



सत्यमेव जयते

Government of West Bengal

**Report of the Comptroller  
and Auditor-General of India  
for the year 1969-70**

Superintendent, Government Printing  
West Bengal Government Press, Alipore, West Bengal

1971

TR-8  
57-8  
Recd. from Mr. J. S. Jha  
on 25/5/73  
Liby. File No. 6P-1/73  
28.5.73

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## PREFATORY REMARKS

This volume mainly relates to matters arising from the Appropriation Accounts for 1969-70 together with other points arising from audit of the financial transactions of the Government of West Bengal. It also includes:

- (i) certain points of interest arising from the Finance Accounts for the year 1969-70; and
- (ii) matters relating to certain statutory bodies the accounts of which are audited by the Indian Audit and Accounts Department.

The financial irregularities, losses etc., commented upon in the Report relate to cases which came to the notice of Audit during the year 1969-70 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 1969-70 have also been included wherever considered necessary.

The points brought out in this Report are those which have come to notice during the course of test audit of the accounts of the Departments. They are not intended to convey or to be understood as conveying any general reflection on the financial administration by the Departments/ Authorities concerned.



## CHAPTER I

### General

*Budget and actuals:* The budget estimates and actuals of revenue receipts and expenditure met from revenue during 1969-70 are given below along with the corresponding amounts for the preceding two years:

#### *Revenue receipts*

Year	Budget	Actuals	Variation	
			Amount	Per-centage
<i>(In crores of rupees)</i>				
1967-68 ..	2,06.34	1,98.99	-7.35	-3.5
1968-69 ..	2,14.29	2,24.52	+10.23	+4.8
1969-70 ..	2,30.52	2,61.68	+31.16	+13.51

*Revenue surplus (+)/deficit(-)*

*(In crores of rupees)*

Year	Budget	Actuals
1967-68 ..	-2.33	-5.13
1968-69 ..	-1.19	-21.03
1969-70 ..	-51.78	-10.06

#### *Expenditure met from revenue*

1967-68 ..	2,08.67	2,04.12	-4.55	-2.2
1968-69 ..	2,15.48	2,45.55	+30.07	+14.0
1969-70 ..	2,82.30	2,71.74	-10.56	-3.7

During 1969-70 the actual revenue receipts were more than the estimates by Rs. 31.16 crores while expenditure on revenue account fell below the estimates by Rs. 10.56 crores with the result that the year ended with revenue deficit of Rs. 10.06 crores as against deficit of Rs. 51.78 crores envisaged in the budget.

The estimates of revenue receipts and expenditure shown above relate to the original budget estimates and do not take into account additional taxes levied and supplementary grants obtained during these years. If these are also taken into account, the position of the estimates would be:

Year			Addi- tional taxation	Supple- mentary grants	Total	
					Receipts	Expendi- ture
<i>(In crores of rupees)</i>						
1967-68 ..	..	..	0.49	7.46	2,06.83	2,16.13
1968-69 ..	..	..	0.55	42.68	2,14.84	2,58.16
1969-70 ..	..	..	1.72	13.13	2,32.24	2,95.43

Taking into account the transactions outside the revenue account, the overall position was as given below :

	1967-68	1968-69	1969-70
	(In crores of rupees)		
Opening Cash Balance .. .. .	18 06	0 78	10 09
<b>Part I—Consolidated Fund—</b>			
<b>(a) Transactions on Revenue Account—</b>			
(i) Revenue receipts .. .. .	1,98.99	2,24.52	2,61.68
(ii) Revenue expenditure .. .. .	2,04.12	2,45.55	2,71.74
(iii) Revenue deficit .. .. .	—5.13	—21 03	—10.06
<b>(b) Transactions outside the Revenue Account—</b>			
(i) Capital expenditure (net) .. .. .	—33.41	—24.76	—27.91
(ii) Receipts from borrowing (net) .. .. .	+28.55	+48.40	+22.14
(iii) Loans and advances by State Government (net)	—13.78	—11.78	—5.77
Part II—Contingency Fund (net) .. .. .	—0.01	—0.63	+0.62
Part III—Public Account (net) .. .. .	+6.50	+19.11	—10.98
Closing Cash Balance .. .. .	0 78	10 09	—21 87
Overall surplus(+)/deficit (—) .. .. .	—17 28	+9 31	—31 96

2. *Revenue receipts:* (a) The revenue receipts in 1969-70 were more by Rs. 37.16 crores than in 1968-69 and by Rs. 62.69 crores than in 1967-68.

(b) The increase in revenue is analysed below :

	1968-69	1969-70	Increase+ Decrease—
	(In crores of rupees)		
<b>(i) Receipts from the Central Government—</b>			
(a) State's share of divisible Central taxes	44.48	50.56	+6.08
(b) Statutory grants .. .. .	0.36	22.67	+22.31
(c) Other grants-in-aid .. .. .	20.73	21.49	+0.76
<b>(ii) Revenue raised by the State Government—</b>			
(a) State taxes, duties and other principal heads of revenue	94.08	1,05.75	+11.67
(b) Central taxes leviable for the purposes of and collected by State Government	20.55	22.07	+1.52
(c) Receipts under water rates, betterment levy, rents from buildings and other receipts	44.32	39.14	—5.18
Total ..	2,24.52	2,61.68	+37.16

Receipts from Central Government during 1969-70 (Rs. 94.72 crores) were 36 per cent of the total revenues of the State (Rs. 2,61.68 crores) for the year as against Rs. 65.57 crores (total revenue: Rs. 2,24.52 crores) in 1968-69. The increase was mainly due to increase in the State's share of the proceeds of the divisible pool (Rs. 6.08 crores) and statutory grants as per recommendations of the Fifth Finance Commission (Rs. 22.31 crores).

(c) The increase of Rs. 8.01 crores in the revenues raised by State Government during 1969-70 occurred mainly under:

Head of account	1968-69	1969-70	Remarks
<i>(In crores of rupees)</i>			
Land Revenue ..	7.47	10.11	Increase in the receipt from management of ex-Zemindary estates and ordinary revenues.
State Excise Duties ..	13.68	16.08	Mainly due to more receipt from country spirits and commercial spirits.
Sales Tax .. ..	56.89	63.30	Mainly due to more collection and new measures of taxation.
Other Taxes and Duties	19.48	21.18	Mainly due to new taxation measures (Rs.0.19 crore) and more collection from the existing taxes (Rs.1.51 crores).
Miscellaneous Social and Developmental Organisations	2.96	5.01	Increased receipts from Employees' State Insurance Scheme.

The increases under the above heads were partly set off by decrease under 'Interest' (Rs. 2.85 crores) mainly due to smaller realisation on loans and advances by State Government and on capital advanced to Damodar Valley Corporation, under 'Agriculture' (Rs. 3.00 crores) due to less receipts from agriculture and cumulative effects of decreases under other heads (Rs. 1.34 crores).

*Taxation changes during the year:* A new tax entitled "Tax on Paddy purchased by rice mills" was imposed from 14th January 1970. The estimated yield was Rs. 1.00 crore per annum; actual realisation in 1969-70 was Rs.0.19 crore. In addition, rates and scope of sales tax on certain commodities and rate of Excise Duty on India-manufactured foreign liquor were enhanced during the year, annual yields from which were estimated at Rs. 6.05 crores and Rs. 0.22 crore respectively.

3. *Arrears of revenue:* Information about arrears of revenue was not received from Home (Transport) Department, Commissioner of Commercial Taxes, Finance (Taxation) Department, Agriculture and Community Development Department, Cottage and Small Scale Industries Department, Irrigation and Waterways Department (in part), Public Works Department (in

part) and Housing Department, who are responsible for collection of taxes on vehicles, sales tax, other taxes and duties, agricultural receipts, receipts from cottage and small scale industries, irrigation receipts, public works receipts and receipts from housing schemes respectively. Actual realisation relating to these heads during 1969-70 was Rs. 98,16.17 lakhs (38 per cent of the total revenues).

According to the information furnished by the remaining departments the arrears on collection of revenue were :

Nature of revenue	Arrears	Average annual revenue during 1965-66 to 1969-70
<i>(In lakhs of rupees)</i>		
<i>Finance Department—</i>		
Agricultural Income-Tax (up to 31st March 1970)	1,81.76	1,38.74
<i>Board of Revenue—</i>		
Land Revenue (up to 13th April 1970, i.e., 30th Chaitra 1376 B.S.)	7,37.51	7,77.42
<i>Department of Excise—</i>		
State Excise Duties (up to 31st March 1970) ..	17.23	13,59.94
<i>Home (Jails) Department—</i>		
Jails and Jail Manufactures (up to 31st March 1970)	30.05	12.72
<i>Local Self-Government Department—</i>		
Fire Services (up to 31st March 1970 in big cases only)	5.63	29.20
<i>Irrigation and Waterways Department—</i>		
Multipurpose River Schemes (up to 31st March 1970)	3,21.17	49.56
<i>Department of Public Works—</i>		
Rent (in two divisions—(up to 31st March 1970)	0.50	1.94
<i>Department of Forest—</i>		
Forest (up to 31st March 1970) ..	29.91	2,31.10
<b>Total ..</b>	<b>13,23.76</b>	<b>26,00.62</b>



The arrears were stated to be due to (i) distressed condition of the peasantry caused by occasional failure of crops (Land Revenue: Rs. 7,37.51 lakhs), (ii) about 50 per cent cases not being assessed and realisation not being made within the licensing year for want of adequate officers and staff, legal difficulties in realising arrear fee for licensing of warehouses and administrative difficulties (Fire Services: Rs. 5.63 lakhs), (iii) delay in realisation of dues from courts and inter-departmental adjustments for supplies made (Jails and jail manufactures: Rs. 30.05 lakhs) and (iv) non-payment of sale-value of the timber lots by the purchasers (Forest: Rs. 29.91 lakhs).

Reasons for arrears (Agricultural Income-Tax: Rs. 1,81.76 lakhs, Multipurpose River Schemes: Rs. 3,21.17 lakhs) were not stated.

4. *Expenditure on revenue account*: Expenditure in 1969-70 (Rs.2,71.74 crores) increased by Rs.67.62 crores over that in 1967-68 (Rs.2,04.12 crores) and by Rs.26.19 crores over that in 1968-69 (Rs.2,45.55 crores). The increase over 1968-69 is analysed below:

	Expenditure		Increase+ Decrease—
	1968-69	1969-70	

(In crores of rupees)

(i) Collection of taxes, duties and other principal revenues	9.38	10.54	+1.16
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The increase was due to enhancement of the emoluments of tahsildars and more outlay on improvement works.

(ii) Debt Services .. .. .	25.70	29.10	+3.40
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The increase was due to more interest on Central Government loans and permanent loans (Rs.3.19 crores) and larger contribution to sinking fund (Rs.0.21 crore).

(iii) Administrative Services—

General Administration .. .. .	6.59	7.65	+1.06
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The increase was mainly due to enhancement of the rate of dearness allowance.

Police .. .. .	19.59	24.20	+4.61
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The increase was due to more expenditure on Presidency police, district executive force and loss on supply of foodstuffs to police personnel at concessional rates.

Other Administrative Services .. .. .	10.83	11.92	+1.09
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The increase occurred mainly under 'Miscellaneous Departments' and was due to more expenditure on food and supplies and miscellaneous.

Total—Administrative Services ..	37.01	43.77	+6.76
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	Expenditure		Increase + Decrease -
	1968 69	1969 70	

(In crores of rupees)

## (iv) Social and Developmental Services—

Education .. ..	49.19	59.06	+9.87
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The increase was mainly due to larger grants to non-Government educational institutions, larger expenditure on development schemes and additional dearness allowance.

Medical and Public Health .. ..	24.04	28.23	+4.19
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Mainly due to larger expenditure on development schemes and purchase of stock.

Agriculture .. ..	14.23	12.49	-1.74
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Mainly due to less expenditure on development schemes.

Other social and developmental services ..	20.68	23.39	+2.71
--------------------------------------------	-------	-------	-------

Mainly due to larger expenditure on development schemes, purchase of stock for Construction Board works and increase in rates of dearness allowance.

Total—Social and Developmental Services	1,08.14	1,23.17	+15.03
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## (v) Multipurpose River Schemes, Irrigation and Electricity Schemes—

Multipurpose River Schemes .. ..	3.30	3.83	+0.53
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Irrigation, Navigation, Embankment and Drainage Works	5.34	7.81	+2.47
-------------------------------------------------------	------	------	-------

Mainly due to heavy repairs to flood protection works and embankments damaged by flood.

Total—Multipurpose River Schemes, Irrigation and Electricity Schemes	8.64	11.64	+3.00
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(vi) Public Works (including Roads) and Schemes of Miscellaneous Public Improvements	11.89	15.19	+3.30
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Mainly due to more expenditure on roads damaged by flood.

(vii) Other heads .. ..	44.79	38.33	6.46
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Mainly due to less expenditure on famine relief.

Total .. ..	2,45.55	2,71.74	+26.19
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5. *Expenditure outside the revenue account:* (a) Expenditure outside the revenue account includes, besides capital expenditure, loans and advances disbursed by State Government.

Expenditure on capital account during the three years ending 1969-70 as compared with the budget estimates for these years is shown below (loans and advances are dealt with in paragraph 6):

Year	Budget	Actuals	Variation	
			Amount	Percentage
(In crores of rupees)				
1967-68	39.52	33.41	-6.11	15
1968-69	27.06	24.76	-2.30	8
1969-70	33.01	27.91	-5.10	15

The budget figures shown above are the original budget estimates. Supplementary grants of Rs.0.10 crore (1967-68), Rs.6.93 crores (1968-69) and Rs.5.12 crores (1969-70) were subsequently obtained.

(b) Further analysis of expenditure outside the revenue account is given below:

	During 1969-70	During 1967-68 to 1969-70	Total up to 1969-70
(In crores of rupees)			
I. Capital expenditure on—			
(i) Irrigation and Multipurpose river schemes	7.69	20.26	1,72.98
(ii) Other Commercial departments/undertakings, schemes of Government trading, industrial development, road and water transport and agricultural schemes	6.51	25.10	35.03
(iii) Compensation to landholders etc., on the abolition of Zamindari system	3.24	7.40	28.12
(iv) Outlay on Public Works	10.38	33.10	2,18.98
(v) Miscellaneous such as capital outlay on forests and payment of commuted value of pensions	0.09	0.23	0.93
(vi) Electricity Schemes	..	..	1.28
Total—Capital expenditure	27.91	86.09	4,57.32
II. Net outgo under loans and advances by State Government, i.e., after taking into account recoveries of loans	5.77	31.32	2,01.60
Total	33.68	1,17.41	6,58.92

Further details of capital expenditure are given in statement nos. 2 and 13 of Finance Accounts, 1969-70.

(c) The sources from which expenditure outside revenue account including that on loans and advances was met during 1969-70 and the three years ending 1969-70 are given below :

	1969-70	1967-68 to 1969-70
	(In crores of rupees)	
I. Net additions to—		
(i) Permanent Debt .. .. .	5.38	8.08
(ii) Floating Debt .. .. .	..	—1.82
(iii) Loans from Central Government .. .. .	15.81	90.81
(iv) Loans from other sources .. .. .	0.95	2.02
(v) Unfunded Debt (mainly provident funds) .. .. .	3.53	7.30
II. Other capital receipts—mainly deposits (net) received by Government and withdrawals from Contingency Fund	1.11	18.83
III. Receipts from encashment of securities and decrease in cash balance	16.96	28.41
Total—Receipts ..	43.74	1,53.63
Less—Deficit on revenue account .. .. .	—10.06	—36.22
Net resources available for expenditure outside the revenue account	33.68	1,17.41

6. (a) *Loans and advances*: Budget estimates and actuals of loans and advances paid by State Government and recoveries thereof during 1967-68, 1968-69 and 1969-70 are given below:

Year	Budget	Actual	Variation	
			Amount	Percentage
(In crores of rupees)				
<i>Disbursements</i>				
1967-68 .. .. .	16.02	17.90	+1.88	12
1968-69 .. .. .	16.76	22.38	+5.62	34
1969-70 .. .. .	18.38	16.20	—2.18	12
<i>Recoveries</i>				
1967-68 .. .. .	7.13	4.13	—3.00	42
1968-69 .. .. .	7.49	10.60	+3.11	42
1969-70 .. .. .	11.16	10.43	—0.73	7

The budget estimates of disbursements shown above do not include supplementary grants of Rs.1.09 crores (1967-68), Rs.7.20 crores (1968-69) and Rs.0.76 crore (1969-70) obtained subsequently. Outstanding balances under loans and advances disbursed by Government are analysed below :

	On 31st March 1969	On 31st March 1970
	(In crores of rupees)	
(i) Loans to Municipal Corporations and Municipalities ..	3.44*	4.07
(ii) Loans to District and other Local Fund Committees ..	0.99*	1.43
(iii) Loans to Co-operative Institutions and Banks ..	4.31*	4.35
(iv) Loans and Advances under Community Development Programme	4.95	4.80
(v) Loans and Advances to Displaced persons ..	33.38	27.57
(vi) Advances to cultivators .. .. .	10.49	12.45
(vii) Loans and Advances to Statutory Corporations, Boards and Government Companies	1,13.78*	1,17.26
(viii) Miscellaneous Loans and Advances .. .. .	21.10*	26.51
(ix) Loans to Government Servants .. .. .	3.39	3.16
Total ..	1,95.83	2,01.60

As in the previous year Rs.0.10 crore were given as loans to Durgapur Chemicals Ltd. in 1969-70 for meeting interest liabilities on earlier loans although the Commerce and Industries Department had stated before the Public Accounts Committee on 31st August 1967 that the department did not support in principle giving loans for meeting interest liabilities and had assured that such things would not recur.

Further details of loans and advances are given in statement nos. 5 and 18 of Finance Accounts 1969-70.

(b) *Non-settlement of terms and conditions*: Terms and conditions of repayment of Rs.88.58 crores given as loans (in 356 cases) to statutory corporations etc., have not been settled and no repayment has, therefore, been made (some of these loans were paid as early as 1955-56). Details of the loans are given in statement no. 5 of Finance Accounts 1969-70.

(c) *Recoveries in arrears*: In the case of loans at serial nos. (i), (ii), (v) (in part) and (viii) of sub-paragraph (a) above detailed accounts of which are maintained in the Audit Office, recovery of Rs.4,45.44 lakhs

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\*Differs from the closing balance shown in the Audit Report 1970 owing to pro forma adjustment carried out in the accounts for 1969-70 consequential to regrouping under new minor heads.

(principal: Rs.3,25.51 lakhs and interest: Rs.1,19.93 lakhs) was in arrears (in 1,058 cases) on 31st March 1970 as shown below—of that, recovery of Rs.1,32.10 lakhs (612 cases) (principal: Rs.76.97 lakhs and interest: Rs.55.13 lakhs) was in arrears for more than three years:

Department	Number of cases	Principal	Interest
		(In lakhs of rupees)	
<i>Education</i> .. .. .	102	10.64	8.22
<i>Refugee Relief and Rehabilitation</i> ..	728	83.98	48.63
<i>Local Self-Government—</i>			
Municipal Corporation, Municipalities and Statutory Bodies	119	2,04.10	28.45
<i>Health—</i>			
Municipal Corporation and Municipalities ..	50	10.06	14.62
<i>Agriculture—</i>			
Municipalities .. .. .	5	0.30	0.14
<i>Development and Planning—</i>			
Statutory Bodies .. .. .	5	..	4.38
<i>Housing—</i>			
Municipal Corporation and Statutory Bodies ..	29	1.23	14.36
<i>Panchayat—</i>			
District and Local Funds and Companies ..	20	15.20	1.13
Total ..	1,058	3,25.51	1,19.93

As would be seen from the following, there has been progressive increase in the overdue amount of loans and interest thereon:

	Position on		
	31st March 1968	31st March 1969	31st March 1970
	(In laks of rupees)		
Total overdue amount .. .. .	2,74.28	3,04.91	4,45.44
Amount overdue for more than three years ..	84.54	1,03.24	1,32.10

In the case of other loans detailed accounts of which are maintained by departmental officers information about recoveries in arrears is awaited (January 1971).

