. 1.25 lakhs on one building.

The matter was reported to Government in August 1986; reply has not been received (March 1988).

HEALTH AND FAMILY WELFARE DEPARTMENT

5.6 Underutilisation of rigs

For sinking of rig-bored tubewells in the drought prone areas of the districts of Bankura, Burdwan, Birbhum and Midnapore, the Bankura Drilling Division was created in 1976.

The Division received 4 rigs valued at Rs. 32.83 lakhs from the Resources Division of the same department. Subsequently 21 rigs were purchased between 1977 and 1983 at a cost of Rs. 156.41 lakhs and 10 rigs valued at Rs. 79.64 lakhs were received (December 1980) from the Government of India. The UNICEF donated (1981 to 1983) another 7 rigs.

Out of the 42 rigs, 7 rigs required overhauling and remained unutilised since May 1982. Two other rigs were transferred to another Division in North Bengal in 1985 and 1986.

Thus with 33 rigs in working order the Division had the potential to dig 1,980 tubewells per year at the minimum rate of 60 tubewells per rig, per year. But the Division actually sunk 418 and 152 tubewells in 1985-86 and 1986-87 respectively, the average boring rate being 21 *per cent* and 8 *per cent* of the capacity causing underutilisation of these rigs to the extent of 79 *per cent* and 92 *per cent* respectively. Due to this heavy underutilisation, proportionate expenditure to the tune of Rs. 95.61 lakhs on maintenance and payment of staff salary, constituted wasteful expense, besides the failure to reach targets for sinking of tubewells.

The matter was reported to Government in October 1985; reply has not been received (March 1988).

5.7 Extra expenditure due to delay in departmental supply

The work of construction of an elevated RCC reservoir including vertical pipe connection for Gopalpur Water Supply Scheme was entrusted (November 1978) to a contractor for a value of Rs. 2.33 lakhs for completion within 10 months. The work, however, could not progress due to non-availability of required sizes of mild steel rods in the Central store for departmental supply to the contractor. As the supply position did not improve, the contractor requested for finalisation of his contract (November 1980) which was accepted in July 1983, when the value of work done by him was only Rs. 1.02 lakhs.

In March 1985, fresh tenders for the balance work were invited and the reservoir completed in February 1986 at a cost

of Rs. 4.62 lakhs. Thus, due to failure of the department to supply mild steel rods of required sizes, the total cost of the reservoir went up to Rs. 5.64 lakhs resulting in an extra expenditure of Rs. 3.31 lakhs. The Executive Engineer concerned stated (May 1986) that increase in cost of labour and material was responsible for the extra expenditure.

The matter was brought to the notice of the Government in August 1986; reply has not been received (March 1988).

5.8 Extra expenditure due to purchase of materials at higher rates

In connection with the laying of pipe lines of the Haldia Water Supply Scheme, it was estimated that 4,800 rubber gaskets would be necessary. For purchasing the gaskets, instead of ascertaining the lowest rates through open tenders, negotiations were made with a public sector enterprise and its offer of Rs. 315 per gasket was accepted and a supply of 2,777 gaskets costing Rs. 9.26 lakhs was obtained between November 1981 and March 1985. When the purchase was being negotiated, a firm, out of its own accord, introduced itself as a manufacturer of the gaskets possessing patent rights etc. and offered a rate of Rs. 225 per gasket. This offer was not considered, but this firm supplied in October 1985 and March 1986, on behalf of the public sector enterprise 200 gaskets in replacement of the defective ones supplied by the main supplier proving their acceptability. Therefore, had the offer of the firm, which was capable of making the supplies, been considered and accepted, there would have been a saving of Rs. 2.76 lakhs in the purchase of gaskets.

The matter was reported to the Government in March 1987; reply has not been received so far (March 1988).

5.9 Infertuous expenditure on engagement of a consultant

Four years after the administrative approval to the Haldia Water Supply Scheme had been accorded and work on the scheme started, a consultant was engaged in September 1984, by the Haldia Development Authority (HDA) to undertake an investigation into the augmentation of potable water supply to Haldia Industrial Complex at a fee of Rs. 3.06 lakhs and a payment of Rs. 2.60 lakhs was made to the consultant in December 1985 and March 1986.

In March 1986, the HDA noted that according to the State Planning Board the cost of implementation of Uluberia scheme

for augmentation of potable water supply which the consultant was required to study and report on, would be high and not economical. The work awarded to the consultant was therefore cancelled. Thus, the award of the consultancy assignment, when the State Planning Board was already investigating the potential for increasing water supply in Haldia, led to an infructuous expenditure of Rs. 2.60 lakhs.

The matter was reported to Government in March 1987; reply has not been received (March 1988).

5.10 Injudicious purchase of pumps

Six centrifugal pumps with motors were purchased in 1976 for Alipurduar Water Supply Scheme at a cost of Rs. 1.09 lakhs. They could not lift water from the tubewells and as such another set of submersible pumps had to be procured in 1977 at a cost of Rs. 1.71 lakhs to run the scheme. The centrifugal pumps were still lying unutilised in stock (December 1986).

During the period of ten years the department could neither fruitfully utilise the pumpsets in other divisions/departments nor dispose of the same to the best advantage of Government and the purchase proved injudicious.

The matter was reported to Government in January 1987; reply has not been received (March 1988).

HOUSING DEPARTMENT

5.11 Economically Weaker Sections Housing Programme

5.11.1 Introduction

A housing programme called "Subsidised Integrated Housing Scheme for Industrial Workers and Economically Weaker Section of the Community" commenced in the State in 1962. It aimed at providing residential accommodation at subsidised rent, outright sale or on hire-purchase basis to the Economically Weaker Section of the Community (EWS) having monthly income up to Rs. 350. Flats constructed under the scheme were allotted to the individual allottees as also to different industrial organisation in bulk.

5.11.2 *Scope of Audit*

A review of the programme based on the test check of records of the Housing Department, Estate Directorate and three divisional offices under the Housing Department was conducted by audit between 22nd July 1987 and 20th August 1987.

5.11.3 *Organisational set-up*

The scheme is implemented by the Housing Directorate and West Bengal Housing Board under the administrative control of the Housing Department.

5.11.4 *Highlights*

— **940 flats were constructed under the programme at a cost of Rs. 189.45 lakhs during 1980-87.**

— **No survey was conducted by the department for ascertaining the total requirement of flats for economically weaker section. The achievement of 940 flats in seven years seemed prima facie inadequate.**

— **The norms of area and cost for housing under the programme prescribed by Government of India were exceeded.**

— **192 flats constructed at Kalyani at a cost of Rs. 54.74 lakhs were diverted to State Government employees who are not EWS.**

— **Flats constructed for EWS community were allotted to members of higher income group.**

— **A sum of Rs. 55.18 lakhs representing rent for housing constructed under the programme remained outstanding for long spells.**

5.11.5 *Targets and achievements*

During the period 1980-87, an expenditure of Rs. 189.45 lakhs was incurred on the programme for constructing 940 flats, achieving the targets set fully. Physical targets and achievements

and expenditure incurred on the scheme yearwise were as below:

Year		Target (No. of flats)	Achievement (No. of flats)	Budget provision (Rupees in lakhs)	Expenditure (Rupees in lakhs)
1980-81	..	80	80	NA	29.75
1981-82	..	64	64	30	24.00
1982-83	..	192	192	50	12.27
1983-84	..	166	166	NA	35.04
1984-85	..	80	80	42	43.08
1985-86	..	NA	266	30	35.00
1986-87	..	NA	92	35	10.31
Total:		..	940		189.45

The construction of sites and services in urban areas, though forming part of the EWS Housing Programme, has not yet been taken up by the State Government. The Government stated (December 1987) that this construction programme could not be undertaken by them as availability of land is limited in urban areas and also price of land is becoming costlier day by day. So, there was no case of grant of loan to EWS people for construction of houses by them on sites and services.

5.11.6 *Absence of a comprehensive plan*

No survey was conducted to assess the total requirement of housing for the economically weaker section of the community in urban areas. In the absence of this assessment, no data was available with the Housing Department regarding the total requirement and shortfalls, in provision of housing to the economically weaker sections of the society. The achievement of 940 flats in seven years, however, appears *prima facie* to be inadequate to satisfy needs.

5.11.7 *Non-observance of norms*

In February 1973, the Government of India, Ministry of Works and Housing had fixed the standards of accommodation

as a regular two-roomed house (double or multi-storied) of uniform floor area of 26.76 sq. m per house at all places except Bombay and Calcutta and 21.55 sq. m per house in Bombay and Calcutta for industrial workers and EWS. The ceiling cost of construction fixed for such accommodation was Rs. 8,500 and Rs. 8,600 respectively. Against this norm, flats constructed at Howrah (Andul Road) and Kalyani were not of uniform floor area and varied between 31.55 sq. m and 29.54 sq. m (both in Calcutta and other places). The cost of each flat also varied between Rs. 17,468 and Rs. 24,820 and exceeded substantially the ceilings fixed. Reasons for such wide variations were not furnished by the Department.

5.11.8 *Diversion of flats*

Construction of 192 flats at Kalyani was approved by the State Government in December 1979 under the Integrated Subsidised Housing Scheme for Industrial Workers and EWS and the construction was completed in March 1983 at a cost of Rs. 54.74 lakhs. In March 1985 these flats were converted to "Rental Housing Scheme" for State Government employees under orders of the West Bengal Government, on the ground that due to steep rise in cost of construction, the rent of flats which worked out to Rs. 331 per month was beyond the paying capacity of EWS people. Consequently the construction failed to meet its intended objective.

5.11.9 *Allotment to ineligible persons*

The income ceiling for allotment of houses to persons belonging to EWS was Rs. 350 per month. Records of Estate Manager, Estate Directorate, Calcutta, relating to allotment of 160 EWS flats at Howrah constructed at a cost of Rs. 28.65 lakhs, revealed that this income criteria was not observed in any case. Instead, EWS flats were allotted to income groups varying between Rs. 500 and Rs. 1,045 per month leading to deviation from the objective of the scheme and denying the benefit of housing to the eligible people.

As regards bulk allotment to different organisations, no record was available to indicate that individual flats were allotted to eligible persons only.

The State Government stated (December 1987) that due to abnormal rise in prices of building materials there was steep rise in the cost of construction of the flats with the result that

the rent fixed as per approved formula went beyond paying capacity of the EWS. So the Government had to raise the income eligibility limit for allotment of the said flats.

5.11.10 *Outstanding Rent*

Records of Estate Manager, Calcutta, relating to rents realised from the allottees to whom industrial and EWS flats were allotted, revealed that rent to the extent of Rs. 3.23 lakhs remained outstanding (March 1986) from 279 individual allottees of EWS housing estate at Kalyani, Belur, Gourhati, Baidyabati and Serampore, while rent to the extent of Rs. 51.95 lakhs was outstanding (June 1987) from 10 industrial bulk allottees.

IRRIGATION AND WATERWAYS DEPARTMENT

5.12 Urgent Development of Sunderban

5.12.1 *Introduction*

Sundarban consisting of the coastal belt of the Bay of Bengal on the southern part of the Gangetic delta forms part of the district of South 24-Parganas. Out of the total area of 7.91 lakh hectares, 2.59 lakh hectares protected by existing marginal embankments are under cultivation. There are two major problems in this area. Firstly, river waters during flow tide accompanied by strong southern wind during March to October splash on these embankments causing continuous erosion of soil and breaches leading to the inundation of the cultivated area by saline water and damage to crops. Secondly, the drainage of the area encircled by the embankments is inadequate. The area receives heavy rainfall (1,625 mm) and almost the entire precipitation has to be drained through sluices to save crops from waterlogging. Of the cultivated area of 2.59 lakh hectares, only 1.19 lakh hectares of the land were being served by the sluices which were provided by 1975.

Keeping in view the above problems, the project for urgent development of Sundarban was framed in 1973 and was to be completed in 5 years to achieve the two objectives of protection of crop from saline water inundation, and efficient drainage of the protected cropped land, as an urgent and immediate relief to the people of Sundarban.

The following measures had been proposed in the project:

(a) Raising and strengthening of the existing 2,120 km earthen embankments along major, medium and minor rivers at a cost of Rs. 460.83 lakhs.

(b) Construction of 327.5 km compartmental embankment with brick paved pathways on top at a cost of Rs. 144.10 lakhs;

(c) Construction of 55 km retired embankments at a cost of Rs. 23.30 lakhs;

(d) Providing brick block revetment in embankment at vulnerable zones aggregating 49.25 km at a cost of Rs. 366.42 lakhs;

(e) Providing 422 sluices of different capacities at a cost of Rs. 387.21 lakhs.

A project estimate of Rs. 1519 lakhs was prepared by the Irrigation and Waterways Department in 1973 which was revised to Rs. 1,643 lakhs in 1975 and then to Rs. 1,786 lakhs in 1976. All the revisions were made due to increase in cost of labour and materials even before the commencement of the work. In the meantime the original estimate of Rs. 1,519 lakhs was cleared by the Technical Advisory Committee of the State Flood Control Board in 1973 and by the Ganga Flood Control Commission in 1977 while the clearance of Central Water Commission was awaited (May 1987). Technical sanction and Administrative approval have not been accorded to the project by the Irrigation and Waterways Department (May 1987). The execution of works under the project was however commenced in 1977 for which a "go ahead" order was issued by the Chief Engineer in August 1978.

5.12.2 *Scope of Audit*

A review of the project, based on test check of records of Irrigation and Waterways Department, Office of the Superintending Engineer, Eastern Circle and his three divisional offices was attempted by audit between 13th April and 18th June 1987.

5.12.3 *Highlights of the results of Audit review*

—**The expenditure on the project up to the end of March 1987 was Rs. 1,230.21 lakhs. However, as the project has been neither administratively approved, nor sanctioned technically, it was not possible for audit to check whether**

the actual expenditure has conformed to the expected administrative and technical parameters.

—The project which was to have been completed by 1982-83 is still incomplete; the basis on which the physical progress was measured was changed from 1985-86 to indicate only an overall percentage of progress. The progress of expenditure seems incommensurate with the physical achievements. The project is now targeted for completion in 1990.

—There was overlapping of drainage cover under this project and another project executed by Sundarban Development Board with international financial assistance.

Instead of adopting the approved specification of brick pitching in cement mortar, the cheaper and sub-standard alternative of dry brick pitching was adopted. It led to substantial damages to the revetments which had to be repaired later at considerable expense. No technical evaluation of the comparative merits and costs of both the types of brick pitching has been attempted so far, although the actual expenditure thereon has far exceeded the original expectations, both of costs and of lengths to be protected.

—Investment of Rs. 10.25 lakhs on 25 incomplete sluices proved unproductive.

5.12.4 Financial Outlays

The expenditure on the project from 1977-78 to end of March 1987 was Rs. 1,230.21 lakhs, against the budget provision of Rs. 1,333.90 lakhs. Since the project has been neither administratively approved nor sanctioned technically, it was not possible for audit to check whether the actual expenditure has conformed to the expected administrative and technical parameters.

5.12.5 Physical Progress

Allowing for five years for completion, as indicated in the project estimate, after commencement, the project should have been completed by 1982-83 with provision for one more year for completion of financial adjustments. But the project is still incomplete (March 1988). Component-wise progress till March 1987

as per records of the concerned Divisions vis-a-vis projected quantities was as follows:

	Components	Projected quantities	Achievements till March 1987	Percentage of progress
(i)	Raising and strengthening of marginal embankment	2,120 km	338.31 km.	16
(ii)	Compartmental embankment	327.5 km	Nil	—
(iii)	Retired embankment	55 km	84 km	152
(iv)	Revetment of embankment (dry brick pitching)	49.25 km	200.873 km	408
(v)	Sluices (number)	422	197	47

From the foregoing table it would be seen that the progress of revetment work was more than 400 *per cent* of the estimate while compartmental embankment urgently needed for containing the saline water in case of a breach of the embankment was not taken up at all during the last ten years. Similarly, the achievements in raising embankments and construction of drainage sluices, which were to serve the avowed objectives of the scheme, were only 16 *per cent* and 47 *per cent* respectively. Thus there seems to be no integrated progress on the project.

The physical progress on the project was not uniformly assessed and reported from time to time. Up to 1984-85, the progress was reported component-wise expressed in respective units, while from 1985-86 it was reported on percentage basis for the project as a whole. The progress reported up to September 1986 was 40.50 *per cent* and up to March 1987 was 42 *per cent*. The basis on which this percentage was worked out was not intimated to audit. The benefited area claimed to have been covered till March 1985 was 54,600 hectares i.e., 39 *per cent* of the area against projected provision of 1.40 lakh hectares.