(d) *Non-receipt of utilisation certificates*: Utilisation certificates for Rs.8.12 crores (358 cases) given as loans by Government up to 31st March 1969 were not received (January 1971) in any case. Department-wise break-up is shown below :

Department				Number of utilisation certificates	Amount (In crores of rupees)
Agriculture ..	..	..	..	1	0.15
Co-operation ..	..	..	..	90	0.64
Cottage and Small Scale Industries			..	59	0.09
Development and Planning	..	..	..	16	1.18
Health ..	..	..	..	35	2.34
Housing ..	..	..	..	13	0.43
Local Self-Government ..	..	..	..	67	2.68
Panchayat ..	..	..	..	77	0.61
Total ..				358	8.12

The earliest year to which the certificates relate is 1957-58.

Compared with previous year's figures increase both in number of utilisation certificates and amount is substantial. No time limit for furnishing such certificates to Audit has yet (March 1971) been prescribed by Government.

7. *Debt*: (a) Details of public debt transactions are given below :

			Receipts during the year	Repayments during the year	Net increase during the year
(In crores of rupees)					
Market loans ..	..	..	12.50	7.12	5.38
Floating loans ..	..	..	40.30	40.30	..
Loans from Central Government ..			59.26	43.45	15.81
Other loans ..	..	..	1.47	0.52	0.95
Total ..			1,13.53	91.39	22.14

Open market loan of Rs.12.10 crores (5½ per cent West Bengal Loan, 1981) was raised in 1969-70 at ½ per cent discount. The loan is redeemable at par in September 1981. Of this Rs.9.54 crores were collected in cash and Rs.2.56 crores by conversion of 4 per cent West Bengal Loan, 1969. In addition, Government issued West Bengal Estate Acquisition Compensation Bond of Rs.0.40 crore for payment of compensation to landholders etc., on the abolition of the Zamindari system.

(b) The outstanding public debt at the end of March 1970 was Rs.6,24.21 crores. An analysis of the debt compared with the corresponding amounts at the end of the two preceding years is given below :

	At the end of		
	1967-68	1968-69	1969-70
	(In crores of rupees)		
Market loans .. .. .	69.74	71.74	77.12
Floating loans .. .. .	..	..	..
Loans from Central Government .. .. .	4,70.85	5,16.30	5,32.11
Other loans .. .. .	13.08	14.03	14.98
Total .. .. .	5,53.67	6,02.07	6,24.21

(c) In addition to public debt, unfunded debt (comprising mainly the general provident fund balances of Government servants) and the balances at the credit of depreciation and other reserve funds as also certain deposits, to the extent they have not been separately invested but are merged with the general cash balance of Government, constitute liability of Government. Taking the public debt and these liabilities together, the debt position of Government was as follows:

	At the end of		
	1967-68	1968-69	1969-70
	(In crores of rupees)		
Public debt .. .. .	5,53.67	6,02.07	6,24.21
Unfunded debt .. .. .	20.98	23.12	26.65
Depreciation reserves and other earmarked funds .. .. .	23.75	34.13	37.85
Deposits of local funds and civil deposits .. .. .	43.16	40.68	39.94
Total .. .. .	6,41.56	7,00.00	7,28.65

8. *Ways and means position:* Under an agreement with the Reserve Bank of India, State Government has to maintain with the Bank a minimum balance of Rs.50 lakhs at the end of each working day. If this balance falls below the agreed minimum, the deficiency is made good either by taking ways and means advance from the Reserve Bank or by selling treasury bills. The Bank allows to Government ways and means advance up to a maximum of Rs.1.50 crores without any cover. If even after taking this advance Government is not able to maintain the minimum cash balance, the Bank allows overdrafts.

No treasury bills were issued during the year. Ways and means advances of Rs.13.19 crores (on thirty-three occasions) and overdrafts of Rs.27.11 crores (on forty-four occasions) were taken by Government in 1969-70. These were fully repaid during the year. Rs.0.06 crore were payable as interest on these advances/overdrafts. Rs.0.06 crore (including



arrear liability of Rs.0.03 crore) were paid during the year and Rs.0.03 crore remained as undischarged liability.

9. *Loans from Central Government*: The loans received from Central Government and outstanding at the end of 1969-70 were Rs.5,32.11 crores; these formed 85 per cent of the total public debt (Rs.6,24.21 crores).

In 1969-70 State Government received Rs.4.06 crores as ways and means advance for Plan schemes; of that, Rs.0.11 crore were adjusted as loans and Rs.3.95 crores as grants.

In 1969-70 State Government obtained from Central Government Rs.59.26 crores (inclusive of ways and means advance of Rs.0.11 crore converted into loans) as loans for development (Rs.29.30 crores) and other purposes (Rs.29.96 crores). Details of loans outstanding on 31st March 1970 are given in statement No. 17 of Finance Accounts, 1969-70. On 31st March 1970 repayment of Rs.34.15 crores (Principal: Rs.13.02 crores and interest: Rs.21.13 crores) to Central Government was overdue (other than rehabilitation loans); details are given in statement no. 4 of Finance Accounts, 1969-70.

*Rehabilitation Loans*: Up to the end of 1969-70 State Government obtained from Government of India Rs.65.08 crores as loans for rehabilitation of displaced persons from East Pakistan of which Rs.19.11 crores (including Rs.15.94 crores adjusted as remission of loans) were repaid up to 31st March 1970. Of these loans, terms and conditions of repayment of five rehabilitation loans of Rs 1.19 crores sanctioned between 1958-59 and 1965-66 are yet to be settled. The terms and conditions of repayment of other rehabilitation loans sanctioned up to 1957-58 (Rs.45.47 crores) have not also been settled. State Government pays to Government of India every year whatever amount it collects from the borrowers during the year.

According to the original terms and conditions of repayment Rs.24.92 crores fell due for repayment up to March 1970; of that Rs.6.01 crores were adjusted as remission of loans during 1969-70.

10. Interest charges paid on debt and other obligations are analysed below:

	1967-68	1968-69	1969-70
	<i>(In crores of rupees)</i>		
(i) Interest paid by State Government ..	11.66	20.63	23.82
(ii) <i>Deduct—</i>			
(a) Interest received on loans and advances by State Government	5.19	2.32	0.82
(b) Interest realised on investment of cash balance	0.03	0.01	001
(c) Interest on capital advanced to Damodar Valley Corporation	2.17	2.38	0.61
(iii) Net burden of interest on revenue [(i) minus (ii)]	4.27	15.92	22.38
(iv) Percentage of net interest to total revenue receipts	2.15	7.09	8.55

In addition, there were certain other receipts and adjustments (Rs.3.21 crores) such as interest received from commercial departments. If these are also taken into account, the net burden of interest on revenue was Rs.19.71 crores (7 per cent of revenue). In 1969-70 interest due on some Central loans was not paid by State Government (cf. paragraph 9).

11. *Arrangements for amortisation of debt:* The following arrangements have been made for amortisation of loans raised in the open market. These are in accordance with the arrangements announced at the time of floating the loans:—

- (i) *Depreciation fund:* A sum equal to  $1\frac{1}{2}$  per cent of the total nominal amount of the loan is set apart to form a depreciation fund for purchasing the securities for cancellation.
- (ii) *Sinking fund:* In addition to the annual contribution to the respective depreciation fund, an annual contribution is made to sinking fund for amortisation of loans at such rates as Government may decide from time to time.

During 1969-70 Rs.5.28 crores were contributed to the sinking funds from revenue and Rs.5.28 crores were transferred to Miscellaneous Government Account from the sinking funds for repayment of open market loans.

The balances in these funds and investment of these balances during the last three years are shown below:

Year	Opening balance at the credit of the funds	Net receipts during the year	Total	Total investment	Amount not invested
(In crores of rupees)					
1967-68	30.50	6.30	36.80	22.21	14.59
1968-69	36.80	5.88	42.68	17.70	24.98
1969-70	42.68	0.82	43.50	14.93	28.57

The balance of Rs. 28.57 crores was merged in the general cash balance of the State.

No amortisation arrangement has been made for repayment of loans from Central Government (Rs.5,32.11 crores) and from autonomous bodies (Rs.14.98 crores).

12. *Guarantees:* Government has given guarantees for repayment of bonds, debentures, loans and payment of interest thereon in favour of statutory corporations and boards, co-operative institutions, joint-stock

companies, local bodies etc., the maximum amount guaranteed on 31st March 1970 being Rs.53.53 crores as shown below :

Organisations and Boards	Department	Number of organisations receiving guarantees	Maximum amount guaranteed	Sums guaranteed and outstanding on 31st March 1970
<i>(In crores of rupees)</i>				
1. Statutory corporations and boards—guarantees for repayment of share capital, debentures, loans etc., and payment of interest thereon	Commerce and Industries (Power)	1	8.76	8.76
	Commerce and Industries (Industries)	1	5.58	5.54
	Home (Transport)	1	0.93	0.93
2. Co-operative banks and institutions	Co-operation ..	19	23.37	7.49
No securities were pledged by four co-operative banks and seven co-operative societies for which Rs.23.22 crores have been guaranteed. The assets of the remaining eight co-operative societies have been pledged to Government.				
3. Joint stock companies	Commerce and Industries (Industries)	5	11.34	0.87
	Cottage and Small Scale Industries	1	0.50	0.17
	Information and Public Relations	2	0.05	0.05
Land, buildings, plant and machinery have been pledged by one company and other assets have been hypothecated by two. According to the agreement with another company, guarantee charge at the rate of $\frac{1}{2}$ per cent per annum on the first Rs.2,70.00 lakhs and at the rate of $\frac{1}{4}$ per cent per annum on the balance outstanding from time to time is payable by that company to Government. The company had paid the guarantee charge in full.				
4. Local bodies—guarantee for repayment of amount raised by issue of debentures and payment of interest thereon	Public Works ..	1	3.00	..
	Total ..	31	53.53	23.81

In execution of a guarantee, Government paid during the year Rs.3.90 lakhs in payment of a portion of loan taken by National Sugar Mills Limited from West Bengal Financial Corporation. Rs.33.10 lakhs have been paid by Government so far (March 1970) in fulfilment of guarantees

given in favour of that company. The amount paid has been treated as loan. No recovery has been made from the Sugar Mills nor have the terms and conditions of repayment of the loan been laid down as yet.

Further details of the guarantees are given in statement no. 6 of Finance Accounts, 1969-70.

13. *Investments*: In 1969-70 Government invested Rs.1.45 crores in Government commercial and industrial undertakings (Rs.0.78 crore), other commercial undertakings (Rs.0.12 crore) and co-operatives (Rs.0.55 crore).

The total investment of Government in the share capital and debentures of different concerns at the end of 1967-68, 1968-69 and 1969-70 were Rs.25.38 crores, Rs.26.73 crores and Rs.28.19 crores respectively. The dividend/interest received therefrom was Rs.1.49 lakhs (0.06 per cent), Rs.0.89 lakh (0.03 per cent) and Rs.2.47 lakhs (0.08 per cent) respectively. Further details are given below:

		<i>1967-68</i>		
		Number of concerns	Invest- ment	Dividend/ Interest received
		<i>(In lakhs of rupees)</i>		
(i) Statutory corporations	.. ..	2	60.77	..
(ii) Government companies	.. ..	11	19,44.42	1.44
(iii) Joint-stock companies and partnerships	.. ..	5	47.32	0.05
(iv) Co-operatives	.. ..	(a)	4,85.86	(b)
<b>Total</b>	..	18	25,38.37	1.49
<i>1968-69</i>				
(i) Statutory corporations	.. ..	2	60.77	..
(ii) Government companies	.. ..	12	20,26.06	..
(iii) Joint-stock companies and partnerships	.. ..	7	68.32	..
(iv) Co-operatives	.. ..	1,784	5,18.12(c)	0.89
<b>Total</b>	..	1,805	26,73.27	0.89
<i>1969-70</i>				
(i) Statutory corporations	.. ..	2	60.77	1.65
(ii) Government companies	.. ..	12	21,04.56	..
(iii) Joint-stock companies and partnerships	.. ..	8	80.32	0.09
(iv) Co-operatives	.. ..	1,877(d)	5,72.92	0.73
<b>Total</b>	..	1,899	28,18.57(c)	2.47

(a) Information not available.

(b) Rs.300 only.

(c) Includes Rs.2.31 lakhs for which details of investments have not been furnished by departmental officers.

(d) Complete information not received from departmental officers.

The investments shown above exclude capital advances of Rs.6,16.60 lakhs to Calcutta State Transport Corporation (Rs.6,01.96 lakhs) and North Bengal State Transport Corporation (Rs.14.64 lakhs). The advances represent amount spent by Government before formation of these Corporations. On their formation the amounts were treated as capital advanced to them—terms and conditions have not yet been settled.

Further particulars of the investments have been given in statement no. 14 and Appendix III of Finance Accounts, 1969-70.

14. *Grants-in-aid*: During 1969-70 Rs.25.32 crores were paid as grants to local bodies (Rs.9.94 crores), private institutions and individuals (Rs.15.38 crores); this formed 9 per cent of Government's total expenditure (Rs.2,71.74 crores) on revenue account. Broad purposes of the grants are shown below:

				Building grants	Main- tenance grants	Others	
<i>(In lakhs of rupees)</i>							
<b>Local Bodies—</b>							
Recurring	..	..	..	..	8,79.04	1.80	
Non-recurring	..	..	..	4.13	26.61	82.64	
<b>Co-operative institutions—</b>							
Recurring	..	..	..	..	..	..	
Non-recurring	..	..	..	..	..	61.26	
<b>Others—</b>							
Recurring	..	..	..	..	9,38.47	23.89	
Non-recurring	..	..	..	18.63	3,77.48	1,17.95	
			<b>Total</b>	..	22.76	22,21.60	2,87.54

Sanctioning officers are required to certify to Audit proper utilisation of grants. Utilisation certificates for Rs.46.63 crores paid as grants up to March 1969 (in 19,115 cases) have not been furnished (January 1971). Details are given in Appendix I. Of these, 3,258 certificates for Rs.11.89 crores are awaited for more than three years. In the absence of such certificates it is not known whether the sanctioning authorities have satisfied themselves that the grants have been properly utilised for the purpose for which they were intended.

The bulk of the outstanding certificates (17,151 certificates for Rs.37.68 crores) is due from Education Department.

15. *Financial results of irrigation and multipurpose river schemes*: Up to the end of March 1970 Government investment on seven irrigation and multipurpose river schemes each costing Rs.15 lakhs and above for which capital and revenue accounts are maintained, was Rs.20.51 crores.

After making provision for interest on capital (Rs.1.13 crores) there was loss of Rs.1.75 crores (8.5 per cent of the capital) during 1969-70. Further details are given in statement no. 3 of Finance Accounts, 1969-70.

16. *Delay in acceptance of balances under debt, loans and deposits:* The balances under debt, loans and deposits etc., are communicated every year to departmental officers for acceptance. In a large number of cases such acceptances have not been received; certain illustrative cases are given in Appendix II. In the absence of such acceptances, it cannot be stated that the departmental records indicate the correct position; the possibility of unauthorised drawals and misappropriations, if any, of recoveries remaining undetected cannot also be ruled out.

17. *Delay in submission of monthly accounts by the treasuries:* Under the rules, cash accounts and lists of payments with supporting schedules and vouchers are required to be despatched by district treasuries to the Accountant-General on the first day of the month following the month of payment. During the last three financial years persistent delay in submission of accounts by treasuries resulted in delay in preparation and submission of the civil accounts. In three treasuries, viz., Howrah, Hooghly and 24-Parganas, the delay ranged between three and five months. Repeated requests to Government for timely submission of treasury accounts have not resulted in any improvement.

## CHAPTER II

**Appropriation Audit and Control over Expenditure**

18. *Summary*: The following table compares the expenditure during 1969-70 with the total of voted grants and charged appropriations:

		Grants/ appropri- ations	Actual expendi- ture	Saving	Percent- age
(In crores of rupees)					
<b>Voted—</b>					
Original	..	3,30.63	3,49.47	3,18.78	30.69
Supplementary	..	18.84			
<b>Charged—</b>					
Original	..	1,04.13	1,48.84	1,21.06	27.78
Supplementary	..	44.71			
<b>Total</b>	<b>..</b>	<b>4,98.31</b>	<b>4,39.84</b>	<b>58.47</b>	<b>12</b>

Expenditure shown above does not include Rs.0.06 crore spent from out of advances from the Contingency Fund sanctioned in June, July, August, September 1969, January 1970 and March 1970 which were not recouped to the Fund till the close of the year.

Saving of Rs.58.47 crores was the result of—

- (i) saving of Rs.65.92 crores in fifty-nine grants/appropriations, and
- (ii) excess of Rs.7.45 crores in fifteen grants/appropriations.

19. *Supplementary grants/appropriations*: During the year, supplementary provision of Rs.63.55 crores was obtained under twenty-six voted grants and thirteen charged appropriations.

It would be seen from Appendix III that—

- (i) in six cases, the supplementary provision of Rs.3,27.06 lakhs proved unnecessary,
- (ii) in six cases, the supplementary grants/appropriations proved excessive; in these cases, out of a total supplementary provision of Rs.51,98.30 lakhs only Rs.34,88.62 lakhs was utilised, and
- (iii) in six cases, the supplementary grants proved inadequate; in these cases, a total supplementary provision of Rs.5,26.58 lakhs was obtained but final excess of Rs.6,59.71 lakhs remained uncovered.

20. *Excess over voted grants*: The following fourteen cases of excess over voted grants require to be regularised under Article 205 of the Constitution :

Serial No.	Grant	Total provision	Expenditure	Excess
		Rs.	Rs.	Rs.
(1)	1—Taxes on Income Other than Corporation Tax—			
		Rs.		
	Original ..	10,75,000	10,95,396	20,396
	Supplementary ..	..		

Excess occurred under "Collection of Agricultural Income Tax" (total provision Rs.10.37 lakhs, expenditure Rs.10.95 lakhs) owing to advance payment of pay and allowances of the non-gazetted employees for March 1970 within the year in terms of special order of Government.

(2)	3—State Excise Duties—			
	Original ..	1,05,10,000	1,05,78,000	1,18,52,022
	Supplementary ..	68,000		

Excess occurred under "A—Superintendence" (total provision Rs.24.66 lakhs, expenditure Rs.27.71 lakhs) and "B—District Charges" (total provision Rs.75.30 lakhs, expenditure Rs.88.59 lakhs) due to entertainment of additional staff, purchase of vehicles and increase in running cost of the departmental vehicles.

(3)	4—Taxes on Vehicles—			
	Original ..	20,52,000	22,24,000	22,82,492
	Supplementary ..	1,72,000		

Excess occurred under "Charges of collection under Motor Vehicles Acts" (total provision Rs.20.09 lakhs, expenditure Rs.21.87 lakhs) due mainly to payment of increased rates of dearness allowance to staff.

In the preceding three years also excess occurred over this grant.

(4)	9—Interest on Debt and Other Obligations—			
	Original ..	75,00,000	75,00,000	82,24,242
	Supplementary ..	..		

Excess occurred under "A—Interest on Public Debt and Other Obligations—A-3—Interest on Other Obligations" (total provision Rs.70.00 lakhs, expenditure Rs.82.24 lakhs), reasons for which are awaited,



Serial No.	Grant	Total provision	Expenditure	Excess
		Rs.	Rs.	Rs.
(5)	11—Parliament, State/Union Territory Legislatures—			
		Rs.		
	Original ..	73,25,000	83,12,000	85,64,691
	Supplementary ..	9,87,000		
				2,52,691

Excess was due to payment of outstanding bills pertaining to mid-term general elections to State Legislative Assembly held in February 1969.

(6)	12—General Administration—			
	Original ..	7,19,37,000	7,26,09,000	7,46,50,413
	Supplementary ..	6,72,000		
				20,41,413

Excess occurred mainly under “E—District Administration—E(1)—General Establishment” (total provision Rs.2,25.66 lakhs, expenditure Rs.2,44.67 lakhs), “E(2)—Subdivisional Establishment” (total provision Rs.66.10 lakhs, expenditure Rs.69.52 lakhs), and “G—Miscellaneous—G(2)—Miscellaneous” (total provision Rs.29.33 lakhs, expenditure Rs.31.63 lakhs) owing to payment of dearness allowance to staff at enhanced rates, drawal of travelling allowance by more staff for attending “Camp-courts” set up by Government in harvesting season, advance drawal of salaries for March 1970 by non-gazetted staff within the year as per special order of Government, purchase of a new jeep for replacement of the damaged one, increased cost of operation and maintenance of Government pool vehicles due to their extensive use and the rise in prices of petrol, spare parts etc.

(7)	15—Police—			
	Original ..	23,61,04,000	24,76,48,000	26,90,05,586
	Supplementary ..	1,15,44,000		
				2,13,57,586

Excess occurred mainly under “C—District Executive Force—C(a)—District Police” (total provision Rs.11,85.61 lakhs, expenditure Rs.12,54.75 lakhs), “I—Miscellaneous—I(c)—Loss on sale of subsidised foodstuff to Police Force and N.V.F. personnel” (total provision Rs.1,92.00 lakhs, expenditure Rs.2,73.96 lakhs), “A—Presidency Police—(b)—Calcutta Police” (total provision Rs.4,63.34 lakhs, expenditure Rs.5,03.96 lakhs), “I—Miscellaneous—I(b)—Extra Police Force—I(b)(4)—Cost of Police Force etc., employed for cordoning work” (total provision Rs.1,67.72 lakhs, expenditure Rs.1,75.83 lakhs), “I(b)(1)—Police appointed for the performance of agency functions” (total provision Rs.57.15 lakhs, expenditure Rs.61.50 lakhs), and “A(e)—Port Police” (total provision Rs.66.82 lakhs, expenditure Rs.71.40 lakhs). Reasons for excess are awaited.

Excess over this grant occurred in the preceding two years also.

Serial No.	Grant	Total Expenditure		Excess
		provision		
		Rs.	Rs.	Rs.
(8) 17—Miscellaneous Departments— Excluding Fire Services—				
		Rs.		
	Original .. 4,96,13,000	} 5,47,70,000	5,62,21,243	14,51,243
	Supplementary .. 51,57,000			

Excess occurred under "E—Miscellaneous—E(e)—Food—E(e)(iv)—District Distribution" (total provision Rs.1,30.76 lakhs, expenditure Rs.1,39.11 lakhs), and "E(e)(III)—Calcutta (including Industrial Area Rationing)" (total provision Rs.99.73 lakhs, expenditure Rs.1,08.04 lakhs) owing to sanction of increased rates of dearness allowance to staff and advance payment of salaries for March 1970 to non-gazetted employees within the year as per special order of Government.

In the preceding two years also, excess occurred over this grant.

(9) 24—Animal Husbandry—				
	Original .. 10,45,50,000	} 10,99,86,000	11,35,90,088	36,04,088
	Supplementary .. 54,36,000			

Excess occurred mainly under "124—Capital Outlay on Schemes of Government Trading—L—Scheme for Establishment of Colonies, Distribution of Milk and Milk Products etc." (total provision Rs.7,01.27 lakhs, expenditure Rs.7,30.03 lakhs), "M—Development Schemes—M(d)—Third Five-Year Plan (Committed Expenditure)" (total provision Rs.68.00 lakhs, expenditure Rs. 77.76 lakhs), "33—Animal Husbandry—J—Development Schemes—J(c)—Annual Plan Schemes—J(c)(iv)—Indian Council of Agricultural Research Schemes" (provision *nil*, expenditure Rs.18.41 lakhs), "J(a)(iii)—Aid Centres and Clinics" (provision *nil*, expenditure Rs.6.98 lakhs), and "B—Veterinary Education and Research" (total provision Rs.32.61 lakhs, expenditure Rs.37.74 lakhs). Reasons for the excess are awaited.

10) 31—Miscellaneous Social and Developmental Organisations— Welfare of Scheduled Tribes and Castes and Other Backward Classes—				
	Original .. 2,28,47,000	} 2,34,43,000	2,35,67,885	1,24,885
	Supplementary .. 5,96,000			

Excess occurred under "B—Development Schemes—B(II)—Centrally-sponsored Schemes (New Schemes)—B(II)(b)—Scheduled Castes" (total provision Rs.1,04.66 lakhs, expenditure Rs.1,08.33 lakhs), Reasons for the excess are awaited.

Serial No.	Grant	Total provision	Expenditure	Excess
		Rs.	Rs.	Rs.
(11) 32—Miscellaneous Social and Developmental Organisations—Excluding Welfare of Scheduled Tribes and Castes and Other Backward Classes—				
		Rs.		
	Original ..	1,69,77,000	} 1,79,73,000	2,01,56,075
	Supplementary ..	9,96,000		

Excess occurred mainly under "E—Suspense Charges" (provision *nil*, expenditure Rs.31.44 lakhs). The expenditure is net after deduction of credits of Rs.84.60 lakhs from the debits following the budget. Reasons for the excess are awaited.

(12) 34—Public Works—				
	Original ..	17,01,73,000	} 18,26,37,000	21,34,32,967
	Supplementary ..	1,24,64,000		

Excess occurred mainly under "B—Original Works—Communications" (total provision Rs.1,91.60 lakhs, expenditure Rs.3,19.58 lakhs), "D—Repairs" (total provision Rs.7,63.26 lakhs, expenditure Rs.8,69.52 lakhs), and "I—Suspense" (total provision Rs.5,41.39 lakhs, expenditure Rs.6,29.74 lakhs) owing to adjustment of debits raised by the Defence Department for expenditure on border roads, execution of more repair works than anticipated, non-provision for arrear debits and unanticipated purchase of materials.

In the preceding year also, excess occurred over the grant.

(13) 39—Pensions and other Retirement Benefits—				
	Original ..	2,80,34,000	} 3,02,03,000	3,40,32,305
	Supplementary ..	21,69,000		

Excess occurred under "A—Superannuation and Retired Allowances" (total provision Rs.2,16.60 lakhs, expenditure Rs.2,54.87 lakhs) and "D—Gratuities" (total provision Rs.60.72 lakhs, expenditure Rs.62.21 lakhs) and was mainly due to increase in the number of pension and gratuity cases and adjustment of debits for pensions and gratuities paid in other States in earlier years.

Excess over this grant occurred in the preceding two years also.

(14) 50—Capital Outlay on Schemes of Government Trading—				
	Original ..	3,92,99,000	} 6,47,16,000	7,12,46,692
	Supplementary ..	2,54,17,000		

Excess occurred mainly under "A—Grain Purchase Schemes—Purchase of foodgrains other than wheat" (total provision Rs.47.00 lakhs, expenditure Rs.95.80 lakhs) due to adjustment of arrear debits raised by Government of India for rice supplied by them previously and "B—Other Miscellaneous Schemes" (total provision Rs.3,28.83 lakhs, expenditure Rs.4,28.54 lakhs). Reasons for the excess are awaited.

21. *Excess over charged appropriations*: Expenditure exceeded charged appropriation in the following case; the excess requires regularisation:

Serial No.	Appropriation	Total appropriation	Expenditure	Excess
		Rs.	Rs.	Rs.
(1)	13—Administration of Justice—			
		Rs.		
	<i>Original</i> ..	68,35,000	74,65,000	2,16,571
	<i>Supplementary</i> ..	6,30,000		

Excess occurred under "A—High Court—A(2)—Original Side—Registrar" (total appropriation Rs.25.61 lakhs, expenditure Rs.26.65 lakhs) and "A(3)—Appellate Side—Registrar" (total appropriation Rs.31.75 lakhs, expenditure Rs.33.66 lakhs). Reasons for the excess are awaited.

In the previous year also, excess occurred over this appropriation.

22. *Saving in grants/appropriations*: It would be seen from Appendix IV that among voted grants there were fourteen cases in which savings exceeded 10 per cent of the total provision; in seven of those cases savings ranged from 20 per cent to 84 per cent.

In the charged appropriations, there were eight cases in which savings exceeded 10 per cent of the total appropriation. In three of those cases savings ranged from 50 per cent to 100 per cent.

23. Major cases of savings under individual grants/appropriations are given below:

(a) Voted grants—

Grant	Total provision	Saving (and its percentage to the total provision)
		(In crores of rupees)
21—Public Health .. ..	12.21	2.74 (22)

Mainly under "Development Schemes" due to—

(i) partial implementation of the schemes "Family Planning, Maternity and Child Welfare" (Rs.1,73.62 lakhs), "Raniganj

Coalfield Area, Water Supply Scheme" (Rs.13.39 lakhs), and "Tuberculosis Control" (Rs.10.32 lakhs) and

- (ii) non-implementation of the schemes "Strengthening of Basic Health Services Staff attached to Primary Health Centres" (Rs.51.62 lakhs), "Cholera Control Programme" (Rs.32.60 lakhs), and "Small-pox Eradication Programme" (Rs.30.00 lakhs).

The saving was partly counterbalanced by excess on other items.

Grant	Total provision	Saving (and its percentage to the total provision)
	<i>(In crores of rupees)</i>	
22—Agriculture—Agriculture .. .. .	21.77	7.17 (33)

Mainly under "Development Schemes" due to—

- (i) partial implementation of the schemes "River Lift Irrigation" (Rs.1,82.07 lakhs), "Private tubewells including filter points" (Rs.1,61.09 lakhs), "Deep Tubewell Irrigation (large dia. deep tubewells)" (Rs.58.39 lakhs), "Plant Protection including control of wild animals" (Rs.31.14 lakhs), "Reorganisation of agricultural research and problem-oriented research schemes in West Bengal" (Rs.13.92 lakhs), "Extension of Soil Testing Service (including Soil Testing Laboratories)" (Rs.13.87 lakhs), "Establishment and development of seed farms" (Rs.13.60 lakhs) and "Development of hill areas of Darjeeling District" (Rs.8.03 lakhs) and
- (ii) less expenditure under "Intensive Food Production Schemes" (Schemes outside the State Plan) owing to lifting of less quantity of pool fertilisers on account of non-receipt of the ordered quantity (Rs.2,09.97 lakhs) and less purchase of seeds by the Department as distribution of seeds was undertaken largely through trade channels (Rs.95.52 lakhs).

The saving was partly counterbalanced by excess on other items.

33—Irrigation .. .. .	23.41	2.94 (13)
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Mainly due to—

- (i) non-payment to Damodar Valley Corporation of the share of revenue deficit on irrigation and flood control due to non-settlement by Government of India of the outstanding issues relating to the Corporation (Rs.4,00.00 lakhs), and
- (ii) non-implementation/partial implementation of minor irrigation schemes under "44—Irrigation, Navigation, Embankment and Drainage Works (Non-Commercial)—Development Schemes" (Rs.37.31 lakhs).

The saving was partly counterbalanced by excess on other items.

Grant	Total provision	Saving (and its percentage to the total provision)
<i>(In crores of rupees)</i>		
43—Miscellaneous—Contributions ..	6.83	1.67 (24)

Mainly due to—

- (i) less payment of grants to local bodies for dearness concession to their employees due to less requirements (Rs.1,27.49 lakhs), Calcutta Corporation for increased cost of pay of their employees (Rs.15.00 lakhs), zilla parishads and anchalik parishads from land revenue collection owing to less collection of land revenue (Rs.12.00 lakhs), and zilla parishads in lieu of landlords' and tenants' share of cesses due to non-receipt of actual figures of cess collection in the districts (Rs.8.26 lakhs), and
- (ii) deferment of payment of augmentation grant to zilla parishads pending new enactment intended for reorganisation of these bodies (Rs.4.04 lakhs).

48—Capital Outlay on Multipurpose River Schemes—Damodar Valley Project ..	9.58	7.41 (77)
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Saving occurred under "I—Advances to Damodar Valley Corporation—Amount Advanced" (Rs.3,50.00 lakhs), "II—Government's share of the Capital Outlay on the Damodar Valley Project" (Rs.3,52.80 lakhs), and "III—D.V.C.—Barrage and Irrigation System" (Rs.38.69 lakhs). Reasons for bulk of the saving are awaited.

49—Capital Outlay on Public Works ..	8.26	3.69 (45)
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Mainly under—

- (i) "Development Schemes—Fourth Five-Year Plan—Development of State Roads and Other Development Schemes" (Rs.1,35.98 lakhs); of this, saving of Rs.70.51 lakhs was due to partial execution of construction works mainly owing to non-receipt of administrative sanction and transfer of surplus materials. Reasons for the balance saving of Rs.65.47 lakhs are awaited,
- (ii) "Centrally-sponsored Schemes (New Schemes)" mainly due to deferment of construction of buildings of Rural Family Welfare Planning Centres (Rs.1,14.66 lakhs),
- (iii) "Original Works—Buildings" (Rs.1,07.10 lakhs), reasons are awaited, and
- (iv) "Original Works—Communications" (Rs.15.17 lakhs). Reasons are awaited.

The saving was counterbalanced by excess on other items.

52—Loans and Advances by State/Union Territory Governments .. ..	18.49	2.55 (14)
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## Mainly due to—

- (i) non-payment of loans to the State Electricity Board due to non-finalisation of the rate of interest payable by the Board (Rs.1,57.08 lakhs),
- (ii) curtailment of loans to the State Electricity Board and the Calcutta State Transport Corporation due to financial stringency (Rs.1,38.18 lakhs), and
- (iii) non-payment of loans under "Construction of Second Bridge over Hooghly river including Kona Expressway" due to non-commencement of the work proper (Rs.60.00 lakhs).

(b) *Charged appropriations*: In the charged appropriations there was a total saving of Rs.27.81 crores which occurred mainly under the following two appropriations:—

Appropriation	Total appropriation	Saving (and its percentage to the total appropria- tion)
<i>(In crores of rupees)</i>		
9—Interest on Debt and Other Obligations ..	37·00	14·05 (38) .

Mainly less payment of interest to Government of India on loans for Damodar Valley Project (Rs.4,08.72 lakhs), loans for small savings collections (Rs.3,74.95 lakhs), loans for development projects (Rs.1,74.00 lakhs), loans for intensive food production schemes (Rs.1,07.09 lakhs), loans for flood and drought relief (Rs.89.76 lakhs), loans for flood control schemes (Rs.47.57 lakhs) and other loans (Rs.1,78.34 lakhs) and less payment of interest on loans from Life Insurance Corporation (Rs.50.24 lakhs). Reasons for less payment are awaited.

The saving was counterbalanced by excess on other items.

Public Debt .. .. .	97·93	12·70 (13)
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Mainly less repayment of loans received from Government of India for purchase and distribution of fertilisers (Rs.3,99.00 lakhs), flood and drought relief (Rs.1,96.02 lakhs), purchase and distribution of seeds and pesticides (Rs.1,48.00 lakhs), development projects (Rs.92.40 lakhs) and Greater Calcutta milk supply scheme (Rs.39.55 lakhs) and other loans (Rs.1,41.51 lakhs) and also less repayment of loans from autonomous bodies (Rs.32.16 lakhs). Reasons for less repayment are awaited.

24. *Unutilised provision due to non-implementation/partial implementation of development schemes:* The total unutilised provision for various development schemes (other than Centrally-sponsored and committed portion of earlier Plan) during 1969-70 was Rs.14.65 crores and formed 63 per cent of the total saving under "Development Schemes". The major schemes which remained wholly or partially unimplemented during 1969-70 (unutilised provision ranging from 30 per cent to 100 per cent of the provision) are shown in Appendix V. The unutilised provision under "Centrally-sponsored Schemes (New Schemes)" excluding the State share of expenditure on such schemes was Rs.5.61 crores. Some of the major schemes under this category with substantial saving (ranging from 33 per cent to 100 per cent of the provision) during 1969-70 are also shown in Appendix V.

25. *Control over expenditure:* (a) The object of control over expenditure in this context is to secure as close an approximation as possible between the actual expenditure and the final grant/appropriation under each sub-head of grant/appropriation; this is done by—

- (i) sanctioning reappropriations from sub-heads of grants/appropriations where savings are anticipated to other sub-heads in the same grants/appropriations where additional funds are required;
- (ii) obtaining supplementary grants/appropriations wherever necessary;
- (iii) surrender of surplus funds under a sub-head as soon as saving can be foreseen; and
- (iv) taking advances from Contingency Fund for meeting unforeseen requirement of additional funds during the year or for meeting expenditure on a "new service" or "new instrument of service" if it is not possible immediately to obtain supplementary provision by authorisation of the Legislature.

If the control is effective, the actual expenditure would approximate closely to the final modified provision, i.e., the original provision as modified by supplementary provision, reappropriation and surrender. Cases of excess over voted grant/appropriation, unnecessary, excessive or inadequate supplementary grant/appropriation have been mentioned in paragraphs 19 to 21.

(b) *Surrender of savings:* Savings of Rs.65.92 crores occurred in fifty-nine cases (thirty-six voted grants and twenty-three charged appropriations) and surrenders of Rs.44.76 crores were made in fifty-one cases (forty voted grants and eleven charged appropriations). In four cases (all voted grants),



the surrenders made in March 1970, were in excess of the savings actually available for surrender; the total amount surrendered in these cases was Rs.4.29 crores against the available saving of Rs.3.04 crores. In eleven cases (nine voted grants and two charged appropriations) the surrenders, though made in March 1970, fell substantially short of the savings actually available for surrenders; the total amount surrendered in these cases was Rs.22.28 crores against the available savings of Rs.40.76 crores. In thirteen cases (three voted grants and ten charged appropriations) there were savings of Rs.2.07 crores but no amount was surrendered. In eleven cases (ten voted grants and one charged appropriation) the total amount surrendered in March 1970 was Rs. 0.52 crore but actually there were excesses totalling Rs.6.67 crores over these grants and appropriation.

Although the rules require that the unutilised amounts should be surrendered as soon as the possibility of savings is envisaged, surrenders totalling Rs.17.67 crores in twenty-five cases (seventeen voted grants and eight charged appropriations) were made in almost all the cases on 31st March 1970, against the available saving of Rs.20.05 crores in thirty-one cases (twenty voted grants and eleven charged appropriations).

(c) Important instances of defective control over expenditure in individual group-heads within grants/appropriations have been mentioned in the Appropriation Accounts.

26. *Reconciliation of departmental figures:* To enable the departmental officers to exercise proper control over expenditure, there are standing instructions of Government that expenditure recorded in their books should be reconciled periodically with that in the books of the Accountant-General. Delay in reconciliation by the controlling officers was also brought to the notice of the Finance Secretary periodically. However, during 1969-70 in 46 out of 196 cases figures were not reconciled by departmental officers till the accounts of the year were finally closed.

## FINANCE DEPARTMENT

27. *Delay in recoupment of advances from Contingency Fund:* The Contingency Fund of West Bengal Rules require that supplementary estimates for all expenditure met out of advances taken 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 recoupments being thus made within the same financial year. Out of 66 advances for Rs.1,33,76,418.63 between 1964-65 and 1969-70, only 40 advances (Rs.31,69,012.16) were actually recouped to the Fund within the same financial year. Rs.88,68,560.18 (11 cases) were recouped in the following financial year.