The expenditure on the scheme to end of 1986-87 was Rs.1,230.21 lakhs which accounted for 68 *per cent* of the latest revised estimated cost of Rs. 1,796 lakhs, while physical progress achieved as on March 1987 was only 42 *per cent*. Thus the progress of expenditure seems to be incommensurate with the physical achievements.

The revised target date of completion had been fixed at 1990. The slow physical progress was attributed to paucity of fund, scarcity of cement, land disputes etc. The abnormal delay

in completion of the scheme frustrated the object of urgent and immediate benefit to the people.

5.12.6 *Diversion of funds*

The following expenditure incurred on works debitable to other heads of account had been debited to the project. No action has been taken to rectify such irregular accountal.

	Rupees in lakhs
(i) Restoration of washed out and cyclone damaged embankments (March 1983)	14.32
(ii) Cost of steel purchased by Basirhat Irrigation Division (March 1982)	4.83
(iii) Protection to Hasnabad Town (up to March 1981)	2.69
(iv) Protection to Hingalganj Town (up to March 1980)	2.23
(v) Improvement of drainage of Terimari Bedpukuria	3.75
(vi) Construction of three bridges across Purnakhal under Basirhat Irrigation Sub-Division	0.71
	<hr/> 28.53 <hr/>

5.12.7 *Overlapping Drainage Cover*

Mention was made in the paragraph 4.1 of the Volume I of the Report for 1985-86 (Civil) of the Comptroller and Auditor General about drainage cover of 72,000 hectares of Sundarban under a separate scheme (1980) being executed by the Sundarban Development Board with the financial assistance of International Fund for Agricultural Development (IFAD). It was not clear how this area of 72,000 hectares has been segregated and identified separately from the 1,40,000 hectares covered by the project for urgent development of Sundarban taken up in 1973. The test check of divisional records relating to 13 mouzas revealed that drainage sluices were constructed in these mouzas under both the

schemes and the expenditure incurred on them was Rs. 10 93 lakhs, under the project for "Urgent development of Sundarban", with some overlapping of coverages under both schemes.

5.12.8 *Deviation from specification*

As a measure against erosion and eventual breach of the earthen embankments by the hightide waves generated by storm wind, brick block pitching in cement mortar was provided in the project estimate for 49.25 km of the embankment at selected vulnerable zones in 40 mouzas at a cost of Rs. 366.42 lakhs. This specification to balance the high suction in the filter bed underneath as well as the high wave action had the approval of both Technical Advisory Committee of the State Flood Control Board and the Ganga Flood Control Commission. But in actual execution almost all the pitching work was done with dry bricks without any cement mortar to bind them, on ground of economy. About 200 km of such revetment was done at a cost of Rs. 690 lakhs (average cost Rs. 3.45 lakhs per km) up to March 1986 as against the estimated provision for brick block revetment of 49.25 km at a cost of Rs. 366.42 lakhs (average cost Rs. 7.44 lakhs per km). The deviation from the approved specification did not have the approval of any technical authority.

The sub-standard work failed to withstand the wave-dash of hightides synchronised with storm wind and a substantial part of the revetment work was damaged and washed away within 2 to 4 years and had to be re-done with substantial expenditure under Flood/Cyclone damage repair works. A test check of records revealed that 25.552 km of dry brick pitching executed up to 1981 at a cost of Rs. 112.36 lakhs in 22 mouzas had to be executed again at a cost of Rs. 327.59 lakhs during the period from 1982 to 1986 under Flood/Cyclone damage repair works. The ineffective and unsuitable dry brick pitching was continued in spite of the fact that similar work done earlier was washed away during cyclone of August 1979. No technical evaluation of the comparative merits and costs of both the types of brick pitching has been attempted so far, although actual expenditure thereon has far exceeded the original expectation both of costs and of lengths to be protected.

5.12.9 *Inoperative Sluices*

It was seen from records of one of the three Divisions that 25 sluices were lying incomplete for 3 to 8 years rendering invest-

ment of Rs. 10.25 lakhs made on them idle and incapable of draining the anticipated 6,216 hectares of land.

The matter was reported to Government (October 1987); reply has not been received (March 1988).

5.13 Dubda Basin Drainage Scheme

5.13.1 *Introduction*

Dubda Basin area (132.09 sq. km), situated in Contai Sub-Division of Midnapore district comprised comparatively flat areas including 82.88 sq. km low pocket known as Dubda Swamp. Due to its low level the entire area remained water-logged, causing drainage congestion during monsoon months. This resulted in damage to crops grown in 10,727 hectares of cultivable area in the basin.

In order to mitigate the longstanding problem, the Irrigation and Waterways Department decided (1959) to segregate the Dubda Basin area from the upland discharge by diverting both Negua and Kudi canals. Accordingly, the Technical Committee of the State Flood Control Board approved a scheme for Rs. 268.35 lakhs in October 1965.

Execution of the scheme commenced in January 1971. The project estimate was administratively approved in June 1971 and included in the 4th Plan as a priority scheme for completion by June 1976 including one year for financial adjustments of outstanding liabilities.

5.13.2 *Scope of Audit*

A review of the scheme based on the test check of records of the Irrigation and Waterways Department, office of the Superintending Engineer, Western Circle and the executing divisional office i.e. Midnapore Construction Division was attempted between 29th December 1986 and 17th February 1987.

5.13.3 *Highlights of the results of Audit review*

—The scheme suffered from heavy cost and time overruns. The original estimate of Rs. 268.35 lakhs was revised upward in stages up to Rs. 1,446 lakhs in 1980, but in 1981 it was reduced to Rs. 650 lakhs restricting the scope of work. The actual expenditure up to March 1986 is Rs. 619.14 lakhs. The scheme targeted for comple-

tion by June 1976 is still in progress with progress indicated as 97 *per cent* till the end of March 1986.

—The scheme was executed in an unplanned manner.

—There was excessive expenditure on establishment for the scheme.

—The benefit cost ratio of the scheme estimated in 1981 as 3.21:1, was not calculated correctly. If the mistakes are rectified, it becomes only 0.45:1 implying that the project is unviable with costs exceeding benefits.

—Unnecessary expenditure was incurred on re-excavation of the Orissa Coast Canal.

—The alignment chosen for a part of Négua diversion channel proved injudicious.

—A deviation from the sanctioned project estimate proved costly and defeated the project objective of developing navigation facilities.

—The construction of sluice at Ramnagar at a cost of Rs. 25.56 lakhs was defective.

—There was wasteful expenditure of Rs. 1.18 lakhs on a gutter channel, due to non-acquisition of required land.

5.13.4 *Cost and time overruns*

The original estimate of Rs. 268.35 lakhs for the scheme prepared in 1965 was raised to Rs. 596 lakhs in 1977 and Rs. 1,446 lakhs in 1980, due to inclusion of various new items of work. However, in 1981, the cost estimate was revised downward to Rs. 650 lakhs, restricting the scope of work to the extent actually undertaken by that time. The actual expenditure to the end of March 1986 is Rs. 619.14 lakhs or 95 *per cent* of the latest estimate.

The scheme targeted for completion by June 1976, is still in progress and the percentage of progress has been shown as 97 towards the end of March 1986, mid-term revisions of the targeted completion by June 1978, March 1980, and June 1984 proved unrealistic. The delay in completion resulted in continuance of the problem of water-logging in Dubda basin.

5.13.5 *Lack of planning in execution*

It would seem that the scheme was executed in an unplanned

manner as seen from wide variations of quantities and items of work executed as below:

Item of Work	Quantity as per approved estimate	Quantity as per 1980— revision	Executed Quantity up to 1979-80	Quantity as per latest revision of 1981
1. Land Acquisition for Upper Negua Khal and minor channels (hectares)	Nil	172	Nil	77
2. Cross drainage single barrel (numbers)	6	84	42	42
3. Cross drainage double barrel (numbers)	Nil	4	2	3
4. Cross drainage triple barrel (numbers)	Nil	2	1	1
5. Bridges (numbers)				
RCC Foot Bridge	Nil	30	6	13
RCC Cart Bridge	Nil	11	Nil	Nil
6. Earthwork in re-excavation (lakhs of cubic metres)	Nil	42.87	23.63	23.63
7. Minor Channels (kms)	Nil	33.18	3.20	16.09
8. Service Roads (kms)	Nil	95.75	2.62	18.83

It was not clear how far actual quantities of work already executed up to 1981, when the scope of the scheme and cost estimates were reduced, served the modified objectives, and whether any part thereof proved unnecessary or wasteful.

5.13.6 *Excessive expenditure on establishment*

For execution of the scheme the sanctioned project estimate contemplated creation and maintenance of one sub-divisional office for four years under the existing East Midnapore Division of the department. However, for speedy execution of the scheme, the department created one full-scale divisional office with four sub-divisional offices in August 1972. In the revised estimate of 1981 (not yet sanctioned), the provisions for regular and work-charged establishment were Rs. 46 lakhs and Rs. 20.37 lakhs respectively against which expenditure till March 1986 amounted

to Rs. 70.43 lakhs and Rs. 28.70 lakhs respectively i.e., 53 *per cent* and 41 *per cent* respectively in excess of the estimates.

Further an analysis of expenditure incurred during the period from 1980-81 to 1985-86 disclosed that out of total expenditure of Rs. 150.78 lakhs, expenditure on regular and work-charged establishments was Rs. 72.35 lakhs while on execution of regular project items was only Rs. 9.45 lakhs, excluding liquidation of outstanding liabilities for land acquisition and expenditure on items beyond the scope of the project i.e., on maintenance and re-excavation on new-cut canals.

It was thus seen that there was excessive expenditure on establishment in relation to other expenditure on the project.

5.13.7 *Cost benefit analysis*

In the latest estimate of 1981, the benefits have been evaluated as Rs. 334 lakhs while cost were placed at Rs. 104 lakhs, to yield a Benefit Cost Ratio of 3.21:1. However, audit scrutiny disclosed that this ratio had not been computed correctly as indicated below:

(1) It assumed an additional yield of paddy of 1.25 tonne per hectare, but according to the estimation of Flood Investigation Division (I & W) (1965) the additional yield of paddy was only 0.27 tonne per hectare.

(2) It assumed additional production of pulses, but there was no cultivation of pulses in the area.

(3) The scheme caters only to drainage without any impact on rabi production. But the calculation included benefits assumed to arise out of production in rabi also.

(4) Substantial credit was taken as saving due to prevention of loss of crops which duplicated the additional yield for which credit was already taken.

If these mistakes are rectified the ratio becomes 0.45:1 which implies that the project is unviable with costs exceeding benefits.

5.13.8 *Unnecessary expenditure*

The original project estimate contemplated that out of 10,154 cusecs to be drained, 9,506 cusecs will be catered to by two new canals and only the balance 648 cusecs (6 per cent) will need draining into Orissa Coast Canal at an estimated cost of Rs. 0.80 lakh. Despite the insignificant role of the canal for the scheme, the Department re-excavated from 1976 this canal from Baromila

to Sarpai outfall and incurred an expenditure of Rs. 67.44 lakhs up to December 1979 and Rs. 70.02 lakhs up to March 1986. There were no recorded reasons for taking up this unnecessary work. It was not clear whether the actual expenditure of Rs. 67.44 lakhs included in the reduced estimate attempted in 1981 was productive and useful. There was also no justification for a further expenditure of Rs. 2.58 lakhs on this canal between December 1979 and March 1986.

5.13.9 *Injudicious alignment*

A 7.2 km long reach of Negua diversion channel passes through sandy zones and sand-dunes. As a result, immediately after the excavation was over (1975-76), this reach began to accumulate silt due to sand blowing and side slips resulting in drainage congestion and loss of discharge capacity. The total expenditure on silt clearance amounted to Rs. 32.39 lakhs and it has proved a recurring liability. There was no evidence to show whether its alignment was decided after conducting necessary technical investigations. The department approached the River Research Institute only in August 1981 for advice regarding corrective measures which are still to be taken (March 1986).

5.13.10 *Costly deviation from project contemplation*

According to the sanctioned project estimate, Kudi Khal was to be diverted by means of a connecting channel to the existing Baliaghahi drain for ultimate discharge into the Rasulpur river. The proposed diversion was envisaged to develop navigation along the Baliaghahi drain, desiltation of the channel and improvement of flow in the Rasulpur and Hooghly rivers, in addition to the main object of prevention of water-logging. However, the Kudi Khal was connected to a new-cut channel for ultimate discharge into sea. This deviation was justified as a better and economical alternative.

The deviation, however, proved to be a failure. From the first year of its completion it failed to serve its intended primary objective of prevention of water-logging. It also created a new problem of backflow of water through the Renia Khal, causing fresh water-logging in the area. To prevent this backflow, a new RCC sluice had to be constructed on the Renia Khal in 1983 at a cost of Rs. 13.29 lakhs, which was neither contemplated earlier nor technically approved. Besides additional expenditure of about Rs. 24 lakhs (as per revised estimate) had to be in-

curred towards additional land acquisition, additional earth work, increase in the size and capacity of syphon aqueduct and outfall sluice to make the connection effective.

Thus, the deviation not only defeated the project objective of developing navigation facilities along the Baliaghai but also failed to achieve better drainage at a lower cost.

5.13.11 *Defective construction of sluice at Ramnagar*

The construction of the outfall sluice at Ramnagar was taken up in January 1972 and completed in July 1974 at a total cost of Rs. 25.56 lakhs (March 1986). Immediately after completion, different portions of the abutment, piers, deck slab of the sluice suffered settlements and gates fixed in the sluice were also found leaking. In June 1980, the Department proposed to ascertain the extent of further damage caused to the structure by dewatering and clearance of silt so that the floor of the structure could be exposed for inspection. It was not known whether this proposal was implemented. The condition of the outfall sluice had deteriorated further and a special repair work at Rs. 5.19 lakhs was undertaken in December 1986 in order to mend the damages and replace 15 gates which had become defunct out of its 30 gates.

No investigation has been conducted into the defective construction of the sluice which damaged it immediately after construction and caused considerable expenditure on repairs.

5.13.12 *Wasteful expenditure on a gutter channel*

The excavation of Negua diversion channel to drain out the entire discharge of Negua Khal basin was completed by 1976. But within three years, it was observed in March 1979 that the upper reach of Negua Khal did not drain properly resulting in submersion of the areas. Therefore, in April 1979, excavation of a gutter channel along the Khal was taken up at an estimated cost of Rs. 3.30 lakhs. The work which was to be completed within the two months had to be abandoned in June 1980, after incurring an expenditure of Rs. 1.18 lakhs due to non-availability of required land. Test check of records showed that the land acquisition proposal was sent to Land Acquisition Authority only in August 1980 after the abandonment of the work so far executed. The same was still pending (March 1987). Consequently no benefit could be derived from the investment of Rs. 1.18 lakhs on the abandoned gutter channel.

The matter was reported to Government (July 1987); reply has not been received (March 1988).

5.14 Over purchase of spares

For maintenance of the 86 earth moving machines of the Kangsabati project different types of spares were purchased since 1959. In procurement of spares, codified guidelines for realistic assessment of requirements were not followed which resulted in accumulation of unutilised spares (7,317 items) worth Rs. 116.18 lakhs (March 1986). Of these, spares worth Rs. 101.59 lakhs (6,735 items) had been lying unutilised for the last 6 to 16 years. There is little scope for their usage in future as the project is almost complete (98 *per cent*).

This included 413 items, valued at Rs. 8.99 lakhs, purchased more than once (392 items: 2 to 3 times, Rs. 7.50 lakhs; 18 items: 4 to 6 times, Rs. 1.34 lakhs and 3 items: more than 6 times, Rs. 0.15 lakh) despite availability of unused stock.

The matter of accumulation of spares was brought to the notice of Government in May 1979 but no action was taken and the value of unused spares increased from Rs. 113 lakhs in 1979 to Rs. 116 lakhs in September 1986.

The matter was reported to Government (April 1987); reply has not been received (March 1988).

5.15 Failure to avail of customs duty concessions

Under provisions of the Customs Tariff Act, 1975 import duty on materials required for irrigation projects shall be assessed at concessional rates, for which the contracts for import of such materials shall have to be registered in advance with the Customs authorities. In January 1986 steel deformed bars weighing 1,746 tonnes required for Teesta Barrage Project were imported without registering in advance the contract with Customs authorities. However the required certificate for availing concessional customs duty was issued (January 1986) by the Central Water Commission.

The consignment was cleared in March 1986 on payment of Rs. 60.50 lakhs towards customs duty at the standard rate without any concession. A claim for concessions in customs duty and consequent refund was preferred in June 1986 on the basis of the certificate given by Central Water Commission. The customs authorities rejected the claim in August 1986 on the ground that the consignment had been already cleared on pay-

ment of standard rate of customs duty and there was no provision for refund after levying duty at concessional rates. Thus, there was a loss of Rs. 30.73 lakhs on account of payment of duty at higher rate as a result of failure to follow the prescribed procedure.