The following table shows the remaining cases where recoupment was delayed or is still (end of 1969-70) to be made:

Head of Account	Amount	Date of sanction for withdrawal	Year of accounts in which recouped
	Rs.		
23—Police	.. 8,227.37	23rd January 1970	Not yet recouped.
28—Education	.. 16,000 00	8th January 1968 ..	1969-70
30—Public Health	.. 3,200.00	18th June 1969 ..	Not yet recouped.
31—Agriculture	.. 24,000 00	18th June 1969 ..	Ditto.
	23,000 00	9th September 1969	Ditto.
35—Industries	.. 500 00	31st March 1965 ..	1968-69
	240 00	3rd November 1965	Not yet recouped.
	10,563.45	23rd October 1965	Ditto.
	96,955 22	29th July 1969 ..	Ditto.
64—Famine Relief	.. 131 15	25th March 1966 ..	1967-68
96—Capital Outlay on Industrial and Economic Development	6,00,000 00	19th November 1965	1968-69
	1 00	1st August 1969 ..	Not yet recouped.
103—Capital Outlay on Public Works	24,618.75	30th October 1965	Ditto.
	64,409 35	28th September 1967	Ditto.
Loans and Advances by State Government	4,67,000 00	25th March 1970 ..	Ditto.

The matter was taken up with Government in July 1970; reply is awaited (March 1971).

## CHAPTER III

## Civil Departments

AGRICULTURE AND COMMUNITY DEVELOPMENT  
DEPARTMENT

28. *Purchase of draglines:* With a view to increasing food production by dredging beels and other suitable water-areas two dragline excavators (value Rs.15.60 lakhs and transport cost Rs.0.69 lakh) were purchased (May 1966) without inviting open tenders. At the time of purchase the reason adduced by the department for purchasing draglines was that it would reduce the cost of cutting earth to Rs.20 per thousand cft. as against Rs. 40 per thousand cft. by manual labour. They were placed at the disposal of Agri-Irrigation Central Division, Burdwan and Agri-Irrigation Western Division, Bankura, though they had both intimated that draglines would not be suitable in their divisions. Working results of the two draglines are given below :

When installed	When commissioned	Quantity of earth excavated up to February 1968 (In lakhs of cft.)	Number of working hours	Cost of excavation per 1,000 cft.
Dragline at Burdwan— July 1966	March 1967	14.16	337	Rs. 90
Dragline at Bankura— January 1967	June 1967	2.28	335	70

As the cost of excavation by draglines proved to be very high and as the excavators were found unsuitable for working in soft soil they were transferred to the Irrigation Department (March 1968).

The matter was referred to Government in March and June 1967; reply is awaited (January 1971).

29. *Cement for construction of seed stores:* The Executive Engineer, (Agri-Irrigation) Central Division, procured, between June 1966 and October 1968, 134 tonnes of cement for Rs.0.27 lakh. Out of this, 6.40 tonnes were received (June 1966) in fully caked condition at the time of taking delivery from the Railway and the claim for compensation is still pending with the Railway (September 1970). 22.35 tonnes of cement were issued to a contractor who returned the entire quantity in a caked condition. No recovery could be made from the contractor as the matter is sub judice (September 1970).

Due to non-availability of sites no construction of seed stores etc., could be made. Meanwhile, owing to prolonged (two years) and defective storage the balance quantity (84.82 tonnes) of cement costing Rs.0.21 lakh also got caked. Neither has any responsibility been fixed nor the loss written off so far (December 1970).

† The matter was reported to Government (November 1969); reply is awaited (January 1971).

30. *Goaltore jute seed multiplication farm*: The farm comprising about 1,000 acres of vested land was established in Midnapore in 1965-66 for production of quality jute seeds for sale to jute cultivators. The table below shows the cultivation, expenditure etc., between 1965-66 and 1969-70:

Year	Cultivation		Expenditure		Value of production		Loss	
	Target	Area sown	Target	Actual	Target	Actual		
		(In acres)		(In lakhs of rupees)				
1965-66	..	400	347	1.25	1.21	2.30	0.05	1.16
1966-67	..	600	512	3.25	3.23	1.75	0.94	2.29
1967-68	..	633	583	4.00	3.84	3.40	1.25	2.59
1968-69	..	550	554	3.25	3.14	4.01	1.20	1.94
1969-70	..	550	532	3.25	3.20	1.57	1.59	1.61

Though the farm reached the target of expenditure the value of production was generally far below the target. The Principal Agriculture Officer adduced the following reasons for the shortfall in production:

- (1) want of irrigation facilities,
- (2) the land was undulating and eroded,
- (3) non-reclamation of the area and
- (4) infertile soil.

Depreciation of four tractors and two pumping sets (cost Rs.0.88 lakh) and two vehicles (cost not known) has not been taken into account in determining the loss shown above.

The matter was reported to Government in February 1970; reply is awaited (January 1971).

31. *Construction of seed stores*: A scheme was formulated in 1963 for construction of 1,023 seed stores (1 for every 20 villages or 3 for each Block) to be utilised for storage and distribution of seeds. The scheme, the estimate for which was Rs.2.04 crores (average estimate per building Rs.19,941) was to be completed within the Third Five-Year Plan period (1961-66).

Work was actually taken up in 1964-65 and by June 1968, 517 stores were constructed at a cost of Rs.1.25 crores (average cost per building Rs.24,194); another 43 stores (amount spent Rs.2.91 lakhs) were still under construction (June 1968). It was found (June 1968) that almost all the stores constructed or under construction were unusable owing to serious defects in design and construction, use of substandard materials etc. In July 1968 Government, therefore, issued orders for stoppage of further construction of seed stores and appointed an enquiry committee in July 1968 to go into the whole matter.

In its report (August 1969) the enquiry committee brought out the following main factors responsible for the defective construction of the stores:

- (i) *Unsuitable sites*: In most cases the sites were either located at places far away from the Block Headquarters or were in low-lying areas subject to water-logging. Some had no approach road.
- (ii) *Defective design*: Design (uniform for all stores) was such that the stores could not be fumigated and could, therefore, be used only as general purpose godowns.
- (iii) *Faulty construction*: Most of the work had been done in hurry for making payments to contractors by specified dates. The roof was shallow and projections inadequate. Rain water could easily go inside through the wire-netting near the ceiling. The foundations and partition walls were weak. The earth had not been properly consolidated and the rolling shutters etc., were defective.
- (iv) *Substandard materials, lack of supervision and poor maintenance*: Materials used, such as timber, were poor. There was no effective supervision of the construction or co-ordination between the engineers and other officers of the Directorate of Agriculture. Maintenance was also neglected. As a result the walls cracked and tilted and the floors sank more and more as time passed; efflorescence spread and rats burrowed in.

Most of the stores have to be repaired (to be brought into working condition), the estimates for which are under preparation (March 1971). The buildings, after repairs, can, however, be used only as general purpose godowns. The scheme executed so far for Rs.1.28 crores has not achieved the desired purpose.

In September 1969 Government decided to refer the case to the Vigilance Commission but the same has not yet been implemented (March 1971).

32. *Purchase of pump sets*: Agri-Irrigation Southern Division invited a short notice tender (date of sending notice to press—21st January 1970; last date of receiving tender—2nd February 1970) for supply of 100

vertical turbine pump sets for deep tubewells within March 1970. The lowest tenderer whose rate was Rs.8,651 per set (excluding sales tax) agreed to start supply of the sets in March 1970 and assured completion of the supply within eight weeks thereafter provided the order was placed by 15th February 1970. Orders were, however, placed (March 1970) with the other four tenderers for supply of 75 sets within March 1970 at the negotiated rate of Rs.9,450 (excluding sales tax) on the ground that at least 80 pumps were needed within that period.

When the orders were placed in March 1970 there were eighty pump sets already in stock and only five sets were issued up to June 1970. Purchase of seventy-five pump sets within March 1970 was not apparently justified. Orders for purchase of those pump sets entailed extra expenditure of Rs.0.64 lakh (including sales tax).

The matter was reported to Government in July 1970; reply is awaited (January 1971).

33. *Coconut development*: With a view to increasing the area under cultivation and production of coconut in West Bengal, Government took up the scheme in September 1952 on "no-profit no-loss" basis. From 1952 to 1961, Rs.2.40 lakhs were spent when only one nursery was set up and no seedlings were raised although 0.65 lakh nuts were purchased. In 1961-62 twelve coconut nurseries (28.5 acres of land) were set up in different districts for raising quality coconut seedlings for distribution among coconut growers.

The investment, production and sale of coconut seedlings from 1961-62 to 1969-70 is shown in the following table:

Year	Investment		Production			Sale		
	Pro- vision	Actual expendi- ture	Target	Nuts pur- chased	Seed- lings raised	Target	Actual	
	<i>(In lakhs of rupees)</i>		<i>(Number in lakhs)</i>			<i>(In lakhs of rupees)</i>		
1961-62 to 1965-66	15.70	11.27	12.00	10.11	7.53	8.25	5.24	
1966-67	..	4.50	5.09	Not known	4.60	3.18	Not known	4.84
1967-68	..	5.50	4.65	Do.	3.21	2.06	Do.	4.62
1968-69	..	5.21	2.44	Do.	Nil	Nil	Do.	1.50
1969-70	..	2.50	1.37	Do.	Nil	Nil	Do.	1.51
		Total	..	12.00	17.92	12.77	8.25	17.71

The Coconut Development Officer gave the following reasons for shortfall in investment, production and sale of coconut seedlings:

- (i) the Indian Central Coconut Committee could not supply the required number of nuts;
- (ii) coconuts obtained from old and senile trees of Chandernagar nursery were unfit for seedling purposes;
- (iii) lack of irrigation facilities and
- (iv) no annual review to assess the progress of the scheme was done by the administrative authority.

The department sold coconut seedlings on credit to both Government and non-government parties. The actual receipts against outstanding dues during 1958-61 could not be ascertained for want of records. Out of sale proceeds of Rs.17.71 lakhs during 1961-1970 Rs.11.53 lakhs remained outstanding up to September 1970. The details are as follows:

			<i>(In lakhs of rupees)</i>
(a) Development blocks	..	..	4.00
(b) Sundarban Development Board	..	..	7.53

*Unsold seedlings:* At the end of 1968-69, 2.18 lakh coconut seedlings were left unsold at different nurseries. The department reduced the selling price from Rs.2 per seedling to Re.1 and thereby incurred loss of Rs.1.51 lakhs. Balance seedlings (0.67 lakh) still remain unsold (August 1970).

*Coconut nursery at Bamanmura:* The Agricultural Directorate took lease of 3.41 acres of land at Bamanmura in the 24-Parganas district for 5 years, free of any fee or charges, from August 1965 and advanced (March 1966) Rs.0.17 lakh as loan to the owners. Out of eleven nurseries set up in West Bengal this was the only nursery established on private land. Some of the terms and conditions of the lease are as follows:

- (i) That Government shall construct a brickwall along the boundary of the said land (all other nurseries were fenced with barbed wire) to the account of the lessors at a cost of Rs.0.17 lakh and they shall pay at 6½ per cent per annum as interest thereon from 1st April 1966. The loan will be repaid in five equal annual instalments.
- (ii) That the Director of Agriculture shall not be allowed to use the water from the existing tank within the said land for irrigating the nursery or for any other purpose and the Director shall make his own arrangement for irrigating the nursery and if for this purpose a tubewell is sunk within the land the owners shall have the first option to buy the tubewell with the accessories at the depreciated value to be fixed by Government on 50:50 basis when possession of the said land is delivered back to the owners.

The lease deed was actually executed in March 1967. The Directorate sank a tubewell at a cost of Rs.0.13 lakh for irrigating the nursery and the land was developed by the Agriculture Engineering Division, Kalyani, at a cost not known to the department. The nursery was closed down in November 1969 but the land has not yet (November 1970) been handed back to the owners. Against amount due for recovery (Rs.0.20 lakh as principal and interest) Rs.0.08 lakh still remain to be recovered (January 1971).

The matter was referred to Government in July 1969; reply is awaited (January 1971).

34. *Jamdova agricultural farm*: The farm comprising 100 acres of vested land was established in Bankura in June 1966; and up to December 1969 only 37 acres of land were brought under cultivation. The total production of the main crop, paddy, during these three years was only 1.3 tonnes. Total receipts on account of sale proceeds of crops produced during that period was Rs. 0.07 lakh against total expenditure of Rs. 0.48 lakh (excluding depreciation on power tiller, machines, carts, livestock etc., costing Rs.0.26 lakh). The poor yield was ascribed by the local office to lack of irrigational facilities. The following points were also noticed in Audit:

- (i) A typewriter machine, a typist's table, chair etc., costing Rs. 1,200 were purchased in March 1967 but no typist has been posted so far (February 1971).
- (ii) Crockery, cutlery etc., costing Rs.1,500 were purchased in March 1967 for use in the inspection bungalow of the farm but the bungalow has not yet (February 1971) been constructed.
- (iii) Crockery, cutlery, furniture, mattress, pillows etc., costing Rs.798 were supplied in May 1969 to the Joint Director of Agriculture, Bankura, for safe custody as there was no proper storage facility at the farm.

The matter was referred to Government in February 1970; reply is awaited (January 1971).

35. *Unadjusted advance*: Rs. 0.49 lakh were drawn as advance by the Director of Information and Publicity in March 1960 to meet expenditure in connection with the World Agricultural Fair in Delhi. Detailed accounts in support of the advance have not yet been received (December 1970).

Government stated (December 1970) that Rs. 0.10 lakh out of the aforesaid advance are lying in a current account opened with the State Bank of India, Calcutta, by the then Director of Information and Publicity. A one-man enquiry committee has been set up (December 1970) to enquire into the matter.

36. (a) *Non-realisation of Government dues*: Mention was made in paragraph 61(a) of Audit Report, 1969 of non-realisation of Government dues of Rs, 66,196 from a private company on account of allotment of 7.14



acres of land in Patelnagore township in Birbhum on a 99-year lease. In another case Government dues of Rs. 38,409 have not been realised from a private company in the same township to whom 7 acres of land were leased for 99 years in September 1962. The original lessee transferred the property to a second company in November 1965 and in July 1968 the second company transferred it to a third party which is occupying the land at present. The only action taken so far (January 1971) by the Block Development Officer to realise the Government dues was issue of a notice on the original lessee in July 1970.

The matter was reported to Government (July 1970); reply is awaited (January 1971).

(b) *Outstanding house rent*: Till November 1970, recovery of Rs. 1.01 lakhs being the rent of 90 quarters, under the administrative control of the Block Development Officer, Mohammad Bazar, Birbhum, from 1954-55 was outstanding. Out of that, Rs. 0.57 lakh were recoverable from the Medical Department (from September 1955 to November 1970).

The matter was reported to Government (September 1969 and July 1970); reply is awaited (January 1971).

#### ANIMAL HUSBANDRY AND VETERINARY SERVICES DEPARTMENT

37. *Purchase of cattle feed*: Tenders were invited (February 1966) for supply of cattle feed at Haringhata farm/Kalyani farm for 1966-67; according to the tender schedule, each tenderer was to deposit 5 per cent of the tendered amount as earnest money. The lowest tender though not supported by such earnest money deposit was accepted. The tenderer, however, backed out (May 1966) when asked to supply groundnut cakes on the plea that it was not available in the market. Fresh tenders for supply of cattle feed were invited (July 1966) and accepted.

Without obtaining full supply according to the original tender two items of cattle feed were purchased from the second tenderer at extra cost of Rs. 0.23 lakh as detailed below:

Name of the article	Requirement as per first tender	Quantity purchased against first tender	Additional requirement as per second tender	Quantity purchased against second tender	Difference in rates	Extra expenditure
		<i>(In quintals)</i>			Rs.	Rs.
Til cake ..	8,583	3,001	3,380	1,611	7.09	11,422
Mustard cake	7,551	2,998	2,369	2,323	5.09	11,824
				Total ..		23,246

The Directorate stated that the quantity tendered on the first occasion could not be purchased in full as accurate assessment was not possible,

## BOARD OF REVENUE

38. *Vehicles requisitioned for mid-term elections*: Out of 366 vehicles requisitioned by the Regional Transport Authority, Jalpaiguri, for the mid-term elections 1969, as many as 151 vehicles received on 6th and 7th February 1969 were kept completely idle and were released between the evening of 9th February 1969 (election date) and 11th February 1969. Government had to pay Rs. 0.30 lakh as their hire charges and Rs. 0.01 lakh as incidental charges.

The matter was reported to Government in October 1969; reply is awaited (January 1971).

## COMMERCE AND INDUSTRIES DEPARTMENT

39. (1) *Government of West Bengal Presses: Introduction*: Government Presses comprise the following units:

- (i) Press at Alipore with its new unit on Narkeldanga Main Road opened from July 1968,
- (ii) Cooch Behar Press at Cooch Behar,
- (iii) Secretary to Governor's Press at Raj Bhavan, Calcutta.

The first and the second units are intended to execute all jobs of Government, while the third unit is exclusively meant for Governor's work.

(2) *Productive capacity and outturn*: (a) The annual productive capacity of the two main sections, viz., composing and printing, of the press at Alipore, calculated on the basis of standard fixed by Government in September 1963 and the actual outturn during the last five years are shown below:

Section	Year	Annual productive capacity	Actual outturn	Percentage of outturn to productive capacity
		<i>(Figures in crores)</i>		
Composing (Figures in terms of "ens")	1965-66	62.58	27.84	44
	1966-67	62.58	24.35	39
	1967-68	62.58	Not available	..
	1968-69	62.58	25.46	40
	1969-70	62.58	26.20	41
Printing (Figures in terms of "impressions")	1965-66	9.55	1.04	11
	1966-67	9.55	4.34	45
	1967-68	9.55	Not available	..
	1968-69	9.55	1.57	16
	1969-70	9.55	2.12	22

The low outturn was due to lack of proper control, supervision, co-ordination and large idle hours in printing section.

The Cooch Behar Press remained almost idle for want of work, the percentage of idle hours being as high as 69 on an average from November 1967 to January 1969.

While the productive capacity of the presses at Alipore and Cooch Behar remained unutilised to an appreciable extent, considerable amounts are being spent every year for getting Government jobs done at private presses. The total expenditure incurred on this account could not be readily ascertained, as in most cases such expenditure was incurred direct by the departments. Education department alone got printed fourteen text books in private presses at a total cost of Rs. 52.47 lakhs between 1965-66 and 1969-70.

(b) With a view to increasing the production of the duplicating section of the Alipore press, six Romayor machines were acquired in 1963 (two transferred from other departments and four purchased for Rs. 0.71 lakh). The machines started operation from January 1965 after necessary electrical adjustment from D.C. to A.C. The actual outturn during the last four years from 1966-67 to 1969-70, the existing capacity prior to the expansion and the capacity after expansion of the duplicating section are shown below :

Year	Pre-expanded capacity	Expanded capacity	Actual outturn
<i>(Impressions in lakhs)</i>			
1966-67 ..	75	300	32.01
1967-68 ..	75	300	33.05
1968-69 ..	75	300	25.06
1969-70 ..	75	300	43.43

It would thus appear that the outturn fell short of even the capacity existing prior to expansion of the section by acquiring six Romayor machines.

(3) *Working results*: There is no system of evaluating the annual outturn on the basis of market rates and comparing it with the annual cost of production of the press. The cost ledger has also not been maintained since 1960-61. The value (on the basis of the rates in the report of the advisory committee appointed by Government in 1967) of annual outturn of the press at Alipore is, however, shown below against the running expenses for the years 1965-66 to 1969-70. The figures of the new branch (opened since July 1968 at Narkeldanga) of the press are not included as it is functioning as a separate unit and has not yet completed three years of working. The figures of the Cooch Behar Press are not available.

Year	Annual running expenditure	Value of annual outturn
<i>(In lakhs of rupees)</i>		
1965-66 .. ..	32.94	4.26
1966-67 .. ..	38.32	7.15
1967-68 .. ..	46.39	Not available
1968-69 .. ..	44.56	4.52
1969-70 .. ..	53.71	5.15

(4) *Stores*: (a) *Metal*: Lead metal purchased between 1965-66 and 1967-68 (value: Rs. 1.64 lakhs) was shown by the Miscellaneous Store section as final issue to the sections requiring it. No further accounts showing the position of metal in different sections were maintained. No physical verification of stock of metal and materials was made after 1960.

(b) *Deadstock*: Physical verification of deadstock has not been conducted since 1939. In the absence of physical verification, the actual position of deadstock could not be ascertained.

(c) *Other Stores*: Stores valued Rs. 2 lakhs, Rs. 1.94 lakhs and Rs. 1.99 lakhs were issued from the Miscellaneous Stores section during 1965-66, 1966-67 and 1967-68 respectively. They were issued in bulk from that section to the sections for ultimate consumption; no detailed accounts showing the end-use of stores were kept.

(5) *Outstanding recoveries*: Though the press undertook private work on payment, no register was maintained to watch recovery of the cost of the work done. It was, however, noticed that Rs. 0.49 lakh remained unrealised (February 1971) from private parties for jobs done in 1955-56 (Rs. 0.04 lakh), 1959-60 (Rs. 0.17 lakh), 1960-61 (0.20 lakh) and 1961-62 (Rs. 0.08 lakh).

The matter was referred to Government in April 1970; reply is awaited (January 1971).

#### DEPARTMENT OF CO-OPERATION

40. *Audit of Co-operative Societies*: Under the Bengal Co-operative Societies Act and the rules made thereunder the accounts of every co-operative society are required to be audited, at least once a year, by the Registrar of Co-operative Societies or by an auditor authorised by him. The co-operative society so audited has to pay audit fees which, if not paid by specified dates, are to be recovered in the same manner as arrears of land revenue.

In June 1969 the number of registered co-operative societies was 26,029 (including 4,185 societies in liquidation). Of these, the accounts of only 21,222 societies (including 3,111 societies in liquidation) for 1969-70 had been audited (October 1970). The balance of unaudited societies was, therefore, 4,807. Arrears in audit was stated to be due to shortage of staff.

The demands, collections and arrears of audit fees as on 1st April 1970 were as follows:

Year	Demand	Collection	Balance
	<i>(In lakhs of rupees)</i>		
Up to 1967-68	13.64	1.74	11.90
1968-69	12.36	6.83	5.53

The total arrears formed 67 per cent of total demand. In the absence of proper accounts, the Department could not state the oldest period to which the outstanding arrears relate and the amount due from the liquidated societies.

The matter was reported to Government (November 1970); reply is awaited (January 1971).

41. *Co-operative Institutions*: (A) The Calcutta Wholesale Consumers' Co-operative Society started functioning from April 1963. Its share capital on 30th June 1969 was Rs. 32.58 lakhs of which Rs. 26 lakhs were contributed by Government. Government also paid Rs. 7.50 lakhs, Rs. 2.50 lakhs and Rs. 0.43 lakh as loans, grants and subsidies respectively. No share certificates have so far (November 1970) been issued to Government. The society sustained loss of Rs. 4.70 lakhs (only in two departmental stores) up to June 1969 which was mainly due to excessive overhead expenditure.

The managing committee fixed (April 1963) certain limits on credit sales to the member stores. However, in 104 cases credits were allowed in excess of the limits, the total excess credit up to June 1969 being Rs. 6.11 lakhs.

At the end of June 1969 recovery of Rs. 26.87 lakhs from the primary stores was overdue. Of those societies, 135 had stopped business and the total outstanding dues against them were Rs. 12.98 lakhs. Recovery of Rs. 0.35 lakh stolen in February 1968 and November 1968 from two departmental stores is yet (November 1970) to be settled with an insurance company.

A cash credit loan of Rs. 12 lakhs carrying interest at 7 per cent per annum was paid by Government between March 1964 and June 1965 to the society. No repayment of principal (Rs. 1.67 lakhs) or payment of interest (Rs. 2.24 lakhs) has so far been made (December 1970). No sinking fund deposit account was opened by the society although instructed by Government. Rs. 9.08 lakhs (share capital Rs. 7.00 lakhs, loan Rs. 1.50 lakhs, grant Rs. 0.50 lakh and subsidy Rs. 0.08 lakh) were paid by Government between 1968 and 1969 for opening a departmental store in south Calcutta, but the store has not yet (December 1970) been opened nor has the amount been refunded to Government. Properties acquired out of loans and grants have not been mortgaged (March 1970) to Government (required by the terms of payment of the financial assistance). Interest on loans amounting to Rs. 0.12 lakh up to March 1970 has not been paid so far (March 1971).

(B) Rs. 6.50 lakhs were paid by Government in March 1966 as loan to the Burdwan Central Co-operative Agricultural Production and Marketing Society Limited, having a share capital of Rs. 0.65 lakh to construct a cold storage subject to the condition that the construction should be according to the plans and specifications approved by Government and supervised by such person or persons as might be approved or appointed by Government. The construction completed in February 1967 was found defective, though the Joint Director of Agricultural Engineering, West

Bengal, was a member of the construction committee. The defect was rectified at a cost of Rs. 0.56 lakh which was also lent by Government. Up to March 1968 Government paid a total loan of Rs. 13.20 lakhs out of which Rs. 5.92 lakhs have so far been (January 1971) repaid by the society towards repayment of principal and payment of interest. The society made a profit of Rs. 2.91 lakhs up to June 1969.

(C) The Howrah Wholesale Consumers' Co-operative Society Limited started functioning from August 1967. The society was unable to raise any share capital. Government paid Rs. 8.00 lakhs to the society (share capital Rs. 5.00 lakhs, loan Rs. 2.25 lakhs, grant and subsidy Rs. 0.75 lakh) between June 1967 and February 1968. The society started running at a loss from its very inception the cumulative loss up to November 1969 was Rs. 3.88 lakhs. Interest on loans amounting to Rs. 0.36 lakh up to March 1970 has not so far been paid by the society. Rs. 6.00 lakhs were also paid as cash credit loan carrying interest at 7 per cent per annum. Up to December 1970 no repayment of principal (Rs. 0.83 lakh) and payment of interest (Rs. 1.12 lakhs) was made. ...

The matter was reported to Government in July 1970; reply is awaited (March 1971).

#### COTTAGE AND SMALL SCALE INDUSTRIES DEPARTMENT

42. *Model servicing unit for tannery*: The scheme started in December 1959 aimed at rendering help to tanners with modern machines, tanning materials etc., for improvement of the quality of leather used by them. The physical target was to provide servicing facilities to at least 250 parties a year and to collect Rs. 3,600 as servicing charges per annum from 1959-60 and Rs. 12,000 per annum from 1964-65. The tannery, however, served only 22 parties a year and realised Rs. 38,117 only as servicing charges instead of Rs. 66,000 during 9 years from 1959-60 to 1967-68. There was also loss of Rs. 1,730 during the period on the sale of 454 bags of wattle extracts, a chemical required for tanning purposes, at a rate below the cost price.

The department attributed the shortfall to lack of publicity, indifference on the part of mechanics and operators in running and maintaining the machines properly and intermittent running of machines. Of the three machines, two went out of order in June 1966 and could not be repaired for more than a year for want of spare parts. One new machine, purchased in September 1967, could not be installed and commissioned before September 1968 for want of Government sanction for the post of the machine operator. No log books were maintained for the machines.

#### DEVELOPMENT AND PLANNING (TOURISM) DEPARTMENT

43. *Purchase of furniture for tourist lodges*: According to financial rules of Government, all purchases should normally be made from the lowest tenderer. During 1966-67 and 1967-68 the department invited three tenders

for purchase of furniture for three tourist lodges and tenders of a firm whose quotations were the highest were accepted. One of the reasons adduced while accepting the tender for supply of furniture to Diamond Harbour tourist lodge (October 1966) was that the firm was entirely reliable in the matter of timely delivery. The department was already aware that the firm had delayed (in 1965) the supply to the Darjeeling tourist lodge by seven months. The supply to two of these three lodges was also delayed by ten months and sixteen months. As a result of acceptance of the highest tenders Government had to spend Rs. 0.55 lakh extra. Besides, the department paid Rs. 1.50 lakhs in advance to the firm between February 1966 and September 1967. Such advance payment was not provided for in the contract purchase orders.

Government stated (January 1971) that the contractor had to delay the supply as the tourist lodges could not be made ready earlier as scheduled.

#### DEVELOPMENT AND PLANNING AND HOUSING DEPARTMENTS

44. *Residential Housing Schemes*: Certain schemes for acquisition and development of land for sale or lease as residential plots and construction of houses and flats for sale, letting or lease (detailed in Appendix VI) were taken up by Government during 1951-61 and completed by 1965. A review of these schemes in 1970 showed that their implementation resulted in loss of Rs. 26.43 lakhs. In addition, unrealised rent of Rs. 23.07 lakhs has accumulated up to March 1970. Expenditure of Rs. 2.96 lakhs has also been incurred on repairs (including special repairs) and maintenance of 500 buildings at Kalyani during the period for which they remained unallotted (October 1964—March 1970). Twenty buildings under Regent Estate Housing Scheme (constructed in 1963) were disposed of without determining their capital cost. Two hundred and four buildings constructed at Kalyani under the low income group housing scheme were diverted for use by other departments and organisations.

Besides, 16 flats under Gariahat Housing Estate were let to the public in November 1959 on a total rent of Rs. 4,290 per mensem (fixed provisionally in November 1959). The rent was re-fixed (March 1966) at Rs. 7,665 per mensem (according to the lease deed, revised rent took effect from the date of order of finalisation of rent and not retrospectively) with resultant loss of Rs. 2.57 lakhs (difference of rent from November 1959 to March 1966). Rent of 72 flats and 12 shops under Entally Housing Scheme constructed in 1951 has not yet been finally fixed (October 1970).

#### EDUCATION DEPARTMENT

45. *Subsidised accommodation for officers of the Indian Institute of Management*: According to the agreement between the Governments of India and West Bengal about establishment of the Institute, the State Government assumed responsibility for meeting recurring expenses on rent, rates and taxes payable by the Institute, a non-Government organisation,

in the shape of grant. The department, however, did not specify any ceiling up to which rent etc. would be subsidised. The Institute initially rented four flats (in June 1963) for its faculty members on a monthly rent of Rs. 425 per flat on execution (September 1963) of a lease deed for five years subject to the condition that the lease may be terminated by the Institute at the end of the third year. The department paid Rs. 315 per flat on an average as subsidy.

In December 1965 the department observed that the status of officers drawing salary between Rs. 900 and Rs. 1,200 was not appropriate to such costly accommodation and requested the Institute to accommodate its officers in cheaper flats, de-hiring the costly ones as soon as possible so that the subsidy may be limited to 10 per cent of the officers' salary. But the Institute continued to pay rent at the previous rates. Four new flats were also hired in October-November 1965 at Rs. 550 per flat per month and three more in April 1969 at rates ranging between Rs. 550 and Rs. 575 per flat per month without obtaining fair rent certificate from the Land Acquisition Collector (advised by the department). The department continued to subsidise the Institute at the higher rates.

The amount of subsidy based on 10 per cent of the pay of the officers for the flats was Rs. 0.66 lakh, whereas subsidy paid by Government to the Institute was Rs. 1.98 lakhs, resulting in extra expenditure of Rs. 1.32 lakhs up to December 1970.

The matter was reported to Government in June 1969; reply is awaited (January 1971).

#### FISHERIES DEPARTMENT

46. *Pilot scheme for Calcutta Fish Market*: This scheme drawn up in 1961-62 (estimated cost Rs. 15.25 lakhs) was intended to establish an ideal fish market with necessary cold storage facilities in Calcutta for regular and steady flow of fish to retail dealers. The plan was to construct a building with a cold storage plant of 30 ton capacity (later increased to 160 tons) and to set up a co-operative marketing society for sale of fish. The scheme was to be completed within the Third Plan period.

A plot of land (2 bighas 3 chattaks) at Howrah was requisitioned in January 1964, pending acquisition of the property. Construction of the building was started in 1963-64. The original estimate was revised from time to time. The cold storage plant was set up and delivered to the department (by the Public Works Department) in November 1968 (due date: 27th January 1967). It has, however, not been possible to utilise the plant (November 1970) owing to difficulties in controlling the temperature. On the basis of offers made by private parties, Rs. 2.98 lakhs have been lost to Government as storage rent for the period—November 1968 to November 1970.



Although the plant has been installed, proceedings for acquisition of the land are still continuing and Rs. 2.38 lakhs have already been paid for the purpose (up to March 1970). No co-operative society has been set up so far (January 1971). Part of the land (18 kottahs 13 chattaks) was made over (November 1965) to the Central Fisheries Corporation Ltd., which was expected to take up marketing of fish to be supplied from this plant. The terms for transfer of this land to the Corporation have not been fixed. It has been stated (by State Government, September 1970) that Government of India is contemplating to close down the Corporation shortly.

Part of the first floor (1,000 sft. approximately) of the plant building is being utilised as a State Government office. The remaining floor space (4,189 sft. approximately) is lying vacant. The total expenditure incurred on the scheme up to March 1970 was Rs 16.72 lakhs.

#### DEPARTMENT OF FOOD AND SUPPLIES

47. *Credit sale to a private flour mill*: Under arrangements dating back to the pre-Partition period, State Government was selling wheat to a flour mill on credit. As the mill failed to clear its liabilities to Government from time to time, supply of wheat was discontinued from July 1948. By that time, however, the miller's dues to Government had risen to Rs.8.65 lakhs as cost of grist supplied and Rs.0.83 lakh as interest (calculated up to June 1951).

In June 1951, a fresh agreement was made between Government and the mill at the request of the latter to enable it to liquidate its liability. Under this agreement, the mill mortgaged its property (value Rs.12 lakhs) to Government who agreed to resume credit sale of wheat to it on condition that its entire product would be made over to Government and that the mill would, in addition to the cost of the wheat to be supplied, pay a minimum amount of Rs.10,000 per mensem (by deduction from its claims) so as to clear the arrears. Under this agreement the mill paid Rs.3.36 lakhs by December 1953 as part of the arrear dues.

On wheat being decontrolled (January 1954) the scheme for its sale to the mill was no longer necessary. The mill was, therefore, served with notice for termination of the agreement (December 1953) between it and Government. After this notice, the mill made no payment except Rs. 2,923 on account of current interest. In 1956 State Government filed a suit in the High Court for realisation from the mill of Rs.6.75 lakhs being the accumulated principal (Rs.6.68 lakhs) and interest (Rs.0.07 lakh, up to June 1954). The suit was, however, settled amicably (August 1956) and a consent decree was passed against the mill by the High Court for Rs.6.61 lakhs with interest at 3 per cent per annum from the date of decree, the mill being directed to liquidate its liability to Government in monthly instalments of Rs.7,500 each. By June 1962 the mill cleared

Rs.5.21 lakhs towards principal and interest, leaving a balance of Rs.2.18 lakhs. Requested by the mill, Government allowed suspension of further payments by the mill on grounds of financial difficulties and invited suggestion as to how it would liquidate its debt to Government.

Subsequent to introduction of rationing in 1965 Government accepted (July 1965) the proposal of the mill to supply to it grist on credit (called the "Bani" system). Under this agreement, the mill would get from Government supplies of wheat which it would crush and deliver back to Government; on delivery, bill would be prepared for the cost of the product plus loading charges less the value of the wheat supplied by Government and the difference would go to the mill as milling charges. No interest was levied on the value of wheat to be supplied on credit. The "Bani" system was not extended to any other mill in West Bengal. The mill was also allowed to liquidate its liability (Rs.2.18 lakhs) by paying Rs. 7,500 per mensem.

The dues of the mill to State Government were cleared by December 1968. When the mill asked for release of its property mortgaged with Government so that it could make its own financial arrangements and operate on normal trade account like other flour mills Government was unable to do so as the relevant documents had been mislaid. Consequently, Government had to continue the arrangements for supply under the "Bani" system beyond December 1968 by issuing executive orders from time to time. It, however, levied interest at 8 per cent per annum on the value of wheat given to the mill on credit from January 1969. Interest which Government could have charged on such advances (totalling Rs.2.73 crores) made between July 1965 and December 1968 approximately was Rs.3.50 lakhs.

## HEALTH DEPARTMENT

48. *Idle staff*: Establishment of a chest clinic with domiciliary service unit in the sub-divisional hospital, Jangipur, was sanctioned by Government in March 1962. The unit has not, however, started functioning for want of necessary equipment, accessories, X-Ray plant, Medical Officer though some non-technical staff were appointed between January 1967 and April 1967 and Rs.0.18 lakh were spent as pay and allowances (up to March 1970) of the idle staff whose services were not utilised in any other manner.

The matter was reported to Government (July 1970); reply is still awaited (January 1971).

49. *Power boats*: In order to control epidemics in the Sunderban area the Directorate allotted (1960) two power boats (cost not known) to the Chief Medical Officer of Health, 24-Parganas. They went out of order in January 1964 and since then have been lying unserviceable (September 1970).

Services of three drivers and one laskar were utilised all along to take care of the unserviceable boats. The department paid Rs.1.11 lakhs as their pay and allowances from January 1964 to August 1970. Meanwhile, the work of epidemic control is being done by hired boats.

No steps have so far (September 1970) been taken to dispose of the unserviceable boats. The matter was reported to Government in June 1970; reply is awaited (January 1971).

50. *Carriage contract*: The contract for carriage of materials during 1966-67 (Group-B) was estimated to cost Rs.0.96 lakh on the basis of the previous year's rates and was distributed among 5 tenderers at the estimated rates. In January 1967 it was noticed that the rate against item 4 was misprinted in the tender form as "per quintal per mile" instead of "per tonne per mile" which was pointed out to the contractors in February 1967. The contractors, however, did not agree to the correction.

Instead of terminating the contracts and inviting fresh tenders, the Chief Engineer negotiated with the contractors and allowed them rates much higher than the estimated rates (by about 196 per cent). The extra expenditure was Rs.2.67 lakhs.

The Chief Engineer stated (November 1970) that since the mistake had passed through several hands no individual person could be held responsible for it.

The matter was reported to Government in March 1970; reply is awaited (January 1971).

#### DEPARTMENT OF HEALTH AND AGRICULTURE AND COMMUNITY DEVELOPMENT DEPARTMENT

51. *Idle staff*: For sinking/resinking of tubewells under the rural water supply scheme a boring squad of two head mechanics and two mates was posted at Nambazar Development Block in Birbhum district between October 1965 and April 1966. Due to non-receipt of boring sets and for want of instructions about the rate to be charged for sinking/resinking of tubewells the squad remained idle and up to December 1969 its services were not utilised in any manner. Rs.0.39 lakh were paid as their pay and allowances during this period.

The matter was reported to Government (September 1969); reply is awaited (January 1971).

#### HOME (DEFENCE) DEPARTMENT

52. *Non-recovery of outstanding dues*: Rs.10.22 lakhs are recoverable towards the cost of services rendered by the West Bengal National Volunteer Force personnel to different Government departments and non-Government bodies between July 1962 and September 1970. Of this

Rs.3.57 lakhs are due from thirteen Government departments, and Rs.6.65 lakhs from six non-Government bodies. Details are given in Appendix VII.

The matter was reported to Government in March 1970; reply is awaited (January 1971).

### HOME (CIVIL DEFENCE) DEPARTMENT

53. *Construction of pre-fabricated structures:* To meet the requirements of civil defence, Government decided (August 1966) to construct pre-fabricated hutments for six depot units (each having eleven big huts, two small huts and one kitchen) in Calcutta, 24-Parganas, Howrah, Hooghly and Asansol at an estimated cost of Rs.7.42 lakhs. Tenders were not called for on the ground of urgency but two quotations were obtained in August 1966 and the supply of materials and erection of the huts was awarded (in September 1966) to a firm in Calcutta without obtaining security deposit. It was agreed that the huts would be erected on specified sites within a month from the date of placing orders. No penal clause was provided in case of delay in erection etc.