The matter was reported to Government in March 1987; reply has not been received (March 1988).

5.16 Extra expenditure due to termination of favourable contracts

The work of lining in three reaches a length of 1,269 metres of Teesta-Mahananda link Canal was awarded in 1984-85 to three contractors for a total value of Rs. 49.34 lakhs.

During execution, out-soil water level was noticed to be so high as to render the additional cost of bailing out water beyond the sanctioning power of the Superintending Engineer. All the three contracts were therefore terminated in November 1985 even though the contractors were willing to continue the work. By that time Rs. 1.91 lakhs had been paid to them.

Fresh tenders combining the three reaches into one was invited in February 1986 and the lowest one accepted at a cost of Rs. 111.84 lakhs causing an extra expenditure of Rs. 64.41 lakhs.

The matter was brought to the notice of the Government in May 1986 and April 1987; reply has not been received (March 1988).

5.17 Unfruitful expenditure on remodelling of sedimentation tanks

The Irrigation and Waterways Department of the Government of West Bengal took over from the Calcutta Corporation in 1968 two sedimentation tanks at Bantala. The tanks were to be used for treatment of the sewage and after treatment sludge free water was to be released through the channels to the river Bidyadhari to minimise the rate of siltation of the channels and expenditure on silt clearance.

The Department spent Rs. 12.52 lakhs for the remodelling of the tanks and other ancillary works during the period from 1968 to 1971. However they were never put to use to treat sewage. Consequently, untreated sewage water flowed through the channels as before causing rapid siltation. An expenditure of Rs. 173.36 lakhs was incurred for silt clearance of the channels

up to the date of audit (July 1987). The expenditure of Rs. 12.52 lakhs on remodelling of tanks thus proved unfruitful, as it failed to achieve its objective of reducing expenditure on silt clearance.

The matter was reported to Government in October 1985; reply has not been received (March 1988).

5.18 Extra expenditure on payment to a defaulting contractor

The work of construction of one RCC Bridge over Rajapur canal in Howrah Irrigation Division, was entrusted in May 1984 to a contractor for a value of Rs. 7.15 lakhs for completion in 120 days. However the work was actually commenced from 12th November 1984 two months after the contracted date of completion. It was however suspended from 23rd January 1985 after a progress of about 30 *per cent* as the local people forced the removal of the cross bundh constructed to facilitate the construction work. In May 1985 the contractor expressed his unwillingness to execute the work further unless his rates were enhanced by 35 *per cent*. His contract was terminated after payment of Rs. 2.83 lakhs without imposing any penalty or invoking the provisions of risk and cost clause of the contract dealing with unsatisfactory performance.

Tenders for the balance work were invited and the same contractor whose tender was lowest, was awarded the work which was completed at a cost of Rs. 8.17 lakhs along with some additional items.

Thus, a total payment of Rs. 11 lakhs was made for the work, against the original contract value of Rs. 7.15 lakhs.

Failure on the part of the Department to get the work completed at the risk and cost of the contractor who failed to perform satisfactorily caused an additional expenditure of Rs. 3.85 lakhs, to the advantage of the defaulting contractor himself.

The matter was reported to Government in July 1987; reply has not been received (March 1988).

5.19 Extra expenditure due to failure to take risk action

The work of lining a length of 15 chains of the Howrah Drainage channel was awarded to a contractor in November 1984 for a value of Rs. 14.24 lakhs. Although the work was scheduled to be completed by February 1985 the progress was only 24 *per cent* of the work with extension of time up to June 1985. Further extension of time granted up to February 1986 solicited

by the contractor was not granted. The contractor, therefore, sought for termination of the contract in August 1985 and the contract was terminated after a payment of Rs. 3.37 lakhs in January 1986 without imposing any penalty or invoking the provisions of the risk and cost clause of the contract dealing with unsatisfactory performance. After inviting fresh tender, the balance of work was completed between June 1986 and September 1986 at a total cost of Rs. 18.05 lakhs.

The failure to invoke the conditions in the contract to get the work completed at the risk and cost of defaulting contractor led to an additional expenditure of Rs. 7.18 lakhs on this work.

The matter was reported to Government in July 1987; reply has not been received (March 1988).

5.20 Idle machinery

For construction and maintenance of a new service road from Bantola to Ghushighata, a division procured 3 road rollers and 4 tar boilers at a cost of Rs. 2.11 lakhs during 1972-73. After its construction the road rollers, tar boilers and unutilised balance of 76.50 tonnes bitumen were not put to good use.

These machinery are lying idle at Bantola in open air since August 1980 except for use of one roller for 180 days only during the last 6 years. The other two rollers are reported to be in damaged condition. A total sum of Rs. 2.22 lakhs was spent up to December 1986 towards cost of operating staff (Rs. 1.94 lakhs) and cost of maintenance and repairs (Rs. 0.28 lakh). The bitumen costing about Rs. 2.60 lakhs at the present prices (January 1987) has deteriorated after more than six years of storage.

Failure to use the machinery has led to idle investment supplemented by infructuous expenditure of Rs. 2.22 lakhs on staff and repairs apart from loss of bitumen worth Rs. 2.60 lakhs.

The matter was referred to Government in October 1986 and February 1987; reply has not been received (March 1988).

5.21 Nugatory expenditure due to lack of planning

The work of excavation of a pilot channel and removing humps and obstructions from the bed of the river New Cosaye was awarded to seven contractors in April 1982 at a total cost of Rs. 16.54 lakhs, without the required administrative approval and financial sanction.

The excavation was to be done in the existing deep channel with bed width of 15 metres. However as the time left for com-

pletion of the work in the irrigation working season of 1981-82, was short, the Superintending Engineer instructed in May 1982, the limitation of excavation upto a bed width of 9 metres. Even this could not be achieved due to early rains. As the excavation was not done up to the designed channel section, it failed to serve any useful purpose and the Superintending Engineer directed in October 1982, the closure of all the contracts. The payment of Rs. 3.63 lakhs already made for the works done by the contractors proved wasteful, as a result of lack of proper planning.

The matter was reported to Government in August 1985; reply has not been received (March 1988).

5.22 Loss due to use of inferior materials in construction

A boundary wall running to a length of 3.6 kilometres around Haringhata Central Laboratory was constructed during 1982-83, at a cost of Rs. 10.22 lakhs. Due to a cyclonic storm which hit the area on 13th April 1983, a portion of the newly constructed boundary wall running to a length of about one kilometre collapsed. The cost of restoration of the damaged portion was estimated at Rs. 3.20 lakhs in May 1983. Use of inferior quality materials was considered responsible for the collapse by a high power enquiry committee appointed by the Government. The damaged portion of the wall has not been reconstructed so far nor responsibility fixed for the damage (January 1987).

The matter was referred to Government in June 1986; reply has not been received (March 1988).

5.23 Uneconomic collection of canal revenue

During 1984-85 and 1985-86, a total sum of Rs. 0.34 lakh was collected by a Canals Division as tolls from canals, while 21 persons on regular establishment were entertained for the purpose of collection of tolls at a cost exceeding Rs. 3 lakhs. The figures for collection of toll for the period before 1984-85 were not available. The expenditure on collection thus far exceeded the revenue earned.

This was referred to Government in December 1986; reply has not been received (March 1988).

5.24 Idle establishment attached to an unserviceable launch

The Motor Launch 'Jalamati' purchased by Sundarban Delta Project River Research Institute in February 1960 at a cost

of Rs. 0.92 lakh was being used by the Institute for river survey and investigation. The launch has been lying idle since 1980, and is reported to be beyond economic repairs. But a driver and a serang employed for the launch continued in service without work and their salary from 1980-81 to January 1987 amounted to Rs. 2.19 lakhs.

The work of river survey and investigation since 1980 was done by the Institute through hiring private launch when required.

Thus continued retention of staff for an unserviceable launch for nearly seven years without alternate deployment led to infructuous expenditure of Rs. 2.19 lakhs.

The matter was referred to Government in June 1986; reply has not been received (March 1988).

5.25 Unfruitful expenditure due to faulty design of an office building

An office building for Mayurakshi Canal Revenue Division at Rampurhat was constructed in March 1979 at a cost of Rs. 1.72 lakhs.

Some cracks developed in the building in 1981 which aggravated during the year 1983 with the result that the building became unsafe and had to be vacated in 1984. The damage to the building occurred as it was not designed keeping the soil conditions in view. An estimate of Rs. 3.80 lakhs for remodelling the building was prepared in October 1985 but the work has, however, not been carried out. The amount of Rs. 1.72 lakhs spent on the building thus proved wasteful.

The matter was referred to Government in November 1986; reply has not been received (March 1988).

5.26 Extra contractual payment

The work "Construction of Mahananda Aqueduct near Dhumdangi Railway Station" was entrusted to a contractor in September 1977 at a lump sum cost of Rs. 309 lakhs, for completion by September 1979. However the contractor failed to adhere to this target date and the work was in progress even in 1981.

Due to the onset of rains and rising water level the contractor was directed in May 1981 to strengthen the existing ring bundh in order to secure safety of the structures on two spans of the aqueduct already constructed. The ring bundh

was incidental to the work and in terms of the agreement it was the contractor's responsibility to maintain it till the completion of the work without any claim for additional payment for its construction and/or strengthening. The Department, however, treated the strengthening of the bundh as an additional protective work and made a payment of Rs. 1.61 lakhs for the job in addition to the lump sum contract value, even though there was no legal liability to make this payment.

The matter was referred to Government in July 1987; reply has not been received (March 1988).

5.27 Extra expenditure due to termination of contract

The work of construction of a sluice at mouza Gopalnagar was awarded to a contractor 'A' in June 1980 for a value of Rs. 0.82 lakh for completion by September 1980. As the contractor failed to show any progress beyond collection of materials, despite grant of extensions the contract was rescinded without any penalty in November 1981. A new contractor 'B' was fixed and he completed (May 1984) the work at a cost of Rs. 1.02 lakhs.

The contractor 'A' had requested for change of site in September and November 1981 due to heavy sand blowing in foundation. The request was rejected though the contractor 'B' was allotted a new site for the same reason. Being aggrieved, contractor 'A' sought for arbitration which ended in an award of Rs. 0.72 lakh in his favour. Due to delay in making payment of the award a sum of Rs. 0.07 lakh had also to be paid as interest. Materials worth Rs. 0.47 lakh issued to contractor 'A' also were not returned. Thus, the rescinding of his contract led to an extra and unproductive expenditure of Rs. 1.26 lakhs.

This was brought to the notice of the Government in September 1986; reply has not been received (March 1988).

METROPOLITAN DEVELOPMENT DEPARTMENT

5.28 Slum clearance and improvement of Slums

5.28.1 *Introductory*

The Environmental Improvement of Urban Slum Scheme (EIUS) was taken up in 1970-71 for improvement of slums of the Calcutta city. It recognised the existing huts in the slums as part of the city housing stock and that improvement works should

be taken up without disturbing the existing huts and the alignments of the pathways and street system within the slum areas along with its traditional tenancy system. The scheme envisaged provision of amenities like community latrines, community taps for drinking water, sewerage, drainage, paving of existing pathways and street lights.

In 1970, Calcutta Metropolitan Development Authority (CMDA) was entrusted with both implementation and execution of the scheme in the whole of Calcutta Metropolitan District with financial assistance from the State Government. Since 1983-84 the execution of works was entrusted to the respective municipal bodies though the overall responsibility for implementation remained with CMDA. The municipal bodies received funds from CMDA against estimates sanctioned by it for executing the works. From 1977-78, the slum improvement programme also got covered in the project of International Development Authority for development of Calcutta.

5.28.2 *Scope of Audit*

A review of the implementation of the scheme based on test check of records of the Directorate Office of Bustee Improvement and Municipal Anchal Development under CMDA, along with four divisional offices under it was undertaken by Audit between 1st July 1987 and 20th August 1987.

5.28.3 *Highlights of the result of Audit Review*

—The total expenditure on the scheme during 1980-87 was Rs. 2,548.58 lakhs. There was a decline in annual expenditure after 1982-83, despite adequate allotment of funds.

—Out of the estimated 30.28 lakh slum dwellers, 21.47 lakhs have been covered up to March 1987; physical targets and achievements after 1981-82 declined despite adequate allotment of funds.

—The purpose of additionality in coverage underlying the Central incentive grant of Rs. 53 lakhs given in 1983-84 was not achieved.

—Adoption of higher per capita ceiling limit for provision of amenities led to the denial of benefits of the scheme to 6.89 lakh slum dwellers.

—Rs. 1,150 lakhs were spent for second round coverage of some of the slums while 8.81 lakh slum dwellers had not been covered even once, up to March 1987.

—The defective construction of a trunk sewer led to recurring expenditure on frequent clearing of silt to keep it operational.

—An unnecessary payment of Rs. 6.30 lakhs was made by CMDA to the electric supply authority for illegal consumption charges.

—Failure to adopt *ab initio* the cheaper specification of brick pavement instead of cement concrete pavement led to extra expenditure of Rs. 2.42 lakhs.

—Injudicious termination of favourable contract for installation of pre-fabricated latrines led to an extra expenditure of Rs. 1.27 lakhs.

5.28.4 *Financial Outlays*

An analysis of the outlays on the programme during the seven years 1980-87 shows that there was substantial expenditure up to 1982-83 but thereafter the outlays came down with large savings out of the allotments made by the State Government to CMDA for the scheme. The details are given below:

Year				Allotment by Government	Works expenditure by CMDA
				(Rupees in lakhs)	
1980-81	..	..	..	400.00	537.65
1981-82	..	..	..	385.00	483.31
1982-83	..	..	..	400.00	535.11
1983-84	..	..	..	457.00	300.88
1984-85	..	..	..	405.00	242.75
1985-86	..	..	..	500.00	259.34
1986-87	..	..	..	500.00	189.44
Total for 1980-87	..	..	..	3,047.00	2,548.58

5.28.5 *Physical targets and achievements*

The scheme was launched in 1970-71 without having a comprehensive assessment of the number of slums and slum population in the State or in the urban areas of the State. After implementation of the scheme for ten years, CMDA assessed

in 1981 urban slum population living in 3,000 slums in Calcutta Metropolitan district to be 30.28 lakhs of which 17.34 lakhs were under the jurisdiction of Calcutta Municipal Corporation. No target date has been fixed for completion of coverage of the entire population. Of the 30.28 lakhs identified population, actual coverage under the scheme till the end of March 1980 was 13.66 lakhs i.e., 45 *per cent* and that to the end of March 1987 was 21.47 lakhs i.e., 71 *per cent*.

Annual targets vis-a-vis actual coverage up to 1986-87 were as follows:

Year				Target (Population in lakhs)	Coverage
Up to March 1980	..	..	..	NA	13.66
1980-81	..	..	..	2.20	2.20
1981-82	..	..	..	2.00	2.00
1982-83	..	..	..	0.69	0.69
1983-84	..	..	..	0.60*	0.95
1984-85	..	..	..	0.86	0.58
1985-86	..	..	..	0.64	1.39
1986-87	..	..	..	0.48	
Total coverage up to 1986-87	..	..	..		21.47

*Revised target in place of original target of 0.95

There was a steep drop in both targets and achievement after 1981-82 although financial allotments did not show any decline.

According to the norm adopted by CMDA, latrines were to be provided either by conversion of the existing service latrines into sanitary latrines or by construction of new sanitary latrines, as the situation demanded, at the rate of one latrine for each hut or every 25 persons, whichever was advantageous to the beneficiaries. A population of 21.1 lakhs was reported to have been covered by the scheme up to the end of 6th Plan. However it was seen in audit that the population coverage may be 12.96 lakhs only with reference to the extent of inputs physically provided and norms prescribed.

5.28.6 *Non-fulfilment of the aim of Central Incentive Grant*

The allotment to CMDA during 1983-84 included a Central Incentive Grant of Rs. 53 lakhs to the State Government for an additional coverage of 0.35 lakh slum population over and above

the annual State target of 0.95 lakh. Thus, total target of coverage for 1983-84 should be 1.30 lakhs. But, the State Government revised downward its own target from 0.95 lakh to 0.60 lakh and retained the overall target unchanged at 0.95 lakh. The achievement claimed was only 0.95 lakh. Thus the Central grant did not achieve its aim to increase the coverage.

5.28.7 *Observance of norms for ceiling costs*

The Government of India fixed per capita ceiling cost of amenities to be provided as Rs. 150, Rs. 250 and Rs. 300 for the years up to 1983-84, 1984-85 and 1985-86 respectively. However higher ceilings were adopted by CMDA as Rs. 500 from 1980-81 to 1982-83 and Rs. 700 from 1983-84 onwards, attributing them to rise in prices.

The targets claimed as achieved by CMDA did not conform to the per capita ceilings adopted by it as above. Even accepting the levels of achievement claimed by CMDA, it appeared that adoption of higher per capita ceiling led to denial of the benefit of the scheme to 6.89 lakh slum dwellers during 1980-85. Further details are given in the table below:

Year	Expenditure incurred by CMDA (Rupees in lakhs)	Coverage as per prescribed norms	Coverage as per adopted norms (—in lakhs—)	Achievement claimed by CMDA
1980-81	537.65	3.58	1.10	2.20
1981-82	483.31	3.22	0.97	2.00
1982-83	535.11	3.57	1.10	0.69
1983-84	299.41	2.00	0.43	0.95
1984-85	239.75	0.94	0.34	0.58
Total	2,095.23	13.31	3.94	6.42
1985-86	194.56	0.65	0.28	0.66
1986-87	102.71	0.34	0.15	0.48

5.28.8 *Second round of coverage*

Between 1980-81 and 1986-87, CMDA undertook second round of improvement work in slums located in 65 wards out of 95 wards of Calcutta Municipal Corporation at a total cost of Rs. 1,150 lakhs on the ground that these slums were found inadequately covered according to the prescribed norms. The

strong justification for taking up this second round, when a sizeable part of slums had not been covered even once (8.81 lakh slum dwellers as on March 1987) under the scheme was not on record.

5.28.9 *Defective construction of trunk sewer*

A trunk sewer in Calcutta Corporation Ward No. 60 and 61 (old) was constructed in 1980 by Calcutta Metropolitan Water Supply and Sanitation Authority and Sewerage and Drainage Sector of CMDA at a cost of Rs. 101.42 lakhs under this scheme. The purpose of the trunk sewer was to provide drainage facilities to the bustee dwellers. At the time of connecting the internal bustee sewer lines with the trunk sewer it was observed that some portion of the trunk sewer remained always surcharged with silt and water with the danger of back flow, affecting the normal functioning of sewer system. The Calcutta Municipal Corporation stated, after investigation of the defect, that the trunk sewer net work in the upper catchment was laid at a level lower than the level of the outlet at the pumping station.

Due to this defect, recurring expenditure had to be incurred for frequent clearing of silt to keep it functioning, which during the period from 1982-83 to 1985-86 amounted to Rs. 16.71 lakhs. Corrective measures were still under consideration of the CMDA (October 1987).

5.28.10 *Diversion of funds*

The electric supply line in one of the seven blocks of Manik-tala-work-cum-living centre was disconnected for illegal tapping of electric power. The electric supply authority claimed Rs. 12.60 lakhs for illegal consumption between January 1979 and July 1985. CMDA accepted the payees liability and discharged Rs. 6.30 lakhs on ad hoc basis in May 1986 out of the funds for the scheme. The restoration of the service connection and installation of metres in other blocks is still pending (October 1987). There are no records justifying and authorising this payment which is not the liability of CMDA. Even after payment the objective of restoring electric supply has not been achieved.

5.28.11 *Extra expenditure for brick pavement work*

The work "Bustee Improvement work at Calcutta Corporation Ward No. 59" was given on contract in February 1982 for Rs. 31.04 lakhs. When the work was in progress, CMDA decided

that cheaper brick pavement should be provided in lieu of cement concrete pavement so as to maintain uniform specification for such works in slum improvement. The contractor was accordingly directed but he expressed his unwillingness to execute the work with the change. The contract was, therefore, rescinded with penalty of Rs. 0.98 lakh. This was, however, challenged and arbitration proceedings are pending (August 1987). In the meantime the brick pavement work with some other items of work was entrusted in 1983-84 to another agency which completed the work in January 1987 at a cost of Rs. 9.73 lakhs. It has been computed by audit that if *ab initio* brick pavement had been specified the expenditure would have been only Rs. 7.31 lakhs with a saving of Rs. 2.42 lakhs.

5.28.12 *Extra expenditure due to injudicious termination of contract*

The lowest tender for installation of 250 pre-fabricated latrines at different slums was awarded in May 1982 for a value of Rs. 3.93 lakhs at the rate of Rs. 1,574 each with the stipulation to complete by August 1982. Due to non-availability of site only 90 latrines could be installed with extensions up to May 1983. In January 1985 when sufficient sites became available, the contractor requested to be allowed to complete the balance work at the accepted rate. Instead of accepting the request, his contract was terminated in June 1985 retrospectively from September 1984. Fresh tenders for installation of 230 pre-fabricated latrines were invited and a higher rate of Rs. 2,432 each was accepted in July 1985. Of these, 148 latrines were installed and paid for till July 1987, involving extra expenditure of Rs. 1.27 lakhs. It was attributable to injudicious termination of the favourable contract.

The matter was reported to Government in October 1987; reply has not been received (March 1988).

5.29 Avoidable expenditure due to delay in supply of drawings and materials

The work of construction of Local Centre at Sector II, Salt Lake was entrusted to a contractor in December 1978 for a value of Rs. 14.12 lakhs for completion by October 1979. The work was completed only by 30th April 1981 and the delay in completion of the work was attributed to delay in supply of the foundation and other drawings as well as departmental materials. A sum of Rs. 2.15 lakhs was claimed by the contractor in July

1983 and after arbitration, a sum of Rs. 2.27 lakhs was paid by the Department to the contractor in May 1984 as compensation for delay, interest and cost attributable to delay in supply of drawings and materials. This payment could have been avoided had the Department taken effective steps to avoid delay in supply of the drawings and materials.

The matter was referred to Government (June 1986); reply has not been received (March 1988).

PUBLIC WORKS DEPARTMENT

5.30 Avoidable expenditure due to delay in execution of works

The work of construction of Police Quarters in four buildings was awarded in December 1983 to two contractors for a total value of Rs. 24.15 lakhs. After executing works to the extent of Rs. 6.70 lakhs on two buildings, the contractors stopped the works in June 1984 and June 1985 on the grounds of non-availability of complete site for construction, cement and steel. At their request, the contracts were terminated in October 1985 and January 1986 respectively without any penalty. The department decided to take up the balance work only for two out of the four buildings and awarded in December 1985 and April 1986 the work to the same two contractors for a total value of Rs. 22.21 lakhs. Thus the total expenditure on construction of two buildings was Rs. 28.91 lakhs which exceeded their original estimated cost of construction by Rs. 9.93 lakhs.

Failure of the department to hand over site, cement and steel on time to the contractors led to this extra expenditure of Rs. 9.93 lakhs on construction.

The matter was referred to Government in August 1986; reply has not been received (March 1988).

5.31 Delay in completion of a flood-shelter

The work of construction of flood-shelter at Kumiramari in 24-Parganas district, under the flood-protective project administratively approved by Government in February 1981 was entrusted to contractor A in April 1981 at a cost of Rs. 4.17 lakhs on the basis of short notice tender. Though the work was declared "emergent" and six months' time was allowed for its completion, it could not be started due to the failure to hand

over clear site to the contractor. In February 1982 the contract was terminated without imposing any penalty. Fresh tenders were invited in July 1982 and the work was awarded to the lowest tenderer in March 1983 at a cost of Rs. 5.73 lakhs. But, this time also the contract was terminated in January 1984 due to contractor's unwillingness to take up the work without escalation in rates on the ground of abnormal delay in giving layout and necessary drawings. Again after inviting sealed bids from selected contractors in February 1984, the work was entrusted to contractor A who quoted the lowest rate in the bid and was got completed in April 1985 at a cost of Rs. 8.22 lakhs. Thus, delay in finalisation of the site for construction of flood-shelter taken up as "emergent" work in 1981 not only caused a time overrun of about four years but also led to an extra expenditure of Rs. 4.05 lakhs to Government.

The matter was reported to Government in September 1986 and April 1987; reply has not been received (March 1988).

5.32 Unoccupied staff quarters

The work of construction of 46 quarters for staff of the Commercial Tax Directorate at Kanyapur (near Asansol) in the district of Burdwan was entrusted to contractors under different agreements entered into between 1977-78 and 1980-81 and was got completed by June 1983 at a cost of Rs. 17.16 lakhs. Though the structural work for the quarters was completed by June 1983, arrangements for water supply were made only in March 1985. Service connection for electricity has still (April 1987) not been provided due to a dispute with the State Electricity Board regarding the installation of sub-stations required for the purpose. Consequently the administrative department did not take possession of the quarters, and the buildings had been lying unoccupied for the last four years (April 1987).

Necessary security arrangements for the quarters were made only from January 1986 at an annual recurring expenditure of Rs. 0.30 lakh. During the period when the staff quarters were left unguarded, various fittings like doors, windows and sanitary/plumbing articles worth about Rs. 2.24 lakhs were reported to have been stolen. An estimate of Rs. 2.67 lakhs framed for replacement of the stolen materials was still (April 1987) under consideration.

The matter was reported to Government in September 1986; reply has not been received (March 1988).

5.33 Retention of two sub-divisions without work

The Government in Public Works Department sanctioned (December 1974) creation of three sub-divisions under the control of Resources Division-I for organising procurement and distribution of materials like steel, cement, bitumen, etc. required by the other divisions of the department. Of the three sub-divisions, two sub-divisions virtually did not have any work since their creation (January 1975) as no specific work was allotted to them in connection with the procurement and distribution of materials. The entire staff of the two sub-divisions remained without work resulting in wasteful recurring expenditure of Rs. 1 lakh every year.

The matter was reported to Government in July 1985; reply has not been received (March 1988).

PUBLIC WORKS (CONSTRUCTION BOARD) DEPARTMENT

5.34 Infertuous expenditure due to non-verification of titles of land

The work of construction of six-bedded subsidiary health centre at Kheyada in Sonarpur block of 24-Parganas district, administratively approved in May 1983, was entrusted to a contractor in September 1983 at a cost of Rs. 11.14 lakhs. A piece of land donated by an organisation in January 1982 through a gift deed was selected as the site for construction of the health centre. In April 1984, the work was suspended following an order of injunction issued by the Court due to a dispute in the title to the donated land. After payment of an amount of Rs. 1.37 lakhs to the contractor for work done by him, the contract was terminated in September 1984. The contractor then went in for arbitration for settlement of his claim for the balance dues and also for the losses suffered due to idle establishment. In terms of the award of the arbitrator a total amount of Rs. 3.15 lakhs, including interest, was paid to him in December 1985 and October 1986.

Thus the failure to verify the rights and titles of the land before commencement of the work led to an infertuous expenditure of Rs. 4.52 lakhs.

The matter was reported to Government in June 1986; reply has not been received (March 1988).

5.35 Extra expenditure due to delay in completion of work

The work of construction of hospital buildings and ancillary structures for a 50-bedded hospital at Amaraguri administratively approved in August 1976, was awarded to a contractor in October 1977 at a cost of Rs. 22.21 lakhs. The work was started in November 1977 but in March 1981 when about 87 *per cent* of work valuing Rs. 19.40 lakhs had been done, the contractor abandoned the work reportedly due to losses suffered by him as a result of severe flood of 1978 and eventual delay in completion of the work. Due to non-settlement of his balance dues and certain other claims, the contractor went in for arbitration in November 1983. The arbitrator gave an award in his favour in June 1984. An amount of Rs. 1.41 lakhs (inclusive of interest: Rs. 0.16 lakh) was paid to him in June 1985 as award money which included *inter-alia* Rs. 0.28 lakh as interest for delay in settlement of balance dues and Rs. 0.25 lakh as cost of guarding the completed buildings. The balance of work was awarded after a delay of four years in August 1985 and construction completed in April 1986 at a cost of Rs. 5.18 lakhs including some supplementary items. The increase in cost of construction worked out to Rs. 1.47 lakhs.

Delay in settlement of accounts of the first contractor and in taking up the balance work for about four years thus resulted in an extra expenditure of Rs. 2 lakhs including the avoidable payment of interest and guarding charges caused by the delay.

The matter was referred to Government in December 1986; reply has not been received (March 1988).

5.36 Non-enforcement of contractual obligations

The work of developing low land in the rehabilitation colony at Durgachak in Midnapore district partly with carried earth and partly with excavated earth was entrusted to five contractors in June 1981 for a total value of Rs. 14.90 lakhs. The contract provided, that measurements taken in respect of the portion of earthwork done by excavation would be reduced by one-ninth on account of shrinkage for the purpose of assessing the quantity of work to be paid for. The work was actually started in December 1981 and the portion of earthwork done by fresh excavation was completed before the onset of monsoon in 1982. Final measurements were however taken only in February/March 1983 and payment was allowed to the contractors without any

deduction for shrinkage in the excavated earth. The deduction for shrinkage involving an amount of Rs. 1.14 lakhs was waived by the Superintending Engineer on the ground that monsoon had passed over the filled up earth before measurement was taken. Reasons for abnormal delay in taking measurements could not be explained by the Department. It was the view of Audit that in terms of the contract, the deduction of Rs. 1.14 lakhs was obligatory and its waiver resulted in unintended benefit to the contractors.

The matter was reported to Government in March 1984; reply has not been received (March 1988).

5.37 Extra expenditure due to delay in finalisation of plan

The work of construction of dispensary buildings and staff quarters for a two-bedded subsidiary health centre at Nakuadah administratively approved in July 1979, was entrusted to a contractor in April 1980 at a cost of Rs. 4.54 lakhs. Though the work was to be completed by February 1981 as per stipulation in the contract, sufficient progress in its execution could not be achieved due to delay in giving layout plans for both residential and non-residential buildings to the contractor. While the layout for staff quarters only was given in August 1980, construction of dispensary buildings was kept in abeyance as it was decided by Government in the meantime to make six-bedded health centre instead of a two-bedded one. In April 1981 when about 24 *per cent* of work was done, the time for its completion was extended up to September 1981 to facilitate construction of dispensary buildings for the upgraded health centre. But, the contractor was not agreeable to continue the work without increase in rates. As his demand for enhancement was not accepted, he abandoned the work and sought arbitration in August 1981 claiming compensation for loss suffered by him due to prolongation of work. In February 1983 the arbitrator awarded an amount of Rs. 1 lakh in favour of the contractor which was confirmed by Calcutta High Court in July 1983 and the award money was paid in September 1984. The balance work for the upgraded health centre was entrusted to other agencies in November 1985. Delay in finalisation of the plans in respect of dispensary buildings thus resulted in an extra expenditure of Rs. 1 lakh, as arbitration award for compensation of loss attributable to delay.

The Government stated (August 1987) that late receipt of the deed of land for the buildings caused some delay in commence-

ment of the work and the extra expenditure which was awarded to the agency by the arbitrator was unavoidable.

5.38 Loss of Government materials

A Public Works Division purchased bricks from brick fields under Brick Production Directorate (BPD) for supply to contractors for use in construction works entrusted to them.

In course of test check of divisional records (January 1985) audit pointed out that payments had been made for bricks worth Rs. 1 lakh between March and October 1983, but there was no evidence to show that these bricks were received and issued for works. There was also no regular system for keeping watch over receipt of delivery orders and actual supplies from the Brick Production Directorate with reference to indents placed and advance payments made for bricks.

When the loss of bricks valued at Rs. 1 lakh was brought to the notice of the Government, it stated (August 1987) that necessary action was being taken to find out the discrepancies between quantity of bricks as per proforma bills and that issued to works.

PUBLIC WORKS (ROADS) DEPARTMENT

5.39 Overpayments to a contractor

During execution of the work of construction of approach road at Nadanghat bridge in Burdwan district under two contracts, entered into during 1980-81, the Superintending Engineer ordered the use of sand-mixed soil for earthwork instead of ordinary earth provided for in the contracts. Accordingly, two supplementary agreements were entered into for spreading and mixing of 20 *per cent* sand with 80 *per cent* excavated earth.

The main contracts provided that payment for supplementary items of work if covered by the Departmental Schedule of Rates should be made at the rates shown therein, as augmented by the accepted contractual percentage thereon.

Instead of adopting the rate specifically provided in the Departmental Schedule of Rates, for this item of work, a new rate was worked out based on market rate for sand for regulating payment. As the new rate of Rs. 25.56 per cubic metre exceeded the rate of Rs. 17.85 based on the Departmental Schedule of Rates

and enforceable in terms of the contract there was an overpayment of Rs. 3.54 lakhs.

The Government stated (August 1987) *inter alia* that the specification of earthwork had to be changed to meet the site condition and the rates provided in the Schedule of Departmental Rates could not be followed in the case of supplementary tenders as the sand had to be brought from a distant place for its non-availability in the local area.