Out of 84 huts in 6 units, 47 huts could not be erected (December 1970) owing to non-availability of suitable sites. Thirty-seven huts were completed between July 1967 and September 1969. Rs.7.01 lakhs were spent up to September 1969. Besides, materials costing Rs.3.78 lakhs were lying unutilised (December 1970) since June 1967.

Three huts constructed at Hooghly are being utilised for accommodation of trainees of the West Bengal Land Revenue Subordinate Service.

The matter was reported to Government (November 1968); reply is awaited (January 1971).

### LABOUR DEPARTMENT

54. *Non-realisation of rent:* Under existing orders, rent should be realised from all staff occupying quarters, provided in the Employees' State Insurance hospitals excepting Medical Officers posted in hospitals outside Calcutta and Sub-Divisional and District headquarters, nursing staff and class IV employees. In five hospitals (Sealdah, Serampore, Uluberia, Belur and Baltikuri), no rent, however, was realised. The outstanding rent (from March 1965 to July 1970) was Rs.0.81 lakh (December 1970).

The matter was reported to Government in December 1969; final reply is awaited (January 1971).

55. *Staff for ambulance car:* An ambulance car attached to the Employees' State Insurance Hospital at Baltikuri went out of order in September 1968; it has neither been repaired nor replaced (August 1970).

Rs.0.22 lakh were paid up to July 1970 as pay and allowances of two drivers and four cleaner-cum-stretcher bearers whose services are reported to have been utilised in other hospital works.

In the Employees' State Insurance Hospital at Uluberia, an ambulance car has not been utilised (July 1970) for want of minor repairs since June 1968. The services of two drivers were not utilised and the services of two stretcher bearers are reported to have been utilised in the emergency department of the hospital. Up to July 1970 Rs.0.21 lakh were spent on their pay and allowances.

The matter was reported to Government (December 1969); reply is awaited (January 1971).

#### LAND AND LAND REVENUE DEPARTMENT

56. *Rent of requisitioned premises:* Between November 1968 and June 1969 the Land Acquisition Collector, Calcutta, requisitioned three premises at monthly rents of Rs.3,276, Rs.388 and Rs.404. Only a portion of a premises was allotted in June 1970. Rent paid/payable by Government for the vacant premises up to August 1970 was Rs.0.79 lakh.

Government stated (December 1970) that "in spite of best efforts re-allotment of the premises could not be made within a reasonable time".

57. *Payment of rent for office accommodation:* A floor of a premises in Calcutta was under the occupation of the Home (Publicity) Department from June 1954 to September 1961 on a monthly rent of Rs.450. The same floor space was requisitioned in July 1962 by the Land and Land Revenue Department on a monthly rent of Rs.1,767 payable to the lessee (the premises were leased out in December 1961 by the owner to the lessee) and handed over (July 1962) to the West Bengal Development Corporation (since liquidated) then functioning under the Development and Planning Department. In March 1963 the lessee requested Government to withdraw the requisition order and wanted to let the premises to the West Bengal Development Corporation at a monthly rent of Rs.1,600. The requisition order was rescinded by the Land and Land Revenue Department in April 1963 and the West Bengal Development Corporation was advised to become direct tenant of the lessee on the proposed rent of Rs.1,600 per month after executing necessary agreement with him. The premises were under the possession of the Corporation up to 31st July 1964 and thereafter the Development and Planning Department retained it till 18th March 1969. Rent was paid at the rate of Rs.1,600 per month to the lessee up to April 1965 (except for January 1965) without executing any agreement. The owner of the premises moved the High Court and got a decree (January 1969) for Rs.95,500 (rent at Rs.1,600 per month from 26th July 1962 to 31st December 1964, from 1st February 1965 to 30th April 1965 and from 1st December 1966 to 18th March 1969, rent for the intervening period being paid to the Official Receiver, Calcutta High

Court). As a result, Rs.51,349 already paid to the lessee as rent from 26th July 1962 to 30th April 1965 (except January 1965) had to be paid again to the owner. Steps have been taken (July 1970) for filing a suit for recovery of the amount from the lessee.

The matter was reported to Government in July 1970; reply is awaited (January 1971).

### REFUGEE RELIEF AND REHABILITATION DEPARTMENT

58. *Training-cum-production centre in spinning at Titagarh Women's Home:* Government sanctioned (November 1967) the scheme for training some inmates of different homes in spinning to make them self supporting and to produce coarse cotton yarn for use in different production centres. It was provided that no doles would be paid to the trained inmates after completion of training.

Some machines were purchased (cost Rs.0.06 lakh) and some were procured from Rehabilitation Industries Corporation (cost Rs.1.01 lakhs). Twenty-two displaced women were trained in the three-month term and 257 kilograms of yarn produced between January and June 1968 after which the scheme was suspended as the inmates demanded stipend or wages. Those who were trained also were not in a position to earn their keep. Although the services of one textile engineer appointed in December 1967 were terminated in February 1970, those of one Junior Mechanical Engineer appointed earlier (in November 1967) have been retained along with the services of a mechanic (December 1967) for another scheme yet to be sanctioned. Meanwhile Rs.0.24 lakh were paid as pay and allowances of the idle staff and Rs.4,000 were spent as contingent expenditure between July 1968 and July 1970. The centre is still (October 1970) defunct.

The matter was reported to Government in January 1970; reply is awaited (January 1971).

59. *Hutments for displaced persons:* Mention was made in paragraph 92(b)(ii) of Audit Report 1965 of non-utilisation of twenty-five hutments in the Dharampur Production centre whereupon the Public Accounts Committee directed (August 1967) the department to 'retrieve as much as possible in the matter'.

Theft of aluminium sheets, iron structures and other materials started from 1961 and as it could not be checked by appointment of night guards and even by posting police pickets Government ordered (July 1966) disposal of the twenty-five hutments by auction. Tenders were, therefore, obtained (January 1967) and the highest tenderer withdrew his offer of Rs.24,551 (March 1967) as the original quantity for sale had been greatly reduced due to theft. Tenders were invited for the second time (June 1967) and the highest offer was Rs.10,258; but the department did not consider the offer and decided to utilise the hutments

(at Uttarpara) which did not materialise as the Chief Engineer, Construction Board, stated that it would be useless to shift the materials there. Accordingly, tender was again invited (June 1968) and the highest offer of Rs.1,751 was not accepted as it was considered to be poor. By September 1969 the aluminium sheets of all the vacant hutments (including three hutments occupied by night guards) and iron structures of some of them had been stolen. Loss suffered by Government was about Rs.0.32 lakh.

Government stated (December 1970) that it was trying to transfer the residual assets to the Animal Husbandry Department.

60. *Other miscellaneous irregularities, losses etc.:* In 1969-70 in 720 cases losses due to theft, fire etc., irrecoverable revenues, duties and advances were written off or recovery waived or ex-gratia payment made. The details are given in Appendix VIII.

## CHAPTER IV

**MISAPPROPRIATION, DEFALCATION ETC.**

61. *Misappropriations and defalcations*: The following table shows the position of cases of misappropriation of money awaiting final action at the end of 1969-70:

	Number	Amount
		(In lakhs of rupees)
Cases outstanding at the end of 1968-69 .. ..	331	14.65
Cases reported during 1969-70 .. ..	62	4.63
Cases disposed of during 1969-70 .. ..	12	0.18
Cases outstanding at the end of 1969-70 .. ..	381	19.10

Of Rs.0.18 lakh in 12 cases disposed of during the year Rs.0.03 lakh (3 cases) were recovered and the balance Rs.0.15 lakh (9 cases) were written off.

Of 381 cases outstanding at the end of 1969-70, recovery of Rs.6.13 lakhs in 191 cases was pending; analysis of the remaining cases is given below:

Number of cases	Amount	Remarks
	(In lakhs of rupees)	
59	6.10	Awaiting investigation
35	1.13	Awaiting orders of write off
34	1.59	Pending in courts
15	0.42	Awaiting information about recovery/adjustment
40	3.57	Delay in police and departmental investigation
7	0.16	Awaiting action for laxity in supervision etc

Departmentwise analysis of outstanding cases is given in Appendix IX.

Particulars of some of the cases are given in paragraphs 62 to 65 below.

**AGRICULTURE AND COMMUNITY DEVELOPMENT DEPARTMENT**

62. *Defalcation of Government money*: Rs.75,700 were misappropriated in two offices between November 1968 and November 1969 by encashing bills from treasury under the forged signatures of the drawing officers. The cases are under police investigation; their final reports are awaited (November 1970).

**BOARD OF REVENUE**

63. *Defalcation of public money*: Twenty-four cases of defalcation of Government money by tahsildars aggregating Rs.1,05,835 were reported to Audit during 1969-70. Of that only Rs.10,149 were recovered,



The *modus operandi* of the defalcations was—

- (i) collection money was not deposited into Government treasury;
- (ii) counterfoils of the receipts were tampered with;
- (iii) false entries were made in cash book;
- (iv) collection money was reported to have been stolen or snatched away from the custody of tahsildars.

In three cases Rs.69,793 were defalcated (continuously) during seven years, between 1959 and 1966. The defalcation was rendered possible as proper checks were not exercised by the supervising officers.

#### EDUCATION DEPARTMENT

64. *Misappropriation of grants*: Twenty-one cases of fraudulent drawals of Rs.2.09 lakhs as grants came to light in 1968-69 (14 cases: Rs.1.34 lakhs) and 1969-70 (7 cases: Rs.0.75 lakh). Of these, twenty cases came to notice in course of audit and one case was reported by the department. Out of the twenty-one cases, payment in nineteen cases was made from one sub-treasury. The *modus operandi* was (i) double drawal against the same sanction (10 cases), (ii) payment against institutions not in existence (6 cases) and (iii) payment without sanction (5 cases).

The cases were reported to Government from time to time as and when they came to notice. Orders of Government are awaited (December 1970).

#### HEALTH DEPARTMENT

65. *Defalcation*: In the course of audit of the accounts of the District Family Planning Office, Jalpaiguri, for the period January 1968-April 1970 defalcation of Rs.0.27 lakh was detected (May 1970).

The *modus operandi* was as follows:

- (i) Fictitious names and amounts were entered in the original copies of the pay bills, after they were passed by the drawing officer and endorsed in favour of a clerk for encashment from the treasury.
- (ii) The increased amounts were written in red ink by scoring out the original amounts. The corrections were only initialled, though under the rules such corrections were to be attested by the full signature of the drawing officer.
- (iii) Original amounts of the bills were entered in the cash book and the differences between the original and the enhanced amounts were defalcated.

The defalcation was committed between September 1968 and May 1970. The clerk was arrested by the police and placed under suspension (May 1970). Report on departmental investigation is awaited (December 1970).

The matter was reported to Government in July 1970; reply is awaited (December 1970).

## CHAPTER V

## Works Expenditure

66. *Review of works expenditure:* (a) Want of estimates or expenditure in excess of estimates: According to rules, no work shall be commenced or liabilities incurred until a detailed estimate has been sanctioned. Also, when the total expenditure on a work is likely to exceed the sanctioned estimate by more than 5 per cent, a revised estimate has to be sanctioned. In a number of cases, given below, expenditure on works was incurred either without sanctioned estimates or in excess of sanctioned estimates:

Departments	Expenditure incurred without sanctioned estimate		Expenditure incurred on works more than 5 per cent in excess of sanctioned estimate	
	Number of works	Expenditure up to March 1970	Number of works	Expenditure up to March 1970
	(In crores of rupees)			
Agriculture and Community Development	528	9.73	..	..
Health .. .. .	138	4.09	..	..
Housing .. .. .	112	2.08	..	..
Irrigation and Waterways ..	1,377	21.66	99	2.51
Public Works .. .. .	654	4.37	..	..
Public Works (Construction Board)	344	2.51	..	..
Public Works (Roads) .. .. .	144	5.06	86	3.52
Total .. .. .	3,297	49.50	185	6.03

These include ten important works of Kangsabati Project detailed in Appendix X(A) and (B); of these, six works (total expenditure: Rs.9.44 crores up to 31st March 1970) were taken up without sanctioned estimates; on the other four works expenditure exceeded the sanctioned estimates by more than 50 per cent.

(b) Vouchers not furnished: Vouchers for Rs.3.24 crores were not made available to Audit. Departmentwise and yearwise analysis of the vouchers not furnished is given in Appendix XI.

## AGRICULTURE AND COMMUNITY DEVELOPMENT DEPARTMENT

67. *River pump irrigation centre at Dharanipur:* The object of the river pump irrigation scheme was to increase production of foodgrains. The centre at Dharanipur was set up at a capital cost of Rs.0.62 lakh in a place surrounded by a private tea estate which, as a result, became the only beneficiary. Water

released in November 1966 was utilised by the tea estate for tea nursery and not for growing food crops. Supply of water was stopped from February 1968. Rs.0.08 lakh were spent on maintenance and running of the centre during this period. Two out of three pumping sets were removed from the site in December 1967 and May 1968 and the third set is yet to be removed (December 1970). After the centre stopped functioning Rs.0.12 lakh were spent up to February 1970 on watch and ward and idle operating staff.

The matter was reported to Government in June 1970; reply is awaited (February 1971).

68. *Acceptance of tender for Sanghata minor irrigation scheme:* Four tenders received for the work (February 1967) were less than the estimated cost (Rs.1.62 lakhs based on old schedule of rates) by 15 per cent, 6.53 per cent, 5 per cent and 4 per cent. The lowest tenderer was allowed to withdraw his tender after the tenders were opened on the ground that he had quoted his rates by mistake. Tenders of the other three were rejected as rates below those estimated on the basis of old schedule of rates were considered unworkable by the Executive Engineer.

Tenders were re-invited in March 1967 when the lowest offer of 4.95 per cent above the estimate (submitted by the contractor who had withdrawn his offer in the first call) was accepted. The difference between his first tender and second tender was Rs.0.32 lakh.

The matter was reported to Government in June 1968; reply is awaited (January 1971).

#### DEPARTMENT OF HEALTH

69. *Sinking of a tubewell at the Garden Reach Municipality:* Between September 1965 and December 1965, the Calcutta Metropolitan Planning Organisation and the Geological Survey of India made some exploratory holes in the Calcutta Metropolitan district area. The Public Health Engineering Directorate decided to utilise one such hole for sinking a tubewell in connection with the Garden Reach Water Supply Scheme of Government. The Directorate supplied tubewell materials worth about Rs.0.60 lakh and the work was executed through the Geological Survey of India.

The tubewell thus sunk failed to yield clean water as the well could not be washed completely for want of a compressor of suitable capacity. As no material could be recovered the entire expenditure became infructuous (October-November 1965).

The matter was reported to Government in November 1967; reply is awaited (January 1971).

70. *Carriage of cement:* For construction of staff quarters and godown at Kalyneswari, 614 tonnes of cement were sent by road from the Central Stores, Calcutta, to the worksite during 1967-68 through departmental carriage contractors at Rs.153.55 per tonne instead of by rail the rate of which was Rs.32.36 per tonne leading to extra expenditure of Rs.0.74 lakh.

The department stated in July 1968 that the works were urgent. But the work on some of the quarters is still in progress (June 1970).

The matter was reported to Government in December 1969; reply is awaited (January 1971).

71. *Sinking of deep tubewells:* Tenders were invited on 22nd January 1958 by the Executive Engineer, Western Division (Public Health Engineering), for construction of one 6" diameter 400 ft. deep tubewell at Haridradanga, Chandernagore, the last date of submission of tenders being 28th January 1958. Of the three tenders received the lowest tender for Rs.0.12 lakh was accepted. Reason for inviting tenders on such short notice could not be stated by the Division as the tender papers were not traceable. The work order was issued on 12th February 1958 with the stipulation that the work was to be completed within six weeks from that date. But the Division is not yet aware (September 1970) whether the work has been completed. Materials were also issued to the contractor in excess of requirement. Rs.0.20 lakh due from him as cost of materials not returned and hire charges of materials lent to him have not been recovered. Value of work done by the contractor was only Rs.0.09 lakh for which advance payment of Rs.0.06 lakh was made. Total amount due for recovery from the contractor is Rs.0.17 lakh (July 1971).

The matter was brought to the notice of Government in June 1970; reply is awaited (January 1971).

#### IRRIGATION AND WATERWAYS DEPARTMENT

72. *Protective work on the right bank of river Char-torsa:* To stop erosion on the right bank of river Char-torsa near a private tea estate, Government constructed in 1961 a protective embankment near the tea estate at a cost of Rs.9.71 lakhs. The contribution of the tea estate was fixed as Rs.2 lakhs only though 99 per cent of the benefit went to it. The basis for fixing this amount was not intimated by Government.

During floods in 1962 it was apprehended that the river might divert its course towards another river (Dolong) and adversely affect the embankment constructed in 1961. To avoid this another scheme of extension to the existing embankment was executed in 1964-65 at a cost of Rs.7.60 lakhs. Again for reasons not stated by Government, the tea estate was required to pay only Rs.2 lakhs as its contribution though the proportion of benefit enjoyed by it was much more. The estate, however, paid only Rs.50,000 up to January 1971.

The matter was reported to Government in March 1966 and July 1970; reply is awaited (January 1971).

73. *Bhuri Shyamsundarpur Beel Drainage Scheme:* On the recommendation of the West Bengal Flood Enquiry Committee (1959), this scheme was taken up in 1962-63 as a preventive measure against damages caused by congestion in the drains and the resultant floods along the banks of the river Banka from Bhuri Beel to Palsit in Burdwan district (about 26 miles). The scheme

estimated to cost Rs.40.29 lakhs (excluding cost of land: Rs.5.75 lakhs) aimed also at reclamation of 7,400 acres of land as a grow more food drive for yielding additional crops valued Rs.16.54 lakhs per annum. The scheme was executed in 1966-67 (one year behind the time schedule) at a cost of Rs.33.80 lakhs (excluding cost of land). Rs.6.49 lakhs were saved owing to adoption of reduced gradient out of which Rs.6.21 lakhs were diverted for improving drainage from Palsit to Jabui (12 miles) without prior approval of Government.

Only 1,200 acres of land were reclaimed and the annual yield of additional crops was worth Rs.6.39 lakhs. The remaining area of 6,200 acres continued to be inundated by floods. Further, the stretch of the river Banka from Palsit to Khari river has come to be flooded owing to the quicker conveyance of water through the improved channel in the upper basin. An old colony of displaced persons in the upper basin was also threatened by erosion due to re-excavation of the river. The original estimate of Rs.46.04 lakhs (Rs.40.29 lakhs + Rs.5.75 lakhs) had, therefore, to be revised to Rs.64.33 lakhs for improving the drainage further down from Palsit to Khari river. Rs.0.30 lakh are also required for saving the colony of displaced persons. The revised estimate has not yet been approved by Government (March 1971).

In April 1969 the Chief Engineer (II) Irrigation and Waterways Directorate, reported to Government that the drainage problem of the area could be solved only by excavating the entire course of Banka from Bhuri Shyamsundarpur Beel to Nandanghat where it flows into river Khari and of the combined stream from Nandanghat to its outfall into the Hooghly and that such re-excavation could be taken up only after considering the post-Farakka conditions of the river Hooghly. He also reported that the entire channel of the river from Palsit to Jabui would have to be re-excavated as the earlier drainage index was insufficient. Decision of Government is awaited (January 1971).

74. *Calcutta Sewage Gate Gas Scheme*: The scheme located at Bantola was undertaken in November 1957 at an estimated cost of Rs.1.70 lakhs. Up to October 1958 materials worth Rs.0.96 lakh were purchased. As the city sewage lost much of its gas content while flowing through the open channel from Topsia to Bantola, the scheme was abandoned in June 1958.

Chemicals and other materials worth Rs.0.37 lakh were consumed in the work but tools and plants worth Rs.0.59 lakh were considered surplus in 1965-66 and up to March 1966 Rs.0.07 lakh were spent to guard them. They were disposed of for Rs.0.16 lakh between 1966 and 1969.