5.40 Additional expenditure due to non-acquisition of land in time

The construction of a bridge over Habka Khal administratively approved in August 1981, was entrusted to a contractor in September 1983 at a cost of Rs. 11.96 lakhs. In April 1984 when about 50 *per cent* of the work valuing Rs. 5.78 lakhs had been completed by the contractor further work was suspended due to court injunction issued in consideration of a petition filed by a private individual complaining unlawful encroachment on his land for construction of a portion of the bridge. The department admitted that the plot of land belonging to the said individual was omitted to be taken over through usual land acquisition proceedings and the matter was settled amicably between the department and the owner of the plot, leading to vacation of the court injunction in August 1985. Meanwhile, the contract was terminated without imposing penalty as the contractor was not agreeable to continue the work without escalation in rates. In December 1985 the balance work was awarded to another agency at a tendered value of Rs. 8.68 lakhs. Thus, the failure of the department to verify the title to the land and to acquire all the land needed, before entrusting the work resulted in an additional expenditure of Rs. 2.50 lakhs to Government.

The matter was reported to Government in March 1987; reply has not been received (March 1988).

5.41 Avoidable extra expenditure on land acquisition

A plot of land at Mathabhanga in the district of Cooch Behar was requisitioned in February 1977 for construction of staff quarters and an amount of Rs. 0.03 lakh (80 *per cent* of the value of the land on the date of requisition) was paid to the owners provisionally against its assessed value of Rs. 0.04 lakh. Under provisions of the West Bengal Land (Requisition and Acquisition) Act the amount of compensation payable for acquisition of land

should be worked out with reference to the market value of land on the date of publication of notice in the "Calcutta Gazette". Though the construction of staff quarters was taken up immediately after requisition of the land in February 1977, the required notice was published in the Calcutta Gazette only on 12th April, 1982. As a result of this delay the compensation payable for the land became Rs. 2.46 lakhs and a sum of Rs. 2.43 lakhs had to be paid (March 1985) to the owners of the land, after adjusting the amount provisionally paid earlier.

Thus the delay of over five years in following the procedure prescribed for land acquisition led to an avoidable extra expenditure of Rs. 2.42 lakhs on land acquisition.

Government stated (June 1987) that compensation paid was according to normal rules and delay in publishing the relevant notice was unavoidable.

5.42 Extra expenditure due to commencement of work without preparatory action

The work of construction of approaches, in embankment, for a road overbridge to replace the level crossing between Kalipahari and Asansol stations impinged on an adjoining national highway, which is the responsibility of the Ministry of Shipping and Transport (Government of India). Without obtaining the concurrence of either this Ministry or the Railway Board, the work was awarded in March 1977 for value of Rs. 9.87 lakhs. Due to non-receipt of the approval of the Railway Board, the contract was terminated in September 1977 without commencement of work. On receipt of approval in March 1978 from the Railway Board, the earlier contract was revalidated and the work order issued to the contractor in December 1978. The work, started in March 1979, was suspended in November 1979 as the Ministry of Shipping and Transport objected to the construction taken up without their approval of the plans and permission for encroachment of land belonging to the Ministry. Due to the unwillingness of the contractor to do further work, the contract was terminated in November 1981 when work valuing Rs. 1.78 lakhs still remained to be done. After getting clearance from the Ministry in 1984 the balance work was entrusted to another agency at a cost of Rs. 3.50 lakhs in August 1985, and the work completed at an extra cost of Rs. 1.72 lakhs. This extra expenditure of Rs. 1.72 lakhs attributable to the failure of the department to secure necessary clearances, before award of work, was avoidable.

The Government stated (April 1987), that had the work been commenced after receipt of the approval of the Ministry of the Government of India, the total expenditure would have been much higher. This however does not clarify the failure to approach the Ministry until March 1981, nearly four years after award of the work.

GENERAL

5.43 Non-clearance of balance under Cash Settlement Suspense Account

The cost of services rendered or supplies made by any division to another is accounted for under the suspense head called "Cash Settlement Suspense Account" by the originating division pending settlement of claim by the receiving division. After closing the accounts for the month, the originating division should send claims (in a prescribed form) for the supplies made or services rendered during the month to the receiving division which should, within 10 days of receipt of the claim, settle the same by issue of a cheque/demand draft in favour of the originating division.

With the proper implementation of this accounting procedure there should be no balance under this head of account at the close of any year. However due to delay in settlement of the claims, the balance under the suspense head had been increasing substantially as may be seen from the following table.

Year					Balance (Rupees in crores)
1981-82	..	..	..	..	57.11
1982-83	..	..	..	..	77.78
1983-84	..	..	..	..	105.87
1984-85	..	..	..	..	119.97
1985-86	..	..	..	..	131.41

An analysis of the balances outstanding indicated that there had been delays ranging from 2 months to 5 years on the part of the originating divisions to prefer claims for the supplies made.

The responding divisions did not settle the claims for want of funds, delay in verification of claims and disputes about the claims.

Non-clearance of balance under "Cash Settlement Suspense Account" may result in failure to detect cases of mis-appropriation and/or unauthorised and irregular transfer of materials.

The matter was reported to Government (August 1987); reply has not been received (March 1988).

5.44 Outstanding inspection reports

Audit observations on financial irregularities and defects in initial accounts noted during local audit and not settled on the spot are communicated to the Heads of Offices and to the next higher departmental authorities through audit inspection reports. The more important irregularities are reported to the heads of Departments and Government. Government have prescribed that first replies to inspection reports should be sent by the heads of the offices to the respective heads of Departments within three weeks from the date of receipt of the inspection reports. They are required to transmit such explanations along with their comments to the Accountant General within two months from the date of receipt of the explanations from their subordinate officers.

This prescribed time-bound procedure has not been followed and there are heavy outstanding in the receipt of replies to inspection reports. At the end of September 1987, 2,523 inspection reports issued up to March 1987 contained 19,176 paragraphs not settled as shown below with corresponding figures for earlier two years.

	Position of outstandings at the end of September		
	1985	1986	1987
Number of inspection reports issued up to March preceding	1,792	2,282	2,523
Number of paras not settled	13,423	17,104	19,176

Yearwise break up of the outstanding inspection reports is appended below:

Year				Number of inspection reports	Number of paragraphs
Up to 1982-83	..	..	..	1,390	9,833
1983-84	..	..	..	205	1,852
1984-85	..	..	..	197	1,738
1985-86	..	..	..	490	3,681
1986-87	..	..	..	241	2,072
Total				2,523	19,176

A scrutiny of the position of outstanding inspection reports relating to Housing Department and Public Works (Construction Board) Department revealed that 273 numbers of inspection reports involving 2,600 paragraphs issued up to March 1987 have not been settled till the end of September 1987 as detailed below:

Years to which outstanding paras relate	Number of inspection reports		Number of paragraphs not settled	
	Housing Department	PW (CB) Department	Housing Department	PW (CB) Department
Up to 1973-74	Nil	22	Nil	22
1974-75	1	11	2	89
1975-76	2	12	6	35
1976-77	6	14	17	100
1977-78	3	17	3	212
1978-79	6	14	22	169
1979-80	8	12	26	79
1980-81	2	13	6	157
1981-82	6	16	68	210
1982-83	5	16	22	213
1983-84	7	14	71	238
1984-85	6	17	44	254
1985-86	7	12	105	170
1986-87	11	13	65	195
Total	70	203	457	2,143

An analysis of 162 of these Inspection Reports revealed that the 345 pending paragraphs related to the categories detailed below:

Nature of irregularities	No. of cases in which the irregularities noticed		Money value (<i>Rupees in lakhs</i>)
	Housing Department	PW (CB) Department	
1. Expenditure incurred without sanction of Government/administrative approval	16	22	191.25
2. Infructuous/avoidable/ irregular expenditure	15	93	340.10
3. Extra expenditure due to non-acceptance of lowest tender and non-observation of other conditions of contract	12	6	50.08
4. Withdrawal of Government money to avoid lapse of budget grant/blocking of Government money	9	9	121.30
5. Non-disposal of unserviceable materials/articles lying in stock/stores	3	33	34.50
6. Shortage/Losses not recovered/written off	7	51	66.15
7. Non-recovery of dues from the contractors/suppliers/employees	11	58	75.40
Total	73	272	876.78

These irregularities have persisted even after having been pointed out in successive inspection reports. The possibility of detection of loss of Government money, fraud, misappropriation etc. arising out of the inspection reports cannot be ruled out. It is necessary that appropriate action is taken promptly in settling outstanding inspection reports and paragraphs therein.

The matter was reported to Government (October 1987); reply has not been received (March 1988).

5.45 Review of works expenditure

Expenditure incurred without estimates/in excess of sanctioned estimates

Under the Financial Rules of the State Government no work can be commenced or liabilities incurred until a detailed estimate is sanctioned. In case the expenditure is likely to exceed the sanctioned estimates by more than 5 *per cent*, a revised estimate is required to be sanctioned. Expenditure on each of the following works was incurred without sanctioned estimate/revised estimates.

Departments	Expenditure incurred without sanctioned estimates		Expenditure incurred on works in excess of sanctioned estimates by more than 5 <i>per cent</i>		
	Number of works	Expenditure up to March 1987	Number of works	Total amount of sanctioned estimates	Excess expenditure up to March 1987
(1)	(2)	(3)	(4)	(5)	(6)
	Rupees in crores			Rupees in crores	
Irrigation and Waterways	165	219.80	12	7.52	5.34
Public Works	93	54.98	4	1.60	0.42
Health and Family Welfare	59	50.39	12	3.27	2.08
Public Works (Roads)	96	48.17	22	11.54	8.43
Metropolitan Development	15	17.25	—	—	—
Housing	26	13.63	—	—	—
Agriculture	7	3.35	—	—	—
Public Works (Construction Board)	10	2.84	—	—	—
Total:	471	410.41	50	23.93	16.27

Particulars of other 19 works costing rupees one crore and above, which were taken up without sanctioned estimates are given in Appendix 5.1.

CHAPTER VI

STORES AND STOCK

ANIMAL HUSBANDRY AND VETERINARY SERVICES DEPARTMENT

6.1 Central Medical (Veterinary) Stores

During audit of the annual stores accounts of the Central Medical Stores for 1986-87, accumulation of stock of medicines and surgical requisites were noticed as below:

Nature of stores	Balance as on 1st April 1986	Value of Stores purchased during 1986-87 (Rupees in lakhs)	Value of stores issued during 1986-87	Value of stores as on 31st March 1987
(a) Medicines	56.03	50.06	43.82	62.27
(b) Surgical requisites	20.14	25.25	20.44	24.95
Total	76.17	75.31	64.26	87.22

Accumulation of stores valuing Rs. 87.22 lakhs was due to following factors:

(i) *Unrealistic assessment of requirement*

Against the monetary ceiling of items required by the various veterinary institutions during 1986-87 fixed at Rs. 57.17 lakhs, in accordance with Government orders dated 19th February 1986, the Director of Veterinary Services assessed the requirement at Rs. 80.50 lakhs reportedly on the basis of the indents of the Central Medical Stores, recommendations of the Deputy Directors of three divisions and availability of funds. Purchase of medicines (Rs. 50.06 lakhs) and surgical requisites (Rs. 25.25 lakhs) during 1986-87, although within the requirement assessed by the Director exceeded the ceiling by Rs. 18.14 lakhs. Issue of stores valuing Rs. 64.26 lakhs was also in excess of the ceiling by Rs. 7.09 lakhs. Thus, the assessment of requirement was not realistic and items valuing Rs. 87.22 lakhs accumulated in store.

(ii) *Unnecessary purchase*

Fortyfour items of medicines worth Rs. 23.75 lakhs were purchased during 1986-87 although the issue thereof was less than the opening balances brought forward from 1985-86. Of these 44 items, 11 items of medicines were purchased at a cost of Rs. 4.13 lakhs in excess of quantity requisitioned by the requiring units and 10 items of medicines (value: Rs. 2.25 lakhs) purchased were neither requisitioned by any unit nor consumed during 1986-87.

(iii) *Wanting acknowledgement of receipts*

Of the stores valuing Rs. 64.26 lakhs issued to 254 units during 1986-87, acknowledgements in support of receipt of stores valuing Rs. 36.57 lakhs were not obtained from 112 recipient units (July 1987).

(iv) *Physical verification of stores*

No physical verification of medicines stores was conducted during 1986-87 by any officer other than the officer-in-charge of store.

Government stated in October 1987 that the Central Medical Stores issues stores to 13 sub-depots of the State and the individual units of 24-Parganas and Howrah districts. Due to dearth of infrastructure of menial/contingent staff and adequate transport system supply of stores could not be speeded up as desired. Government further stated that purchases are made not solely on requisition from the indenting authority but on the decision of the Purchase Committee who reviews the position and select essential items considering their availability from the approved supplier and that the physical verification of stores was in progress and was expected to be completed soon.

FOREST DEPARTMENT

6.2 Unnecessary purchase of equipment

For raising minor forest produce and food crops under the 'Grow More Food campaign' in the forest land to be made available by felling trees, uprooting stumps etc., the Forest Department purchased 8 tractors and three bulldozers in 1966 and 1967 at a cost of Rs. 19.58 lakhs and placed them at the disposal of the Minor Forest Produce Division created in 1967

for the purpose. Since procurement, one tractor could not be used for want of attachments and accessories and another tractor was out of order. The remaining tractors and bulldozers being too heavy, their movement from place to place was very difficult and caused difficulties in their usage. Moreover, due to change in the plantation pattern, operation of tractors became impossible and they remained idle since 1969.

Mechanised harvesting of trees also stopped from 1977 because it led to wastage of utilisable timber and in consequence the bulldozers became redundant and remained idle since then. The Divisional Forest Officer stated in June 1972 that all the available tractors and bulldozers were surplus to requirements. No action was, however, taken by the department for their utilisation elsewhere.

The matter was brought to the notice of the Government in October 1984; reply has not been received (March 1988).

IRRIGATION AND WATERWAYS DEPARTMENT

6.3 Loss due to clodding of cement

The entire stock of 202 tonnes of cement costing Rs. 2.15 lakhs held by February 1985, in two godowns of Memari Irrigation sub-division under the Lower Damodar Irrigation Division was reported to be in clodded condition and unfit for use on important work. No investigation has been made to fix responsibility for this loss.

The matter was reported to Government (December 1985 and March 1987); reply has not been received (March 1988).

METROPOLITAN DEVELOPMENT DEPARTMENT

6.4 Stores/Equipment lying idle

Central Mechanical Division procured more than 120 items of stores/equipment during the period 1974-77 on the basis of project estimates for development of Sectors II and III of Salt Lake City at a cost of Rs. 53.64 lakhs, against the reserve stock limit of Rs. 1.50 lakhs only. During the last 10 years (up to December 1986) the division could utilise partially about 20 items of stores/equipment, worth Rs. 35.72 lakhs; about 100 items of stores/equipment costing Rs. 10.24 lakhs were not used during the last 10 years.

The Division stated (January 1987) that the materials lying in store are mainly spare parts of motor vehicles, and items required for sewerage and drainage works, as well as street lighting and that the materials are likely to be utilised within 2 to 3 years.

The matter was reported to Government (January 1984); reply has not been received (March 1988).

CHAPTER VII

COMMERCIAL ACTIVITIES

7.1 General

This Chapter deals with the results of audit of departmentally managed Government commercial and quasi-commercial enterprises.

7.2 Delay in preparation of *pro forma* accounts

As on 31st March 1987, four out of 24 enterprises have not prepared their *pro forma* accounts at all since inception and the accounts of the remaining 20 enterprises are in arrears for varying periods as indicated below with further details given in Appendix 7.1:

For 10 years or more	12 enterprises
For 3 years or more	8 enterprises

A task force was set up in July 1984 to prepare *pro forma* accounts of eight enterprises, but the progress in preparation of their accounts as well as those of others has been very poor mainly on account of absence of qualified staff. The Oriental Gas Company undertaking attributed the non-compilation of accounts to the absence of the decision of the Tribunal on compensation payable to the ex-owner of the enterprise. This is, however, not acceptable as the accounts could have been prepared assuming a provisional liability on account of compensation pending decision of the Tribunal. It may be seen from Appendix 7.1 that no explanations have been offered for non-compilation of *pro forma* accounts by many enterprises.

Pro forma accounts are important documents prepared to show the commercial viability and the financial position of the departmental enterprises which cannot be easily ascertained under the Government accounting system followed by them. Without these accounts it is not possible either to get any idea about their commercial viability or justify their continuance.

A synoptic statement showing the summarised financial results of three enterprises based on their latest available accounts is given in Appendix 7.2. All of them incurred losses and failed to give any return on the capital invested.

COTTAGE AND SMALL SCALE INDUSTRIES DEPARTMENT

7.3 Wood Industries Centres at Durgapur, Kalyani and Siliguri

7.3.1 Introduction

The State Government set up in November 1956 three wood industries centres at Durgapur, Kalyani and Siliguri for training local craftsmen and production of seasoned timber and quality wooden articles on a commercial scale. The activities of the centres are now primarily confined to fabrication of furniture, frames and shutters of doors and windows, the training programme having been discontinued since 1971-72.

The working of the centres was last reviewed by Audit and the results were incorporated in the Report of the Comptroller and Auditor General of India for the year 1974-75 (Civil). The activities of the centres for the five years ending March 1987 have been reviewed and results set out in the subsequent paragraphs.

7.3.2 Highlights

—The three wood industries centers set up in Durgapur, Kalyani and Siliguri in 1956 started as training-cum-production centres. However, they discontinued the training programmes since 1971-72.

—The *pro forma* accounts have not been prepared from 1965-66 onwards to assess the results of working and the financial position. According to the computation made by Audit from the available records, the centres sustained an aggregate loss of Rs. 97.06 lakhs without charging interest on capital and depreciation during the five years ending March 1987.

—The main factors which contributed to the loss are low productivity of workers, under-utilisation of capacity in spite of adequate orders in hand, delay in execution of orders involving additional cost and absence of cost control. The gross sales value of the articles produced did not cover even the salaries and wages of the employees from 1983-84 onwards.

—Norms for consumption of materials and usage of manpower in terms of machine-hours were not fixed. The incentive scheme introduced was ineffective. Inventory holding was heavy and recovery from buyers very slow leading to increase in working capital requirements.

—The seasoning plant set up at Durgapur centre at a cost of Rs. 2.68 lakhs remained idle, but Rs. 4.45 lakhs had been spent on wages of staff attached to this plant, between February 1979 and March 1987.

7.3.3 *Persistent loss*

Pro forma accounts of the centres were in arrears from 1965-66 onwards and so it is not possible to assess their viability and financial position. However, Audit worked out provisionally the results from available records which showed that the centres sustained an aggregate loss of Rs. 97.06 lakhs (Durgapur—Rs. 30.34 lakhs, Kalyani—Rs. 42.23 lakhs and Siliguri—Rs. 24.49 lakhs) without charging depreciation, interest on capital etc., during the five years ending 1986-87. Audit has inferred that the following factors mainly contributed to the loss:

- low productivity of workers;
- under-utilisation of capacity in spite of adequate orders in hand;
- delay in execution of orders involving additional cost; and
- absence of cost control.

7.3.4 *Low utilisation of capacity inspite of sufficient orders*

The capacity of the centres in physical terms has not been determined with reference to any standard product-mix. Norms for man and machine hours required for fabricating different types of products have also not been fixed. As a result, the extent of utilisation of capacity with reference to available equipment and man hours was not susceptible of verification.

The Department of Cottage and Small Scale Industries estimated on an *ad hoc* basis as early as July 1967 that the centres were capable of producing wooden articles valued at about Rs. 30 lakhs per annum (Durgapur—Rs. 12 lakhs, Kalyani—Rs. 12 lakhs and Siliguri—Rs. 6 lakhs). Though there has been considerable increase in the price levels, since then, the capacities assessed two decades back in monetary terms are still being

adopted (October 1987). Even with reference to such outdated *ad hoc* capacity, the performance was generally poor (barring few exceptions) as would be evident from the data in the following table:

Centre	Year	Production capacity fixed (July 1967)	Value of orders at the beginning of the year	Value of orders received during the year	Total value of orders	Value of orders executed	Value of orders at the end of the year	Percentage of capacity utilisation
(Rupees in lakhs)								
Durgapur	1982-83	12.00	N.A.	7.50	7.50	7.38	0.12	61.5
	1983-84	12.00	0.12	15.60	15.72	5.84	9.88	48.7
	1984-85	12.00	9.88	10.40	20.28	7.36	12.92	61.3
	1985-86	12.00	12.92	5.40	18.32	5.85	12.47	48.8
	1986-87	12.00	12.47	10.93	23.40	6.57	16.83	54.8
Kalyani	1982-83	12.00	N.A.	10.56	10.56	10.23	0.33	85.3
	1983-84	12.00	0.33	14.32	14.65	7.09	7.56	59.1
	1984-85	12.00	7.56	12.90	20.46	7.08	13.38	59.0
	1985-86	12.00	13.38	18.60	31.98	14.27	17.71	118.9
	1986-87	12.00	17.71	11.52	29.23	9.60	19.63	90.0
Siliguri	1982-83	6.00	N.A.	15.59	15.59	10.33	5.26	172.2
	1983-84	6.00	5.26	15.10	20.36	6.90	13.46	115.0
	1984-85	6.00	13.46	12.52	25.98	5.91	20.07	98.5
	1985-86	6.00	20.07	2.45	22.52	4.69	17.83	78.2
	1986-87	6.00	17.83	6.71	24.54	4.53	20.01	75.5

An analysis by Audit revealed that:

- the capacity utilisation in Durgapur centre was generally low in spite of sufficient orders in hand;
- the capacity utilisation in Kalyani centre was low particularly during 1983-84 and 1984-85 while in Siliguri centre, the utilisation capacity declined steadily.

A Task Force constituted (October 1973) by Government to examine the working of small scale industries including the wood industries centres stated (February 1974) that the centres were facing major difficulties like labour problem, lack of standing orders under Factories Act to govern the working conditions of the workers and lack of commercial outlook and procedure. No remedial measures have, however, been taken so far to overcome these difficulties (October 1987).

Lack of standing orders under Factories Act to govern the working conditions of the workers is stated as difficulty faced by the centres. It was observed in audit that the centres were covered under the Factories Act, according to which the officials including the workmen were liable to work for 48 hours in a week. However, this could not be enforced due to strong resistance by the workmen to be brought under this Act. In January 1985, the State Government expressed their deep concern over the agitational mood of the workmen and directed the local Management to bring their services under the Factories Act with effect from January 1985. The workmen went to the Court and received a stay order from the Calcutta High Court. The services of the officials attached to the centres are, therefore, still governed by West Bengal Services Rules as if they are Government employees and not factory workmen.

The low capacity utilisation of the Durgapur centre was attributed (January 1987) by the Management to non-availability of raw materials. It was, however, noticed in audit that in the five years from April 1982 to March 1987 the centre held opening stocks of raw materials sufficient for at least ten months' production in 1985-86 and eighteen months' production in other four years.

The under-utilisation of Siliguri centre was attributed (August 1987) by the Superintendent of the centre to shortage of space. It was, however observed in audit that even after shifting of the centre in November 1984 to a spacious industrial estate at Siliguri, pace of execution of orders declined during 1985-86 and 1986-87 as compared to that in 1984-85.

7.3.5 *Low productivity*

No comprehensive and scientific work study has been conducted to assess the staff requirements of the centres. The manpower strength for all the centres had been sanctioned by Government from time to time on *ad hoc* basis as even norms for outputs have not been fixed (October 1987). There is no mechanism available to measure the efficiency and productivity of the workmen.

Details of the sale value of production, value added and salaries and wages for the five years ending March 1987 are given in Appendix 7.3. Their analysis by audit, showed that:

—value of production always fell short of the total salaries and wages (except in 1982-83 at Durgapur and Siliguri);

- while the salaries and wages have been going up, the value added has been declining in some cases;
- the average value added per employee could cover only 14.6 percentage to 76.9 percentage of the average salaries and wages in the three centres reflecting the low productivity.

A study group was constituted by Government in February 1985 under the Chairmanship of the Joint Director, Industries (CDP) to examine the problems of the Directorate of Industries regarding (i) rationalisation of the existing man-power in the light of old and new schemes (ii) encadring of the services including a policy of promotion and integration of various services and (iii) permanency and other benefits demanded by certain sections within the Directorate and to offer concrete suggestions within two months. The report submitted by the group was not made available to audit and therefore, it was not possible to review the efficacy of steps taken to tackle these problems.

7.3.6 *Ineffective incentive scheme*

In order to improve the productivity of workmen and maintain the delivery schedules, an incentive scheme was sanctioned by the State Government in August 1974, which was revised in April 1984. The revised scheme contemplated payment of incentive bonus at slab rate to the workmen if they achieve value of production exceeding Rs. 0.90 lakh per month. It was noticed that while the overall average production achieved per month subsequent to the introduction of the revised scheme fell far short of the minimum of Rs. 0.90 lakh, the workmen were paid a total incentive of Rs. 2.66 lakhs during 1984-85 to 1986-87. The payment had been made with reference to the isolated occasions when the bench mark of Rs. 0.90 lakh was exceeded.

Audit also noted that the minimum of Rs. 0.90 lakh per month or Rs. 10.80 lakhs in a year was below the capacity of two centres reckoned as Rs. 12 lakhs each based on the price levels of 1967. This norm which ignored increase in price levels since then appeared to be unrealistically low.

To sum up, the scheme proved ineffective and failed in its objective to increase productivity.

7.3.7 *Heavy inventory holdings*

(i) *Raw materials*

The following table indicates the position of inventory hold-

ing of raw materials at the end of each of the five years up to 1986-87.

Year	Consumption			Stock			Stock in terms of months' consumption		
	Durga-pur	Kalyani	Sili-guri	Durga-pur	Kalyani	Sili-guri	Durga-pur	Kalyani	Sili-guri
(Rupees in lakhs)									
1982-83	2.67	5.62	5.20	4.12	5.08	1.58	18.5	10.8	3.6
1983-84	3.12	3.57	2.86	5.21	3.24	1.16	20.0	10.9	4.9
1984-85	3.62	4.10	2.01	5.45	6.13	1.09	18.1	17.9	6.5
1985-86	4.15	5.80	1.81	3.63	8.27	2.75	10.5	17.1	18.2
1986-87	3.46	4.36	2.11	6.00	7.86	2.60	20.8	21.6	14.8

It would be seen from the above that the stock of raw materials in all the centres was very high.

The centres had not fixed the minimum, maximum and re-ordering levels for efficient procurement of raw materials.

There was no system to compare the actual quantity of raw materials issued and consumed for each job as against the estimated quantities to ensure efficient materials usage and to identify cause for excess consumption of raw materials.

(ii) *Finished products*

Stock of finished products at the end of 1986-87 included 17,689 pieces of pickaxe halves valued at Rs. 0.46 lakh manufactured at Kalyani and Durgapur centres during the period from 1962-63 to 1964-65 against the indent of Inspector General of Stores, Government of India. The halves were found damaged and the same are lying undisposed of (October 1987).

Door and window frames and shutters of various types valued at Rs. 0.90 lakh manufactured against indents of State Government departments and enterprises are lying in stock at Durgapur centre since 1958 after failure to deliver in time.

7.3.8 *Slow recovery of debt*

The centres supply wooden articles mostly to Government departments and public sector enterprises on credit. In case of

private parties, orders were accepted up to July 1977 only on receipt of advance payment of 25 *per cent* of the value of the orders. Deliveries to private parties were required to be made only after receipt of full payment from the customers. However, these regulations for effective recoveries from buyers were not strictly followed.

The table below indicates the volume of book debts or dues from buyers of the three centres as on 31st March 1987 after taking into account recoveries till September 1987:

Centres	Due from			Total	
	Government Departments/ Enterprises	Private parties			
(Rupees in lakhs)					
Durgapur	22·14	0·12	22·26
Kalyani	64·90	0·63	65·53
Siliguri	20·99	0·16	21·15
			108·03	0·91	108·94

The outstandings were mostly from Government Departments/Public Sector enterprises consisting 99·2 per cent of the outstandings.

The total outstanding dues were five times the total sales during 1986-87.

As the accounts of the centres are in arrears since 1965-66, age-wise analysis of book debts could not be worked out in audit. Confirmation of dues has not been obtained from the parties concerned nor have effective steps been taken to realise the dues from the Government Departments.

As regards dues from private parties (Rs. 0·91 lakh), a court decree for Rs. 0·14 lakh was obtained (May 1968) in respect of one party, but the execution proceedings are still pending as its whereabouts were not known.

7.3.9 *Absence of cost control*

The centres have not evolved any system of costing to determine the selling prices of the various wooden articles with reference to costs. Requirements of materials for manufacture of furniture, doors and windows are assumed on *ad hoc* basis. Labour costs are not allocated to jobs on the basis of incidence and overhead rates are also computed on *ad hoc* basis. The centres have no system to identify idle labour and idle machinery to enable taking corrective action.

The Superintendent, Siligiuri Centre stated in August 1987 that if the selling prices of its products were raised to cover the entire cost, the centre would not be able to market its products.

7.3.10 *Non-utilisation of seasoning plant at Durgapur*

The seasoning plant installed at Durgapur in 1958-59 at a cost of Rs. 0 34 lakh went out of order in April 1971. The Government sanctioned Rs. 1.81 lakhs in July 1972 and Rs. 0.87 lakh in April 1976 for replacement of the plant and a new plant with a capacity of seasoning 1,600 cft. of timber per month was installed in February 1979 at a total cost of Rs. 2.68 lakhs. It was never used as its operation was found very uneconomical. The Superintendent of the centre estimated in April 1987 that a sum of Rs. 40-80 lakhs would be required *per annum* as working capital for its operations, excluding wages and maintenance costs. It would also need engagement of nine more workers in addition to six already employed. The local management had also opined earlier in July 1983 that partial utilisation of the plant due to paucity of fund was not feasible as it would affect the working as well as the viability of the plant.

The plant procured without considering its financial viability thus remained idle since February 1979 resulting in blocking up of capital of Rs. 2.68 lakhs. The Management stated (January 1988) that economic working of the plant would no longer be possible on account of non-availability of timber, abnormal increase in its prices and uncertainty of the market demand and as such disposal of the plant was being contemplated.

7.3.11 *Low consumption of electricity far below the contractual demand*

In August 1965 the Durgapur centre entered into an agreement with the Durgapur Projects Limited (DPL) for supply of power to it. The annual minimum guaranteed consumption

was fixed at 54,750 KWh. The agreement was renewed after every seven years without any change in the annual minimum guaranteed consumption at 54,750 KWh. It was, however, noticed in audit that the centre could never consume even 50 *per cent* of the contractual demand; but it had to pay the charges for the minimum guaranteed consumption resulting in an infructuous payment of Rs. 0.33 lakh during 1983-87.

The Management stated (August 1982) that the reduction in contractual demand of electricity could not be considered in view of future provision for expansion programme. But no expansion programme has so far been taken up by the centre (October 1987).

7.3.12 Loss on disposal of scantlings

The stock of scantlings (off-cuts) of different species of timber had accumulated heavily during the period from 1957-58 to 1977-78 at Durgapur (33,650 cft. ; Value: Rs. 10.40 lakhs) and Kalyani (55,216 cft. Value : Rs. 10.66 lakhs). A Committee constituted for inspecting the stock of scantlings opined (June 1983) that maximum utilisation of the scantlings could be done if the section of the scantlings been converted to a smaller size for profitable use by the black board manufacturing units. The Committee in their report further observed that the stock was exposed to sun and rain and was almost beyond utilisation without conversion. The entire stock of scantlings had been kept in the open yard, exposed to the sun and rain for years together without converting them into useable timber.

Government had ordered from time to time disposal of the accumulated stock of scantlings by inviting open tenders or by public auction. The Kalyani centre invited tenders in September 1970 and received an offer of Rs. 0.72 lakh for the stock with a book value of Rs. 5.42 lakhs but did not dispose of the scantlings. In floods of October 1978, scantlings valued at Rs. 2.94 lakhs were damaged and again in March 1979 sanctlings valued at Rs. 0.41 lakh destroyed by fire at Kalyani centre. Stocks valued at Rs. 3.54 lakhs at Durgapur centre were also damaged due to long storage.

In July 1985, tenders were invited for disposal of the scantlings lying at Durgapur and Kalyani centres and the entire stock with a book value of Rs. 21.06 lakhs were disposed of (Durgapur: Rs. 0.09 lakh and Kalyani : Rs. 0.10 lakh) at Rs. 0.19 lakh. The delayed disposal at Kalyani centre resulted in a loss of Rs. 0.62

lakh as compared to the amount which would have been earned by sale of only half of the quantity in 1970.