Total loss on the scheme was Rs.0.50 lakh.

The matter was reported to Government in August 1966; reply is awaited (January 1971).

75. *Saharajore Irrigation Scheme*: To meet the urgent demand for irrigation water in Purulia district, the scheme estimated to cost Rs.20.64 lakhs (1959) was administratively approved by Government in November 1961 and

technically sanctioned by the Chief Engineer, Irrigation and Waterways Department, in April 1962. It was estimated that it would supply irrigation water to 10,000 acres and 5,000 cusecs (cubic feet per second) to Bandhu Irrigation scheme to be constructed later. It was contemplated that from the fourth year the scheme would be productive, capable of paying full amortisation charges at 4½ per cent. The actual area irrigated and revenue realised vis-a-vis the targets are shown below yearwise:

Year	Capital Outlay		Acreage to be irrigated		Net revenue		
	Target amount	Actual amount	Target acres	Actual acres	Target amount	Actual amount	
	<i>(In lakhs of rupees)</i>				<i>(In lakhs of rupees)</i>		
1962-63 (1st year)	..	6.00	0.38	Nil	Nil	Nil	Nil
1963-64 (2nd year)	..	8.00	4.22	2,000	Nil	0.15	Nil
1964-65 (3rd year)	..	4.00	1.74	6,000	Nil	0.49	Nil
1965-66 (4th year)	..	2.00	5.00	8,000	Nil	0.77	Nil
1966-67 (5th year)	..	0.64	12.50	9,000	Nil	1.03	Nil
1967-68 (6th year)	..	..	6.58	10,000	Nil	1.26	Nil
1968-69 (7th year)	..	..	1.18	10,000	2,500	1.40	Nil
1969-70 (8th year)	..	..	2.45	10,000	3,080	1.42	Nil
Total	..	20.64	34.05	55,000	5,580	6.52	Nil

The original estimate of Rs.20.64 lakhs (inclusive of establishment charges) was revised in May 1965 to Rs.37.50 lakhs which was further revised in April 1967 to Rs.55.61 lakhs. This was revised for the third time (yet to be sanctioned January 1971) to Rs.62.07 lakhs excluding establishment charges. Thus there was a rise of 200 per cent in the estimated cost excluding establishment charges. Excesses were mainly against land (Rs.5.08 lakhs), dam and spillway (Rs.20.75 lakhs), regulators and falls (Rs.3.68 lakhs), minor cross drainage (Rs.4.88 lakhs), earth working canal (Rs.2.77 lakhs), service roads (Rs.1.05 lakhs) and work charged establishment (Rs.2.45 lakhs). The rise in cost was attributed to abnormal rise in prices after preparation of the original estimate, change in design of the dam, spillway and spill channel for which no provision was made in original estimate as the material excavated from the spillway and spill channel was to be used in construction of dam, carriage of earth from a long distance and provision for rectification of defects.

Work commenced in 1962-63 and according to original estimate it had to be completed within 5 years; but up to 1969-70 (8 years) work done was: dam 90 per cent, spillway 75 per cent, main canal 15 per cent and distributaries 10 per cent. The total expenditure was Rs.34.05 lakhs.

During the rains of 1967 the reservoir was filled with water and its level was raised to 11 ft. below the designed height (up to Reduced Level 1070 against the designed height of Reduced Level 1081). In November 1968 seepage and cracks were noticed which, according to the report of the Director, River Research Institute, West Bengal, was due to use of unsuitable earth and improper compaction. Though a laboratory was set up in August 1965 to test the soil used and the degree of compaction, no test data register nor any other record was maintained to show the quality of soil used and the degree of compaction. Rs.2.74 lakhs were paid to the contractor as charges for compaction. On further examination by the Geological Survey of India and the Director, River Research Institute, it was decided in May 1969 that some special treatment would be necessary before raising the height of the dam any further.

The work came to standstill in August 1967 as some disputes arose about the rates of some supplementary items of work; it was decided in May 1968 to terminate the agreement treating the work done till then as final. To settle the disputes the case was referred to arbitration in May 1970. From 1969-70 the work is being executed through another contractor.

Following irregularities were noticed in execution of the scheme:

- (i) Invitation of tenders for dam construction: For execution, the entire length of the dam was divided into three segments, (a) chain 0-7, (b) chain 7-10 and (c) chain 10-43. Tenders for segments (a) and (c) were called first and the lowest tenders for the two segments were less than the schedule of rates of 1963-64 by 11.79 per cent and 12 per cent respectively. The offer was from the same contractor working in two different names and was accepted in 1963-64. The central segment (chain 7-10) was on the river bed. When tenders were invited for this segment in 1964-65 none but the contractor working in the two other segments quoted. His single tender at 9.99 per cent above the schedule of rates of 1964-65 was accepted. Compared with his earlier rate Government had to bear extra cost of Rs.1.45 lakhs for this segment only.
- (ii) Acceptance of supplementary tenders: In May 1966 the Executive Engineer submitted two supplementary tenders worked out on the basis of the schedule of rates of Kangsabati Project against two contracts (tender 1 of 1963-64 and tender 9 of 1963-64) to the Superintending Engineer, Damodar Irrigation Circle, for his acceptance. One was accepted by him in September 1966 and the other, being beyond his power, was forwarded to the Chief Engineer for obtaining the approval of Government. These supplementary tenders were, however, withdrawn in March 1968 after payment of Rs.2.47 lakhs (which, therefore, stood as unauthorised) owing to the following reasons:
  - (a) average depth of excavation was shown much in excess of (20 ft. against 13.28 ft. and 10.48 ft.) cross section;

- (b) cost of compaction by sheep foot roller was worked out after taking into account the average hire charges of D4 and D8 tractors though in actual operation only D4 tractor (less expensive than D8 tractor) had been used.
- (iii) Payment of lead and lift for carriage of earth: (a) As per additional terms and conditions of the contract, lead and lift will be the shortest distance from the centre of gravity of excavation to the centre of gravity of the throw irrespective of path followed. To measure such distances an authorised index plan of the borrow pits was imperative but no such plan was maintained. In 1967 the reservoir got filled up and the borrow pit areas went under water. In June 1968 final measurements were taken on the basis of shortest negotiable route instead of the shortest distance and extra leads as high as 79 numbers were recorded against the maximum estimated extra lead of 5 numbers as per tender schedules and 44 numbers estimated in August 1966. In some cases, extra leads recorded earlier as 17|18 numbers were changed to 24|25 numbers. Owing to unusual increase in extra leads cost of carriage of earth increased from Rs.1.20 lakhs to Rs.9.71 lakhs (paid up to August 1967).
- (b) As per tender schedules, 2,05,137 cubic metres of earth required for construction of the dam were to be available within 5 numbers extra leads of 100 ft.|30 m. each and the rates of extra leads were worked out on the basis of the schedule of rates of the Kangsabati Project. But the same schedule also provided cheaper rates for carriage of earth between 150 metres to 3,500 metres. Moreover, the contractor used earth moving machinery for carriage of earth and as such extra leads should not have been paid at the rate fixed for manual operation for a short distance. Up to August 1967 the contractor was paid Rs.9.71 lakhs for extra lead against Rs.4.16 lakhs computed at the rate for haulage of earth as per schedule of the Kangsabati Project for 1963-64. Besides, the possibility of getting suitable earth for dam construction from shorter distance, e.g., from canal excavation, was not explored, though according to the River Research Institute's Report (May 1969) the earth from main canal excavation was suitable for dam construction.
- (c) Extra lifts are not admissible in case of haulage by mechanical means. As in this case earth was carried by earth moving machinery Rs.1.98 lakhs paid for extra lifts were inadmissible.
- (iv) Hire charges of machines lent to contractors: As per terms of contract, tools and plants, if sparable, could be issued to the contractor on suitable hire charges as may be fixed by the Engineer-in-charge. On a request from the contractor the Division obtained some machines on loan from the Kangsabati Project and placed them at the disposal of the contractor in March 1965, Up to 1969-70 the



Division received debits from the Kangsabati Project for Rs.4.20 lakhs against which only Rs.1.38 lakhs were recovered from the contractor.

- (v) Use of departmental materials: (a) As per the contract, the cost of departmental stones used in construction had to be recovered at Rs.3.50 per cu. metre without any deduction for void. Between August 1965 and July 1967, 17,961 cu. metres of stone (value Rs.0.63 lakh) were issued to the contractor and up to August 1967 only Rs.0.26 lakh were recovered from him.
- (b) In the project estimate it was contemplated that excavated materials from the spillway and spill channel would be utilised in construction of the dam and as such no provision was made for their construction. But in the contract itself no provision was made for utilising the excavated materials other than hard rock. As a result 29,786 cu. metres of soil (cost of excavation Rs.0.28 lakh) and 70,205 cu. metres of weathered rock (cost of excavation Rs.2.09 lakhs) excavated from the spill channel and the spillway were not utilised. Similarly, earth materials obtained from trench excavation in the dam foundation, if found suitable, were also to be used (as per the contract) in construction of the dam. 1,31,693 cu. metres of excavated soil were not so used and out of 9,309 cu. metres of weathered rock excavated only 1,571 cu. metres were used.
- (vi) Advance payments: Advance payments may be made for work actually executed, on the basis of certificate of a responsible officer to the effect that not less than the quantity of work paid for has actually been done and the officer granting such certificate would be held personally responsible for consequential overpayment which may occur in the work. The relevant rule requires that actual measurements should be taken at the earliest opportunity and the advances adjusted against the value of work measured. But in the present case, series of advance payments were made without adjusting the previous advances and up to August 1967 such outstanding advances were Rs.10.23 lakhs of which Rs.7.79 lakhs related to extra leads and lifts.

The matter was brought to the notice of Government in October 1970; reply is-awaited (January 1971).

76. *Purchase without tenders:* In Kangsabati Mechanical Division, stores were being purchased in 1958-59 without inviting open tenders (in contravention of financial rules). This was first detected by Audit in September 1959 and was brought to the notice of Government in April 1960. The irregularities, however, continued and these were reported to Government in April 1967, January 1968 and May 1968. In June 1968 Government issued orders that financial rules should be observed. Between July 1968 and November 1969, however, stores, mostly spares for machines, worth Rs.8.58 lakhs were purchased on 866 occasions without inviting tenders.

The matter was reported to Government in September 1969; reply is awaited (January 1971).

77. *Payment of charges for consumption of electrical energy:* As per the agreements entered into by the Project Authority with the West Bengal State Electricity Board, charges for consumption of electrical energy should be either demand charge at Rs.11 per unit (KVA) plus energy charges at 5.6 paise per unit (KWhr.) plus fuel surcharge, or the ceiling rate of 18 paise per unit (KWhr.) whichever was less. The Project Authority, however, paid electrical energy bills as presented by the Electricity Board between November 1965 and January 1968 at 18 paise per unit (KWhr) though the charges as per the other mode of calculation were less. During that period Rs.0.41 lakh was paid in excess which is yet to be recovered from the Board (September 1970).

The matter was reported to Government in October 1969; reply is awaited (January 1971).

78. *Classification of excavated soil:* 9.12 lakh cft. of soil obtained during excavation of Indpur Main Canal was measured (March 1962) as "hard rock of granular nature" and paid for at Rs.14 per 100 c.ft. Subsequently it was reclassified as had rock (May 1962) though according to the terms of the contract hard rocks are those rocks which would come out mostly in lumps and the quantity of hard rock as per stack measurement with reasonable void should tally with the excavated quantity in section. But after reclassification the stacked quantity was found to be less than the excavated quantity in section by 7.00 lakh cft. which being small particles was not stacked and was treated as working loss. As such working loss was not in conformity with the specification of hard rock, reclassification of hard rock of granular nature into hard rock resulted in extra payment to contractor (Rs.0.41 lakh) at rates between Rs.17 and Rs.19 per 100 cft.

The matter was referred to Government in July 1970; reply is awaited (January 1971).

79. *Purchase of tyres:* In contravention of Government order that open tender should be invited for all works above Rs.2 lakhs, the Project Authority invited quotations (December 1966) for supply of tyres for heavy earth-moving machines and order for supply of 56 tyres manufactured by a foreign company at a cost of Rs.11.38 lakhs was placed (February 1967) with a Calcutta firm whose quotation was the lowest. Rs.6.73 lakhs were paid to the supplier between August 1968 and April 1969 as advance though advance payment of Rs.2.56 lakhs only was sanctioned by Government (August 1968).

Moreover, purchase of the tyres was not immediately required as 16 tyres purchased in October 1968 and eight tyres purchased in August 1963 are lying in stock (December 1970).

The matter was reported to Government in July 1970; reply is awaited (January 1971).

80. *Salt Lake Reclamation Scheme:* To set up a township near Calcutta, Government approved a scheme in 1960-61 to reclaim 3.75 sq. miles in the northern Salt Lake area at an estimated cost of Rs.19.20 crores. This scheme was to be completed in 10 years (7 years for reclamation and 3 years for development). Reclamation was almost complete in November 1967 and development of 1.5 sq. miles (1st sector) is almost complete (December 1970). Development of 1.12 sq. miles (2nd sector) is yet (January 1971) to be completed. The 3rd sector has not been taken up as yet (January 1971). In October 1969 the estimate was revised to Rs.39.71 crores due to increase in price, import duties, devaluation of rupee and extra items of developmental work, but it has not yet (January 1971) been approved by Government. Actual expenditure up to March 1970 was Rs.21.37 crores. The original financial forecast indicated complete recovery of capital outlay (Rs.19.20 crores) by sale of plots within 10 years; but up to June 1970, 5,937 plots (22,638 cottahs) were ready for sale in the first sector of which 4,084 plots (13,612 cottahs) were sold at prices varying between Rs.2,750 and Rs.7,000 per cottah according to the size and location of the plots. Against estimated sale proceeds of Rs.20.17 crores only Rs.1.12 crores were realised up to March 1970.

While reclamation work was in progress Government decided in April 1965 to reclaim two more sq. miles by simultaneous operation through the working contractor on negotiation basis. The work order for reclamation of additional two sq. miles was issued in November 1967 (and work started in that month) when more than 91 per cent of the estimated quantity of soil (original work) had been dredged and pumped. The supplementary agreement (for Rs.4.36 crores) with the working contractor was made mainly on the ground that there was no likelihood of getting cheaper rates in 1965 compared to the rates of the working contractor obtained in 1959 and simultaneous operation would ensure completion of the entire project within 1970. The original contract had, however, provided for payment for increase in cost of labour, fuel and material over the rates of 1959 and the rates were actually enhanced under the escalation clause. As the work order for the additional two sq. miles was issued in November 1967 when the original work was almost complete, there was practically no simultaneous operation.

The contractor, therefore, utilised the existing men and machines obviating thereby the necessity of bringing them anew. Actually, the contractor did not import machines on the scale contemplated in the supplementary agreement as stated below. The contractor, therefore, earned more profit and thus there was scope for reduction of rates; but no attempt was made in that direction.

Government stated in March 1971 that to avoid delay consequential to inviting global tenders, extra expenditure involving foreign exchange and working difficulty arising out of simultaneous operation by two contractors, the additional work was entrusted to the working contractor.

No penalty clause was provided in the contract to guard against damages of machines (value Rs.44.73 lakhs) to be lent to the contractor free of hire charges. The contractor, however, agreed to guard and repair the machines and equipment

at his own cost and also to replace additional pipe lines if required, but these were not included in the contract.

The tender specification for reclamation of 3.75 sq. miles prepared by the foreign consultants provided for 20 crores c.ft. of soils to be dredged within three miles beyond the initial lead of two miles and separate rates for the 1st mile, 2nd mile and 3rd mile over the initial lead of two miles were to be quoted by the tenderers. But, in the contract, all the three miles were consolidated into one item (as additional transport of dredged soil over a distance exceeding two miles and up to five miles). As a result payment for the soil carried was made at Rs.45 per thousand cft. (transport charges for a distance of two to five miles) though the contractor's dredging operation remained confined up to the 3rd mile only (within one mile beyond the initial lead of two miles).

There was also no provision for terminating the contract at any time after giving due notice.

*Lump sum payments:* In the bill of quantities of the original contract, Rs.70.20 lakhs were provided for fitting the required plant for sea passage, transport to the site and preparation for commencing dredging and pumping. In the supplementary agreement Rs.37.66 lakhs (proportion of Rs.70.20 lakhs based on the area of reclamation) were provided for the same work. This was based on the consideration that the contractor would have to work simultaneously in both the areas and as such would require extra equipment and machine. As the reclamation work on additional two sq. miles was taken up only after the original reclamation work was nearly complete there was no necessity to bring extra machines. In fact in March 1969 the Special Engineer pointed out that no machines and equipment had been imported or purchased by the firm at its own cost for commencing dredging and pumping. Whatever extra machines were required were purchased by Government and lent to the contractor. Rs.47.77 lakhs (Rs.37.44 lakhs plus increase due to devaluation: Rs.10.33 lakhs) were paid to the contractor in September 1969 on this account.

Government stated in March 1971 that the payment was made to cover some extra items of work in addition to work provided in the bill of quantities mentioned above.

*Purchase of machines:* For reclaiming the additional two sq. miles Government purchased additional equipment and machines for Rs.44.73 lakhs and lent them to the contractor free of hire charge. As the reclamation work on 3.75 sq. miles and 2 sq. miles was not taken up simultaneously there was apparently no justification for purchasing such extra machines and equipment. In fact, the Special Engineer, Salt Lake, held (November 1965) that one bulldozer and four pumps (value: Rs.16.73 lakhs) were not an appropriate charge against this supplementary work.

Government stated in March 1971 that for reclaiming the additional two sq. miles the delivery distance was increased by about 2 km. than in the original contract. But in the supplementary contract, the same unit of rate for filling was allowed and in lieu of extra rate for additional lead, machines were supplied to contractor free of charge.

## PUBLIC WORKS DEPARTMENT

81. *Hiring of a private building:* To accommodate the Marketing Branch of the Agricultural Directorate, in October 1966 Government hired a private building in Calcutta at a monthly rent of Rs.3,969. After construction of cubicles, partitions etc., by the Public Works Department the building was ready for occupation in April 1967. The building, however, was released to the owner on 30th September 1967 after dismantling the fittings and fixtures. The expenditure of Rs.0.52 lakh (rent Rs.0.47 lakh; construction, dismantling etc., Rs.0.05 lakh) proved infructuous.

The matter was brought to the notice of Government in June 1968; reply is awaited (January 1971).

82. *Construction of a bronze statue:* As per contract (executed in January 1964) a double life-size bronze statue of Raja Ram Mohun Roy was to be supplied within August 1965 for installation at Calcutta Maidan at a cost of Rs.0.72 lakh payable in four instalments including advance payment of Rs.0.12 lakh (for collection of necessary materials for the work). When the work was in progress and Rs.0.30 lakh had been paid, the sculptor declined to proceed further unless the remuneration was enhanced (April 1967). In July 1968, Government increased the total contractual sum to Rs.0.88 lakh and extended the date of delivery to June 1969.

Accordingly, Rs.0.66 lakh were paid to the sculptor up to November 1970 but the statue has not yet been delivered (November 1970).

Government stated (November 1970) that the circumstances under which the statue could not be taken delivery of within the stipulated period were beyond its control.

## PUBLIC WORKS (ROADS) DEPARTMENT

83. *Bridge on Bishnupur-Beliaghata road:* The estimate for construction of the bridge was finalised for Rs.3.68 lakhs although the site and design of the bridge had not been finalised and the tender for the work was accepted by the Superintending Engineer, Road Construction, at 9½ per cent below the estimated cost in October 1962. The work commenced in November 1962 and was due to be completed within 15 months. Rs.0.41 lakh were spent up to November 1968 on 32 reinforced concrete piles after which the work was suspended owing to non-finalisation of site and design of the bridge and the work has not been resumed so far (November 1970).

The matter was referred to Government in September 1965; reply is awaited (January 1971).