CALCUTTA,
The

19 DEC 1988



(A. N. MUKHOPADHYAY)
Accountant General (Audit)-I
West Bengal

Countersigned

NEW DELHI,
The

24 JAN 1989

T. N. Chaturvedi

(T. N. CHATURVEDI)
Comptroller and Auditor General
of India

Appendices

APPENDIX 3.1

(Reference: Paragraph 3.2.2 Page 29)

Statement showing the grant/appropriation in which supplementary provision proved unnecessary

Description of the grant/appropriation					Section	Original grant/ appropriation	Supplementary grant/ appropriation	Actual expenditure
(1)					(2)	(3)	(4)	(5)
						Rs.	Rs.	Rs.
A—Voted grant—								
1—State Legislature					Revenue	1,96,25,000	4,25,000	1,75,18,011
9—Collection of other Taxes on Property and Capital Transactions					„	7,43,000	14,000	6,98,620
10—State Excise					„	6,26,83,000	15,000	5,74,36,106
18—Secretariat—General Services					„	9,69,94,000	36,90,000	8,98,89,450
26—Fire Protection and Control					„	6,89,92,000	66,67,000	6,63,79,764
31—Secretariat—Social and Community Services					„	3,61,05,000	19,45,000	3,40,84,347
35—Scientific Services and Research					„	27,000	1,87,000	25,234
40—Urban Development					„	103,38,90,000	5,73,27,000	88,19,33,993
44—Social Security and Welfare (Relief and Rehabilitation of Displaced Persons and Repatriates)					„	10,04,50,000	15,92,29,000	8,06,96,733
45—Social Security and Welfare (Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes)					„	61,27,14,000	2,53,31,000	53,34,45,299
46—Social Security and Welfare (Excluding Civil Supplies, Relief and Rehabilitation of Displaced Persons and Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes)					„	89,16,16,000	1,53,79,000	71,11,49,834

48—Other Social and Community Services	..	..	Capital	1,23,23,000	10,03,000	1,14,70,975
50—Co-operation	..	..	Revenue	23,92,17,000	4,59,98,000	22,41,48,554
51—Other General Economic Services	..	..	„	2,85,52,000	4,46,000	2,85,05,718
52—Agriculture	..	..	„	78,26,60,000	1,76,92,000	73,67,05,725
54—Food	..	..	„	12,98,74,000	15,80,000	12,50,06,155
54—Food	..	..	Capital	21,01,10,000	7,99,00,000	9,48,56,761
61—Industries (Closed and Sick Industries)	..	..	Revenue	20,44,000	2,47,000	9,64,702
63—Village and Small Industries (Excluding Public Undertakings)	..	..	Capital	3,34,60,000	26,23,000	3,17,85,000
66—Multipurpose River Projects, Irrigation, Navigation, Drainage and Flood Control Projects	..	..	„	107,97,53,000	16,04,36,000	105,23,67,566
78—Public Health, Sanitation and Water Supply (Sewerage and Water Supply)	..	..	Revenue	47,95,30,000	12,69,94,000	43,36,56,834
Total—A—Voted	..	..		592,13,62,000	70,71,27,000	521,27,25,381

B— Charged—

1—State Legislature	..	..	Capital	2,15,000	51,000	1,34,707
13—Other Taxes and Duties on Commodities and Services	..	..	Revenue	—	12,13,569	—
25—Public Works	..	..	„	81,83,000	65,000	52,37,605
28—Pensions and other Retirement Benefits	..	..	„	21,51,000	4,00,000	7,64,494
Total—B—Charged	..	..		1,05,49,000	17,29,569	61,36,806
Total—A + B	..	..		593,19,11,000	70,88,56,569	521,88,62,187

APPENDIX 3.2

(Reference: Paragraph 3.2.2, Page 29)

Statement showing the grant/appropriation for which supplementary provision obtained proved excessive (saving in each case being more than Rs. 10 lakhs)

Description of the grant/appropriation			Section	Original grant/ appropriation	Supplementary provision	Actual expenditure	Saving
(1)			(2)	(3)	(4)	(5)	(6)
				Rs.	Rs.	Rs.	Rs.
A— Voted—							
5—Elections	..	..	Revenue	3,18,77,000	9,35,49,000	11,06,13,143	1,48,12,857
21—Police	..	..	„	160,57,04,000	9,47,24,000	162,80,57,852	7,23,70,148
34—Education, Art and Culture (Excluding Sports and Youth Welfare)	..	..	„	635,26,90,000	45,28,10,000	664,91,80,664	15,63,19,336
37—Family Welfare	..	..	„	26,53,95,000	6,42,37,000	30,21,78,602	2,74,53,398
40—Urban Development	..	..	Capital	26,55,00,000	7,11,50,000	29,20,80,366	4,45,69,634
41—Information and Publicity	..	..	Capital	52,12,000	1,57,62,860	1,15,09,844	94,65,016
63—Village and Small Industries (Excluding Public Undertakings)	..	..	Revenue	14,40,73,000	4,53,51,000	15,82,03,484	3,12,20,516
70—Roads and Bridges	..	..	Capital	61,75,10,000	1,83,85,000	62,26,23,142	1,32,71,858
Total—A—	..	..		928,79,61,000	85,59,68,860	977,44,47,097	36,94,82,763

B— Charged—

44—Social Security and Welfare (Relief and Rehabilitation of Displaced Persons and Repatriates)	..	..	Revenue	12,05,000	65,19,000	66,08,446	11,15,554
66—Multipurpose River Projects, Irrigation, Navigation, Drainage and Flood Control Projects	..	..	Capital	—	28,55,078	16,01,546	12,53,532
Total—B—	..	..		<u>12,05,000</u>	<u>93,74,078</u>	<u>82,09,992</u>	<u>23,69,086</u>
Total—A + B—	..	..		<u>928,91,66,000</u>	<u>86,53,42,938</u>	<u>978,26,57,089</u>	<u>37,18,51,849</u>

APPENDIX 3.3

(Reference: Paragraph 3.2.2, Page 29)

Statement of grant/appropriation in which supplementary provision was insufficient by more than Rs. 10 lakhs

Description of the grant/appropriation (1)			Section (2)	Original grant/ appropriation (3)	Supplementary provision (4)	Actual expenditure (5)	Final excess (6)
				Rs.	Rs.	Rs.	Rs.
A— Voted grant—							
25—Public Works	..	..	Revenue	50,21,13,000	3,47,88,000	62,71,76,313	9,02,75,313
27—Other Administrative Services	..	..	„	27,31,22,000	48,17,000	31,16,39,350	3,37,00,350
32—Education (Sports)	..	..	„	4,90,96,000	2,02,55,000	7,33,89,606	40,38,606
39—Housing	..	..	Capital	9,77,44,000	2,13,85,000	18,94,36,819	7,03,07,819
41—Information and Publicity	..	..	Revenue	6,53,27,000	1,11,84,000	7,81,77,789	16,66,789
47—Relief on account of Natural Calamities			„	11,87,50,000	36,06,16,000	49,39,06,788	1,45,40,788
58—Forest	..	..	„	22,54,26,000	44,87,000	24,06,54,898	1,07,41,898
61—Industries (Closed and Sick Industries)			Capital	13,61,64,000	1,52,00,000	21,21,17,853	6,07,53,853
62—Industries (Excluding Public Undertakings and Closed and Sick Industries)	..	..	Revenue	17,26,45,000	54,19,000	19,92,40,358	2,11,76,358
-do-	..	..	Capital	20,91,05,000	49,56,000	25,75,42,531	4,34,81,531
66—Multipurpose River Projects, Irrigation, Navigation, Drainage and Flood Control Projects	..	..	Revenue	49,53,08,000	58,34,000	59,79,82,130	9,68,40,130
70—Roads and Bridges	..	..	„	35,75,04,000	60,00,000	45,31,15,029	8,96,11,029

71—Road and Water Transport Services ..	„	35,41,22,000	48,18,000	37,08,36,232	1,18,96,232
74—Compensation and Assignments to Local Bodies and Panchayati Raj Institutions (Excluding Panchayat)	„	73,74,05,000	10,78,00,000	85,17,20,088	65,15,088
76—Public Undertakings	Capital	16,86,03,000	19,22,25,000	41,37,34,370	5,29,06,370
81—Capital Outlay on Petroleum Chemicals and Fertiliser Industries	„	4,56,00,000	5,08,00,000	11,85,50,000	2,21,50,000
82—Capital Outlay on Consumer Industries (Excluding Public Undertakings and Closed and Sick Industries)	„	3,48,50,000	1,84,75,000	6,31,12,800	97,87,800
84—Investments in Industrial Financial Institutions (Excluding Public Undertakings)	Capital	3,05,00,000	1,80,00,000	6,40,00,000	1,55,00,000
86—Loans to Government Servants etc. ..	„	16,10,60,000	8,50,00,000	25,76,59,181	1,15,99,181
Total—		<u>423,44,44,000</u>	<u>97,20,59,000</u>	<u>587,39,92,135</u>	<u>66,74,89,135</u>

APPENDIX 3.4

(Reference: Paragraph 3.2.2, Page 29)

Statement of grant/appropriation in which expenditure exceeded the original budget provision but no supplementary grant was obtained

Description of the grant/appropriation	Section	Original grant/ appropriation	Actual expenditure	Excess over provision
(1)	(2)	(3)	(4)	(5)
		Rs.	Rs.	Rs.
13—Other Taxes and Duties on Commodities and Services ..	Revenue	4,10,29,000	4,65,53,276	55,24,276
36—Medical	„	168,32,58,000	176,05,65,856	7,73,07,856
36—Medical	Capital	20,00,000	61,18,200	41,18,200
39—Housing	Revenue	11,56,31,000	21,08,84,540	9,52,53,540
59—Community Development (Panchayat)	Capital	10,000	14,00,000	13,90,000
60—Community Development (Excluding Panchayat) ..	„	15,25,000	46,51,160	31,26,160
67—Power Projects	„	57,69,50,000	61,77,28,000	4,07,78,000
71—Road and Water Transport Services	„	29,67,00,000	34,09,15,857	4,42,15,857
72—Tourism	Revenue	2,27,43,000	2,31,08,866	3,65,866
75—Investment in General Financial and Trading Institutions	Capital	85,75,000	1,16,75,000	31,00,000
77—Social and Environmental Services	Revenue	1,35,30,000	1,82,80,032	47,50,032
Total—		<u>276,19,51,000</u>	<u>304,18,80,787</u>	<u>27,99,29,787</u>

APPENDIX 3.5

(Reference: Paragraph 3.2.3, Page 29)

Statement showing the excess over grant/appropriation requiring regularisation

Description of the grant/appropriation					Section	Total grant/ appropriation	Actual expenditure	Amount of excess
(1)					(2)	(3)	(4)	(5)
						Rs.	Rs.	Rs.
219	3—Council of Ministers	..	..	..	Revenue	52,80,000	56,22,919	3,42,919
	11—Sales Tax	..	..	..	„	6,94,62,000	7,07,15,283	12,53,283
	13—Other Taxes and Duties on Commodities and Services	..	..	..	„	4,10,29,000	4,65,53,276	55,24,276
	22—Jails	..	..	..	„	10,27,73,000	10,33,98,238	6,25,238
	25—Public Works	..	..	..	„	53,69,01,000	62,71,76,313	9,02,75,313
	27—Other Administrative Services	..	..	..	„	27,79,39,000	31,16,39,350	3,37,00,350
	28—Pensions and other Retirement Benefits	..	..	..	„	68,90,68,001	69,35,92,576	45,24,575
	32—Education (Sports)	..	..	..	„	6,93,51,000	7,33,89,606	40,38,606
	36—Medical	..	..	..	„	168,32,58,000	176,05,65,856	7,73,07,856
	36—Medical	..	..	..	Capital	20,00,000	61,18,200	41,18,200
	39—Housing	..	..	..	Revenue	11,56,31,000	21,08,84,540	9,52,53,540
	39—Housing	..	..	..	Capital	11,91,29,000	18,94,36,819	7,03,07,819
	41—Information and Publicity	..	..	..	Revenue	7,65,11,000	7,81,77,789	16,66,789
	42—Labour and Employment	..	..	..	„	13,90,07,000	13,97,17,965	7,10,965
	47—Relief on account of Natural Calamities	..	..	..	„	47,93,66,000	49,39,06,788	1,45,40,788
	58—Forest	..	..	..	„	22,99,13,000	24,06,54,898	1,07,41,898

Description of the grant/appropriation				Section	Total grant/ appropriation	Actual expenditure	Amount of excess
(1)				(2)	(3)	(4)	(5)
					Rs.	Rs.	Rs.
59—Community Development (Panchayat)	..	..	..	Capital	10,000	14,00,000	13,90,000
60—Community Development (Excluding Panchayat)	..	..	..	„	15,25,000	46,51,160	31,26,160
61—Industries (Closed and Sick Industries)	..	..	..	„	15,13,64,000	21,21,17,853	6,07,53,853
62—Industries (Excluding Public Undertakings and Closed and Sick Industries)	..	..	..	Revenue	17,80,64,000	19,92,40,358	2,11,76,358
-do-	..	..	..	Capital	21,40,61,000	25,75,42,531	4,34,81,531
66—Multipurpose River Projects, Irrigation, Navigation, Drainage and Flood Control Projects	..	..	..	Revenue	50,11,42,000	59,79,82,130	9,68,40,130
67—Power Projects	..	..	..	Capital	57,69,50,000	61,77,28,000	4,07,78,000
70—Roads and Bridges	..	..	..	Revenue	36,35,04,000	45,31,15,029	8,96,11,029
71—Road and Water Transport Services	..	..	..	Revenue	35,89,40,000	37,08,36,232	1,18,96,232
-do-	..	..	..	Capital	29,67,00,000	34,09,15,857	4,42,15,857
72—Tourism	..	..	..	Revenue	2,27,43,000	2,31,08,866	3,65,866
73—Other Transport and Communication Services	..	..	..	Capital	18,00,000	27,00,000	9,00,000
74—Compensation and Assignments to Local Bodies and Panchayati Raj Institutions (Excluding Panchayat)	..	..	..	Revenue	84,52,05,000	85,17,20,088	65,15,088
75—Investments in General Financial and Trading Institutions	..	..	..	Capital	85,75,000	1,16,75,000	31,00,000
76—Public Undertakings	..	..	..	Capital	36,08,28,000	41,37,34,370	5,29,06,370
77—Social and Environmental Services	..	..	..	Revenue	1,35,30,000	1,82,80,032	47,50,032

81—Capital Outlay on Petroleum, Chemicals and Fertiliser Industries (Excluding Public Undertakings)	Capital	9,64,00,000	11,85,50,000	2,21,50,000
82—Capital Outlay on Consumer Industries (Excluding Public Undertakings and Closed and Sick Industries)	„	5,33,25,000	6,31,12,800	97,87,800
84—Investment in Industrial Financial Institutions (Excluding Public Undertakings)	„	4,85,00,000	6,40,00,000	1,55,00,000
86—Loans and Advances	„	24,60,60,000	25,76,59,181	1,15,99,181
Total—		<u>897,58,44,001</u>	<u>993,16,19,903</u>	<u>95,57,75,902</u>

APPENDIX 3.6

(Reference: Paragraph 3.4. Page 48)

Statement showing the cases which satisfied the criteria laid down for determining the types of expenditure which should be classified as New Service/New Instrument of Service

Name of the Department	Grant No.	Head	Actual expenditure (Rupees in lakhs)
1. Finance	16	249-Interest Payments D-III Interest on loans for Irrigation, Navigation, etc.	
		(i) Priority Flood Control Scheme	1.16
2. Finance	16	249-Interest Payments-D-V-Interest on Ways and Means Advance	
		2(i) Ways and Means Advance as loans	4.27
3. Public Works	25	259-Public Works-IV-Maintenance and Repairs—Non-Plan	
		6(b) Maintenance (Roads and Bridges)	16.19
4. Public Works	25	459-Capital Outlay on Public Works-V-Technical Education—State Plan (Seventh Plan)	
		9-Construction of a new Engineering College at Salt Lake	121.00
5. Education	34	277-Education (Excluding Sports and Youth Welfare)-A-V Assistance to Local Bodies for Primary Education—Non-Plan	
		4-Other Grants—Non-recurring	1.26
6. Education	34	277-Education-A-VII Minimum Needs Programme—State Plan	
		1-Expansion of teaching and Educational facilities for children of age-group 11-14	22.76
7. Education	34	277-Education etc. A-IX-Other Expenditure—Centrally sponsored (New Scheme)—Appointment of women teachers in educationally backward States	50.40

8. Education	34	Expansion of Elementary education	7-10
9. Education	34	Provision for introduction of work experience in the existing high schools under the new pattern of Secondary Education	41-76
10. Education	34	277-Education-C-Special-Education-Central-sector (New Scheme)	
		2-Non-formal education programme for the youths in the age-group 15-25	16-32
11. Relief and Welfare	47	289-Relief on account of Natural Calamities B-Floods, cyclones etc. IV-Drinking Water Supply 5-Repairs/Restoration/Sinking of tubewells in connection with flood of 1984	71-53

APPENDIX 4.1

(Reference: Paragraph 4.25 Page 139)

Statement showing details of persistent irregularities like defalcation, non-recovery of dues/excess/avoidable expenditure

Nature of Irregularities	Number of cases in which irregularities were noticed					Money value (Rupees in lakhs)
	Animal Husbandry and Veterinary Services	Finance (Except Excise)	Panchayats and Community Development	Cottage and Small Scale Industries	Education	
1. Non-recovery of rent, electrical charges, other dues	20	—	159	27	4	632.89
2. Non-adjustment of advances drawn by departmental officers	23	5	225	8	28	302.10
3. Excess/irregular/avoidable/infructuous expenditure	84	9	184	58	140	847.92
4. Non-realisation of loans	14	—	274	72	—	783.56
5. Non-adherence to prescribed procedure dealing with cash	60	23	530	56	74	742.87
6. Utilisation certificates wanting	3	—	57	39	—	1,588.90
7. Theft/defalcation/misappropriation of Govt. money/stores	59	—	106	22	828	69.94
8. Diversion of funds	2	—	6	5	—	69.60
9. Loss of Revenue	35	—	52	14	40	51.34
10. Blocking up of capital	1	—	—	5	—	16.33
11. Non-maintenance/non-production of important initial records	51	16	197	67	—	71.56
12. Miscellaneous irregularities	346	64	1,996	357	127	17,255.30
Total:	698	117	3,786	730	495	22,432.31

APPENDIX 4.2

(Reference: Paragraph 4.26, Page 140)

Cases of misappropriation, defalcation etc. awaiting final action at the end of 1986-87

Name of the Department	Reported up to 31st March 1982		Reported in 1982-83		Reported in 1983-84		Reported in 1984-85		Reported in 1985-86		Reported in 1986-87		Total	
	No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.
1. Agriculture	51	4,09,321	1	299	16	3,34,621	8	54,400	—	—	—	—	76	7,98,641
2. Animal Husbandry and Veterinary Services	9	2,37,081	3	89,497	1	6,93,704	1	11,430	1	32,178	—	—	15	10,63,890
3. Board of Revenue	326	15,52,653	7	45,541	4	29,687	—	—	1	4,778	5	38,04,280	343	54,36,939
4. Industrial Reconstruction	1	20,000	—	—	—	—	—	—	—	—	—	—	1	20,000
5. Commerce and Industries	1	1,81,000	—	—	—	—	—	—	—	—	—	—	1	1,81,000
6. Co-operation	—	—	—	—	—	—	—	—	—	—	1	11,348	1	11,348
7. Cottage and Small Scale Industries	3	2,50,397	—	—	—	—	—	—	—	—	2	44,929	5	2,95,326
8. Education	29	6,75,971	—	—	—	—	—	1	87,872	—	—	—	30	7,63,843
9. Excise	1	6,451	—	—	—	—	—	—	—	—	—	—	1	6,451
10. Finance	6	2,41,470	2	1,51,744	—	—	—	—	—	—	—	—	8	3,93,214
11. Food and Supplies	4	99,333	—	—	—	—	—	—	—	—	—	—	4	99,333
12. Forest	1	19,000	—	—	—	—	—	—	—	—	—	—	1	19,000
13. Health and Family Welfare	33	12,38,716	2	53,700	3	49,431	4	91,656	2	73,919	1	4,93,597	45	20,01,019
14. Transport	1	70,367	—	—	—	—	—	—	—	—	—	—	1	70,367
15. Home (Civil) Defence	—	—	—	—	—	—	1	1,90,892	—	—	—	—	1	1,90,892
16. Home (Police)	7	2,17,383	2	8,32,844	—	—	5	4,22,477	2	1,70,253	—	—	16	16,42,957
17. Information and Cultural Affairs	—	—	—	—	1	75,868	—	—	—	—	—	—	1	75,868
18. Irrigation and Waterways	15	1,72,410	—	—	—	—	—	—	—	—	—	—	15	1,72,410
19. Judicial	2	86,922	—	—	—	—	—	—	—	—	1	16,072	3	1,02,994

Name of the Department	Reported up to 31st March 1982		Reported in 1982-83		Reported in 1983-84		Reported in 1984-85		Reported in 1985-86		Reported in 1986-87		Total	
	No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.	No.	Amount Rs.
20. Labour	3	3,04,476	—	—	8	32,064	5	5,18,501	—	—	—	—	16	8,55,041
21. Land and Land Reforms	2	16,43,587	5	32,632	—	—	2	12,004	—	—	—	—	9	16,88,223
22. Panchayats and Community Development	30	11,92,221	—	—	2	41,519	1	1,05,232	2	1,86,177	—	—	35	15,25,149
23. Public Works	2	59,498	1	83,357	1	11,984	—	—	—	—	—	—	4	1,54,839
24. Public Works (Roads)	—	—	2	1,50,727	1	21,344	—	—	—	—	—	—	3	1,72,071
25. Metropolitan Development	2	1,49,920	—	—	—	—	—	—	—	—	—	—	2	1,49,920
26. Refugee Relief and Rehabilitation	2	2,50,352	—	—	—	—	—	—	—	—	—	—	2	2,50,352
27. Relief and Welfare	1	6,125	—	—	—	—	1	2,99,383	—	—	—	—	2	3,05,508
28. Tourism	1	1,15,628	—	—	—	—	—	—	—	—	—	—	1	1,15,628
Total:	533	92,00,282	25	14,40,341	37	12,90,222	28	17,05,975	9	5,55,177	10	43,70,226	642	1,85,62,223

APPENDIX 5.1

(Reference: Paragraph 5.45 Page 194)

Particulars of works each costing Rs. 1 crore and above which were taken up without sanctioned estimates

Sl. No.	Departments/Divisions	Name of Works	Year from which expenditure is incurred without sanctioned estimate	Expenditure to the end of March 1987 (Rupees in crores)
<i>Irrigation and Waterways—</i>				
1.	Kangsabati Canal-VI	Excavation of distributary 18 R Tentultikari Irrigation Scheme Main Canal(S) and construction of station thereon	1974-75	1.55
2.	Howrah Irrigation	Lower Damodar Improvement Scheme	1973-74	7.98
3.	Lower Damodar Construction	Re-excavation of Amta Channel	1973-74	4.42
4.	Ganga Anti-Erosion	Protection to the right bank of river Ganga in the District of Murshidabad	1974-75	3.85
5.	East Midnapore Division	Resuscitation of river Kaliaghai and its tributaries	1972-73	5.51
6.	Teesta Canal-I	Construction of Mahananda Aqueduct	1977-78	3.56
7.	Purulia Irrigation	Dimu Irrigation Scheme	1981-82	1.39
8.	Purulia Irrigation	Turga Irrigation Scheme	1981-82	1.98
9.	West Dinajpur Irrigation	Gajole Flood Protection Scheme	1979-80	1.22
10.	Purulia Investigation and Planning	Tatko Irrigation Scheme	1976-77	1.68
11.	Kangsabati Mechanical	Obtaining of earth moving machinery	1956-57	1.98
12.	Bankura Irrigation	Excavation of Bishnupur Branch Canal	1962-63	2.20
13.	Magrahat Drainage	East Magrahat Basin Drainage Scheme	1977-78	6.49

Sl. No.	Departments/Divisions	Name of Works	Year from which expenditure is incurred without sanctioned estimate	Expenditure to the end of March 1987 (Rupees in crores)
14.	West Midnapore Division <i>Metropolitan Development—</i>	Re-excavation of Chandraswer Khal	1980-81	1.31
15.	Salt Lake Construction	Construction of Road in Sector-III	1981-82	1.23
16.	Salt Lake Construction	Construction of Road in Sector-II	1981-82	1.23
17.	Salt Lake Reclamation <i>Public Works—</i>	Construction of Roads in Sectors-IV and V	1981-82	2.67
18.	ESI Hospital Construction <i>Public Health Engineering—</i>	Construction of Administrative Training Institute	1979-80	1.86
19.	Purulia Drilling	Rig boring works at Purulia Accelerated Rural Water Supply Scheme	1978-79	11.64

APPENDIX 7.1

(Reference: Paragraph 7.2, Page 199)

Statement showing arrears in preparation of *proforma* accounts by departmentally managed commercial and quasi-commercial enterprises

Sl. No.	Name of the enterprises/scheme	Name of the department	Year from which accounts are due	Remarks
1	2	3	4	5
A. Enterprise for which a Task force was set up to prepare <i>proforma</i> accounts—				
1.	Industrial Estate, Kalyani	Cottage and Small Scale Industries	1956-57	<i>Pro-forma</i> accounts were not compiled since inception on account of absence of qualified staff.
2.	Industrial Estate, Baruipur	-Ditto-	1959-60	<i>Pro-forma</i> accounts were not compiled on account of absence of qualified staff.
3.	Central Engineering Organisation Dasnagar, Howrah	-Ditto-	1974-75	-Ditto-
4.	Integrated Wood Industries Scheme at Durgapur and Kalyani	-Ditto-	1965-66	-Ditto-
5.	Training cum-Production Centre for Wood Industries, Siliguri	-Ditto-	1965-66	-Ditto-
6.	Surgical Instruments Servicing Station, Baruipur	-Ditto-	1970-71	-Ditto-
7.	Government Sales Emporia in Calcutta and Howrah	Cottage and Small Scale Industries	1951-52 to 1962-63 and from 1969-70	-Ditto-
8.	Silk Reeling scheme under the Deputy Director of Industries (Cottage) of the Directorate of Handloom and Textile	-Ditto-	1956-57	-Ditto-
B. Other enterprises which failed to compile <i>pro forma</i> accounts for want of suitable staff—				
9.	Central Lock Factory, Bargachia	Cottage and Small Scale Industries	1972-73	<i>Pro-forma</i> accounts were not compiled since inception.

No.	Name of the enterprises/scheme	Name of the department	Year from which accounts are due	Remarks
1	2	3	4	5
10.	Mechanical Toy Making Centre, Chinsurah	-Ditto-	1972-73	-Ditto-
11.	Scheme for production of Shark Liver Oil, Fishmeals etc.	Fisheries	1979-80	<i>Pro-forma</i> accounts were not compiled on account of absence of qualified staff.
C.	Enterprises whose <i>pro forma</i> accounts are in arrears due to other reasons.			
12.	Oriental Gas Company's Undertaking	Commerce and Industries	1960-61	The <i>pro forma</i> accounts were not compiled since inception as the decision of the Tribunal of compensation payable to the ex-owner of the enterprise was awaited.
13.	Directorate of Brick Production (Manual)	Housing	1976-77	<i>Pro-forma</i> accounts from 1976-77 to 1982-83 were not revised in the light of audit observation made on the <i>pro-forma</i> accounts for the year 1975-76. Reasons for non-submission of revised <i>pro-forma</i> accounts have not been intimated so far.
14.	Mechanised Brick Factory, Palta	-Ditto-	1976-77	-Ditto-
15.	Greater Calcutta Milk Supply Scheme	Animal Husbandry and Veterinary Services	1983-84	Reasons for non submission of <i>pro forma</i> accounts were awaited (September 1987)
16.	Durgapur Milk Supply Scheme	-Ditto-	1976-77	-Ditto-
17.	Burdwan Milk Supply Scheme	-Ditto-	1984-85	-Ditto-
18.	Directorate of Cinchona and Other Medicinal plant (Cinchona Branch)	Commerce and Industries	1979-80	The Management of the undertaking stated (July 1987) that <i>pro-forma</i> accounts for the year 1979-80 was under preparation and compilation of accounts for other years had also been taken up. Submission of arrear accounts was, however, awaited (September 1987).

19. Sisal Plantation Scheme	Agriculture	1964-65	The form of pro forma accounts submitted by the Government were approved in September 1985. Submission of arrear accounts was, however, awaited (September 1987).
20. Kanchrapara Area Development Scheme (Kalyani Town-ship)	Metropolitan Development	1975-76	The desirability of preparation of <i>pro-forma</i> accounts was suggested to the Government in October 1978, but the decision of the Government was awaited (September 1987) inspite of reminders issued from time to time. The latest reminder was issued in June 1987.
21. Consolidated <i>pro forma</i> accounts of 'Huts' under the Management of Government	Board of Revenue	1973-74	Consolidated <i>pro forma</i> account were not furnished (September 1987) by the Government. Mean while some 'Huts' and 'Bazars' were transferred to the regulated market committee on lease basis for 15 years from 1980-81 and the remaining 'Huts' and 'Bazars' were transferred to the Panchayat Institution for management and control from 1980-81.
22. Industrial Estate, Manicktala	Cottage and Small Scale Industries	1983-84	<i>Pro forma</i> accounts up to the year 1982-83 were received and some deficiencies were pointed out (February 1986) in audit. Submission of the revised accounts was awaited (September 1987).
23. Industrial Estate, Howrah	-Ditto-	1983-84	<i>Pro-forma</i> accounts up to the year 1982-83 were received and some deficiencies were pointed out (February 1986), in audit. Submission of the revised accounts was awaited (September 1987).
24. Industrial Estate, Saktigarh	-Ditto-	1983-84	-Ditto-

APPENDIX 7.2

(Reference: Paragraph 7.2, Page 199)

Summarised financial results of departmentally managed commercial and quasi-commercial enterprises

Sl. No.	Name of the Enterprises/ Schemes	Name of Department	Year of accounts	Capital at close	Mean capital	Free reserve	Net block	Depreciation	Turn over	Net profit (+)/ Net loss (—)	Interest charged added back	Total return Col. (11 + 12)	% total return to meet capital
(Figures in column 5 to 13 are Rupees in lakhs)													
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Durgapur Milk Supply Scheme	Animal Husbandry and Veterinar Service	1973-76	225.44	177.06	Nil	85.45	10.06	70.85	—44.86	9.74	—35.12	Nil
2.	Burdwan Milk Supply Scheme	Animal Husbandry and Veterinary Services	1983-84	183.84	179.97	Nil	137.06	11.91	22.49	—34.80	10.76	—24.04	Nil
3.	Surgical Instruments Servicing Station, Baruiopore	Cottage and Small Scale Industries	1961,70	4.68	4.33	Nil	0.94	0.07	0.68	— 0.56	0.24	— 0.32	Nil

APPENDIX 7.3

(Reference: Paragraph 7.3.3, Page 203)

Statement showing the sale value of production, value added and salaries and wages of Wood Industries at Durgapur, Kalyani and Siliguri for the five years ending March 1987

	1982-83			1983-84			1984-85			1985-86			1986-87		
	Durga- pur	Kalyani	Siliguri	Durga- pur	Kalyani	Siliguri	Durga- pur	Kalyani	Siliguri	Durga- pur	Kalyani	Siliguri	Durga- pur	Kalyani	Siliguri
Sale Value of production (Rupees in lakhs)	7.38	10.23	10.33	5.84	7.09	6.90	7.36	7.08	5.91	5.85	14.27	4.69	6.57	9.60	4.53
Less: Consumption of raw materials (Rupees in lakhs)	2.67	5.62	5.20	3.12	3.57	2.86	3.62	4.10	2.01	4.15	5.80	1.81	3.46	4.36	2.11
Value added (Rupees in lakhs)	4.71	4.61	5.13	2.72	3.52	4.04	3.74	2.98	3.90	1.70	8.47	2.88	3.11	5.24	2.42
Number of employees	80	136	85	77	136	85	75	136	85	98	136	83	97	132	82
Average value added per employee (Rupees)	5,888	3,390	6,035	3,532	2,588	4,753	4,987	2,191	4,588	1,735	6,228	3,470	3,206	3,970	2,951
Salaries and wages (Rupees in lakhs)	7.19	12.39	6.67	8.68	11.87	7.12	11.03	11.13	7.49	11.64	14.45	8.60	12.27	16.37	8.60
Average Salaries and wages per employee (Rupees)	8,988	9,110	7,847	11,273	8,728	8,376	14,707	8,184	8,812	11,878	10,625	10,361	12,649	12,402	10,488

ERRATA

<i>Page</i>	<i>Line</i>	<i>For</i>	<i>Read</i>
iii	4	xi	x
3	1	292 16	429-05
	1	64	93
11	4 from bottom	2,548-58	2,548 48
12	20	1982	1962
18	Sl. V (iv)		The figure 1036-09 in inner column to be ignored
46	11	Percentage	Percentage of
61	10	reimbursable	reimbursible
64	16	CMDICs	GMDICs
67	2	unitss	units
72	11	1861-62	1961-62
98	15 from bottom	btween	between
148	18	seventeen	seven
176	13 from bottom	2,548-58	2,548-48
177	6 from bottom	2,548-58	2,548-48
180	8	Calcutta Metropolitan water Supply and Sanitation Authority	Calcutta Metropolitan Water and Sanitation Authority
180	8 from bottom	metres	meters
200	18 from bottom	centers	centres