84. *Bridge over river Haldi:* Construction of a bridge over river Haldi at Narghat on Tamluk-Contai road was awarded to the second lowest tenderer for Rs.59.73 lakhs in preference to the lowest offer of Rs.57.87 lakhs in consideration of the past performance, experience, resources in men, materials and

equipments of the former. The work commenced in January 1967 and the stipulated time for completion was three years; up to May 1970 work valued Rs.10.78 lakhs only was, however, executed.

The matter was reported to Government in July 1970; reply is awaited (January 1971).

#### PUBLIC WORKS (CONSTRUCTION BOARD) DEPARTMENT

85. *Construction of Factory Buildings of Kalyani Spinning Mills at Habra (Unit No. 2)*: In May 1965 the 24-Parganas North Division (Construction Board) received 8,671 asbestos sheets and 2,360 ridges from a firm (on rate contract with the Director General, Supplies and Disposals) against order placed with it in January 1965 for use in the construction of the factory building. Between April 1965 and June 1965 the Division utilised 4,949 asbestos sheets and 960 ridges. Due to delay in receipt of supplies against the rate contract placed by the Director General of Supplies and Disposal, in May 1965 the Division placed orders with a local supplier for supply of 97.82 tonnes of Everest asbestos sheets and ridges at a rate much higher than the rate fixed by the Director General, Supplies and Disposals. 2,700 asbestos sheets and 1,350 ridges were received in August 1965 at an extra cost of Rs.0.25 lakh. Up to November 1966, however, only 8,153 asbestos sheets and 1,840 ridges were utilised.

The manufacturer of Everest asbestos sheets and ridges increased the price of its products manufactured and despatched from its factory on or after 1st July 1965 by 9 per cent; still the benefit of increased price (Rs.0.05 lakh) was allowed to the local firm whose quotation dated 7th May 1965 was for delivery at Habra ex-stock.

The matter was referred to Government in February 1967; reply is awaited (January 1971).

#### PUBLIC WORKS, PUBLIC WORKS (SPECIAL ROADS) AND IRRIGATION AND WATERWAYS DEPARTMENTS

86. *Creation of Public Works Divisions without adequate work*: The standards followed by Government for creation of Public Works Divisions in the State are that there should ordinarily be annual work-load of (a) Rs.45 lakhs and Rs.24 lakhs for a Construction and Maintenance Division respectively under the Public Works Department, (b) Rs.35 lakhs for a Construction Division under the Public Works (Special Roads) Department and (c) Rs.35 lakhs and Rs.20 lakhs for a Construction and Maintenance Division respectively under the Irrigation and Waterways Department.

On 31st March 1970 there were 38 divisions (Construction—7, Maintenance—31) under Public Works Department, six construction divisions under Public Works (Special Roads) Department and 37 (Construction—15, Maintenance—22) divisions under Irrigation and Waterways Department. The average

annual workload during 1967-68 and 1969-70 fell short of the prescribed minima in 37 divisions—17 under Public Works, four under Public Works (Special Roads) and 16 under Irrigation and Waterways Departments. Of these, 7 Construction Divisions had work-load of less than Rs.15 lakhs and three Maintenance Divisions less than Rs.10 lakhs. ,

Actual work-load during 1967-68—1969-70 in all these divisions taken together justified, according to the prescribed standards, only 11 Construction Divisions and 33 Maintenance Divisions as against the existing 28 Construction Divisions and 53 Maintenance Divisions.

The details are shown at Appendix XII.

## CHAPTER VI

## Stores and Stock Accounts

87. *Stores and Stock Accounts*: I. (a) A synopsis of important stores accounts for 1969-70 which have been received is given below:

Department	Stores	Opening balance	Receipts during the year	Issues during the year	Closing balance
<i>(In lakhs of rupees)</i>					
<b>Health—</b>					
Nilratan Sircar Medical College and Hospital	Instruments, appliances, drugs, beddings clothing etc.	13·74	33·30	32·19	14·85
Irrigation and Waterways	Small stores, building materials etc.	187·37	128·98	123·98	192·37
Public Works ..	Ditto ..	130·41	278·67	245·89	163·19
Public Works (Roads including Special Roads)	Ditto ..	61·23	105·80	99·31	67·72

(b) The stores and stock accounts of the following non-Public Works departments are in arrears—according to the orders of Government the accounts are required to be submitted to Audit by 5th September each year:

Sl. no.	Department	Year of account
1.	Information and Public Relations—	
	(i) Publicity Branch excluding Distribution section	1965-66 onwards
	(ii) Publicity Branch—Distribution section ..	1966-67 ..
2.	Agriculture and Community Development—Intensive Food Production Schemes	1968-69 ..
3.	Health—Principal State hospitals .. ..	1965-66 ..
4.	West Bengal Government Press—Alipore and Governor's Press	1967-68 ..
5.	Alipore Central Jail Press .. ..	1969-70 ..
6.	West Bengal Stationery Office .. ..	1969-70 ..
7.	Commerce and Industrie —Director of Medicinal Plants	1968-69 ..
8.	Animal Husbandry and Veterinary Services—Central Medical Stores	1968-69 ..
9.	Home (Jails)—	
	(i) Central Jails .. ..	1968-69 ..
	(ii) Jail Depot .. ..	1968-69 ..
10.	Education—Bengal Engineering College .. ..	1969-70 ..



II. Public Works Stock: (i) Excess over reserve stock limits: In the following divisions the value of stocks was much in excess of the sanctioned limits for long as shown below:

Department	Division	Year from which excess persists	Amount of excess stock on 31st March 1970	Sanctioned stock limit
<i>(In lakhs of rupees)</i>				
Irrigation and Waterways ..	Lower Damodar Irrigation	1964-65	4.20	0.15
	East Midnapore ..	1965-66	1.91	1.00
	Kangsbati Canals II	1965-66	0.65	6.50
	Bankura Irrigation	1964-65	1.43	2.50
	Kangsbati Mechanical	1966-67	30.76	78.00
Public Works ..	Darjeeling ..	1958-59	7.40	4.00
Public Works (Special Roads)	Plant and Machinery	1965-66	2.09	0.50

(ii) Stock registers and stock verification: Register of stock in a Public Work division is required to be closed at the end of each year and reviewed by the divisional officers to ensure that the stock consists only of necessary and serviceable articles and that the stores are priced within the prevailing market rates.

In the following cases closing of stock registers is in arrears for long:

Department	Division	Year from which stock registers have not been closed
Public Works	Darjeeling ..	1965-66
Irrigation and Waterways	Bankura Irrigation	1961-62
	Kangsbati Canals II	1961-62
	Kangsbati Mechanical	1965-66
Public Works (Roads) ..	.. Hooghly Construction	1966-67

(iii) In Kangsbati Mechanical Division various types of earth moving and other machinery as well as tools and plants (53 items), valued at Rs.11.31 lakhs, have been lying idle from 5 to 13 years.

(iv) 0.18 lakh of bricks and 0.45 lakh cft. of bats valued at Rs.0.17 lakh received by 24-Parganas North Division Construction Board in April 1960 are lying unutilised (September 1970); the Executive Engineer, 24-Parganas North Division, stated that the material could be utilised in the development of a colony. A survey report (March 1966) had declared the materials as unserviceable.

## CHAPTER VII

## Revenue Receipts

## FINANCE DEPARTMENT (TAXATION BRANCH)

## Sales Tax

88. *Taxable turnover not properly calculated:* (a) A dealer (Government of India undertaking) credited in the Profit and Loss Account for 1965-66 a sum of Rs.50.40 lakhs representing sale of commodities not accounted for during three preceding years for non-finalisation of sale price. This was not considered by the Commercial Tax Officer in computing the gross turnover, resulting in underassessment of tax to the extent of Rs.1.37 lakhs approximately. On this being pointed out, a sum of Rs.1.30 lakhs was realised (March 1969) from the dealer, pending revision of assessment. The assessment has not yet been revised (March 1970).

The matter was reported to Government (September 1969); reply is awaited (December 1970).

(b) Payment of a sum of Rs.54,604 was received by a dealer in the year ending Chaitra 1371 B.S. (1964-65) for supply of bricks made by him during the preceding year ending Chaitra 1370 B.S. (1963-64). The amount was not taken into account while computing the gross turnover for the year ending Chaitra 1370 B.S. (1963-64) on the ground that the payment was actually received during the year ending Chaitra 1371 B.S. (1964-65). The amount, however, was also not considered while computing the gross turnover for the year ending Chaitra 1371 B.S. (1964-65), resulting in a short levy of tax of about Rs.2,600.

The Commercial Tax Officer stated (August 1969) that the case was under review. The matter was reported to Government (November 1969); reply is awaited (December 1970).

(c) Under the sales tax law gross turnover includes sales tax (State as well as Central) actually realised by a dealer. From the gross turnover thus worked out, deduction on account of sales tax element is to be allowed at a fixed percentage to arrive at the taxable turnover. It was noticed in a case that while computing the gross turnover the assessing officer did not include the sales tax actually realised and yet allowed the deduction of the element of sales tax. This resulted in a short levy of sales tax of Rs.2,885.

On this being pointed out (October 1968), the mistake was rectified and additional demand realised (October 1968).

(d) In computing the gross turnover of a dealer the Commercial Tax Officer did not consider the sale price of paper the stock value of which was Rs.1,50,000. This resulted in underassessment of tax of about Rs.7,000. The Commercial Tax Officer stated (February 1969) that assessment would be revised, if necessary. No revision has yet (July 1970) been made.

The matter was reported to Government (August 1969); reply is awaited (December 1970).

89. *Short levy due to application of incorrect rate of tax:* (a) The rate of tax on sale of radio and accessories was increased from 7 per cent to 10 per cent with effect from 10th May 1963. It was noticed that the turnover for the period from 10th May 1963 to 31st December 1963 of a dealer in radio and accessories was taxed at 7 per cent instead of 10 per cent, resulting in a short levy of Rs.3,750.

The Commercial Tax Officer stated (October 1968) that appropriate action to reopen the case would be taken, if necessary. The case has not yet (July 1970) been reopened.

The matter was reported to Government (July 1969); reply is awaited (December 1970).

(b) While giving effect to an appellate order, tax at 5 per cent in place of 7 per cent was calculated on a taxable turnover of Rs.3,20,000 and tax at 7 per cent in place of 5 per cent on another taxable turnover of Rs.30,000. Due to application of incorrect rates of tax the dealer was allowed a refund of Rs.3,242 (December 1967), instead of levying an additional tax of Rs.2,558. There was, thus, a short levy of Rs.5,800 (Rs.3,242 + Rs.2,558).

The matter was reported to Government (September 1969); reply is awaited (December 1970).

(c) During 1964-65 inter-State sale of goods, unless supported by a declaration in the prescribed form, was taxable at 10 per cent instead of 2 per cent. It was noticed that the turnover of Rs. 82,802 of a dealer, representing inter-State sale not supported by the requisite declaration, was assessed at 2 per cent instead of 10 per cent resulting in a short levy of tax of Rs.6,624.

The matter was reported to Government (October 1969); reply is awaited (December 1970).

90. *Underassessment of tax due to escapement of taxable turnover:* An assessee who had made sales of Rs.12,00,758 between the period November 1963 and January 1964 and received another amount of Rs.21,643 on account of miscellaneous receipts on account of sale of goods, did not disclose these sales in his return. Further, though papers relating to these sales were available in the records and the figures had also been confirmed in the report of Inspector of Sales Tax, the assessing officer omitted to include them in the assessment, resulting in short levy of tax of Rs.58,217.

On this being pointed out, additional demand was raised in January 1970, out of which Rs.22,000 is reported to have been collected in July 1970. The balance is being realised in six instalments.

91. *Short levy of tax due to errors in computation and application of incorrect rates of tax:* A test check of assessment files relating to the period 1967-68 revealed underassessment of Rs.9,057 in 41 cases due to errors in computation (Rs.7,925 in 33 cases) and application of incorrect rates of tax (Rs.1,132 in 8 cases). The assessing officers agreed to correct the errors pointed out in audit and revise the assessments. Result of revision of assessment in all these cases is awaited (November 1970).

## CHAPTER VIII

## Financial Assistance to Local Bodies Co-operative Institutions and Others

## SECTION II—OTHERS

## EDUCATION DEPARTMENT

92. (a) *Payment of deficit grant*: In the following cases, deficit grants were paid in excess of the actual deficits of the institutions. Grants were paid on ad-hoc basis without assessing the actual deficit on the basis of approved scale of expenditure.

Serial no.	Institution	Amount overpaid (In lakhs of rupees)	Year of payment
1.	Lake View High School .. ..	0.09 0.06	1967-68 1968-69
2.	Bolgachia' Kumudini Kanya Vidyamandir .. ..	0.09 0.04	Up to 1966-67 1967-68
3.	Bijoygarh Vidyapith .. ..	0.06 0.02	1967-68 1968-69

The matter was reported to Government in August 1969; reply is awaited (December 1970).

(b) *Payment of maintenance grant*: In the following cases overpayments of maintenance grants of Rs.1.04 lakhs were noticed; the overpayments occurred due to inclusion of certain inadmissible items of expenditure while arriving at the amounts of deficit of the institutions.

Serial no.	Institution	Total grant and year of payment (In lakhs of rupees)	Inadmissible amount in arriving at total deficit
1.	Vivekananda Centenary College, Rahara	2.83 (1968-69)	Depreciation (Rs.0.52 lakh), expenditure on travelling allowances, contingencies and advertisement in excess of the prescribed limit (Rs.0.01 lakh). Total—Rs.0.53 lakh.
2.	R. K. Mission Vidyamandir, Belurmath, Howrah	1.71 (1968-69)	Repairs and replacement (Rs.0.06 lakh), special allowances (Rs.0.01 lakh), expenditure on travelling allowance, stationery, printing etc., in excess of the prescribed limit (Rs.0.08 lakh). Total—Rs.0.15 lakh.
3.	New Alipore College, Calcutta ..	0.51 (1967-68)	Excess of income over expenditure not adjusted (Rs.0.04 lakh), depreciation of assets created out of grants (Rs.0.32 lakh). Total—Rs.0.36 lakh.

The matter was reported to Government between June 1969 and May 1970; reply is awaited (December 1970).

(c) In the following cases grants received from Government for distributing scholarships and stipends remained undisbursed:

Serial no.	Institution	Amount remaining undisbursed	Remarks
		<i>(In lakhs of rupees)</i>	
1.	Asutosh College, Calcutta	.. 0.15	Grant received from 1961 to 1968 remained undisbursed up to February 1970.
2.	Jalpaiguri Polytechnic	.. 0.21	Grant received up to 1959 remained undisbursed up to January 1970.
3.	Vidyasagar College for Women	.. 0.07	Grant received up to 1968-69 remained undisbursed up to February 1970.

The matter was reported to Government in April 1970 and May 1970; reply is awaited (December 1970).

#### DEPARTMENT OF HEALTH

The entire cost of the research unit, functioning since March 1965, under the Shyamadas Vaidya Sastrapith was met out of grants received from Government. It was noticed that staff in excess of sanctioned strength for the research unit were engaged and maintained since 1965. The total expenditure on pay and allowances of the additional staff not covered by sanction was Rs.0.38 lakh up to January 1969.

The matter was reported to Government in July 1969; reply is awaited (December 1970).

#### EDUCATION AND HEALTH DEPARTMENTS

Unutilised grants: Details of Rs.9.50 lakhs paid as grants to institutions which were neither utilised nor refunded have been shown in Appendix XIII,

## CHAPTER IX

**Government Commercial and Trading Activities****SECTION I—GENERAL.**

93. This chapter deals with the audit of (i) Statutory Corporations/Board, (ii) Government Companies and (iii) Departmentally managed Government undertakings.

**SECTION II—STATUTORY CORPORATIONS/BOARD**

94. There were four Statutory Corporations and one Board in the State as on 31st March 1970 as detailed below:—

- (1) Calcutta State Transport Corporation,
- (2) North Bengal State Transport Corporation,
- (3) West Bengal Financial Corporation,
- (4) West Bengal State Warehousing Corporation, and
- (5) West Bengal State Electricity Board.

In terms Section 69(4) of the Electricity (Supply) Act, 1948, Audit Report on the accounts of the West Bengal State Electricity Board for the year 1969-70 was forwarded to the State Government on 25th September 1970 for being presented to the Legislature. The report on the accounts of the Calcutta State Transport Corporation for the year 1968-69 was forwarded to the State Government under Section 33(4) of the Road Transport Corporation Act, 1950, on 2nd March 1971 for presentation to the Legislature.

A synoptic statement showing the financial results of these Corporations/Board for the latter year up to which accounts have been received and audited is given in Annexure I.

The following accounts have not been received (September 1970):

Name of the Corporation	Year of accounts outstanding	Remarks
Calcutta State Transport Corporation	1969-70	.....
North Bengal State Transport Corporation	1966-67 to 1969-70	The Management stated (May 1970) that the accounts for 1966-67 and 1967-68 were under preparation.
West Bengal State Warehousing Corporation	1969-70 [Accounts for 1968-69 received (September 1970) and are under scrutiny]	Under Section 31(10) of the Warehousing Corporations Act, 1962, accounts of the Corporation together with Audit Report thereon are required to be placed before the Annual General meeting of the Corporation within six months of the close of the financial year. This provision has not been complied with as yet. From March 1958 till January 1970 no Annual General meeting has been held.

95. *Non-submission of audited accounts of the Statutory Corporations/ Government Companies:* (a) In accordance with the relevant provisions of the State Financial Corporations Act, 1951, and the Road Transport Corporations Act, 1950, the State Government is required to lay before the State Legislature every audit report in respect of the State Financial Corporations and the certified accounts together with audit report thereon in the case of the State Transport Corporations. The table below shows the cases in which certified accounts and/or the audit reports thereon have not been presented to the State Legislature so far (January 1971):

Name of the Statutory Corporation		Period to which Audit Reports relate	The date of submission to the Government
1. Calcutta State Transport Corporation	..	1964-65 1965-66	30-6-67 5-3-70
2. West Bengal Financial Corporation	..	1965-66 1966-67 1967-68	18-10-66 10-4-68 3-6-69
3. North Bengal State Transport Corporation..	..	15-4-60 to 31-3-61 1961-62 1962-63 1963-64	27-6-66 27-6-66 4-3-66 4-3-66

(b) Under Section 619A of the Companies Act, 1956 the State Government shall cause an annual report on the working and affairs of each Government company to be prepared within three months of its annual general meeting before which the audit report is placed under Section 619(5) of the Act, and as soon as may be, after such preparation, laid before the Legislature with a copy of the audit report and any comments upon, or supplement to the audit report, made by the Comptroller and Auditor-General of India. In the following cases the annual reports on the working of the companies together with certified accounts and/or the audit reports thereon had not been presented to the State Legislature up to January 1971:

Name of the Government Companies		Period to which the accounts relate
1. State Fisheries Development Corporation Limited	..	1966-67 1967-68 1968-69
2. West Bengal Small Industries Corporation Limited	..	1967-68 1968-69



Name of the Government Companies	Period to which the accounts relate
3. Kalyani Spinning Mills Limited .. ..	1962-63 1963-64 1964-65 1965-66 1966-67 1967-68 1968-69
4. West Bengal Industrial Development Corporation Limited ..	6-1-67 to 31-3-68 1968-69
5. Durgapur Chemicals Limited .. ..	1968-69
6. Durgapur Projects Limited .. ..	1968-69
7. Electro Medical and Allied Industries Limited ..	1-7-67 to 30-6-68 1968-69
8. West Bengal Agro-Industries Corporation Limited .. ..	1968-69

## (COMMERCE AND INDUSTRIES DEPARTMENT)

### West Bengal Financial Corporation

96. *Loan to a proprietary firm:* A loan of Rs.0.69 lakh was sanctioned in February 1963 to a firm manufacturing electrical porcelain goods against security of existing assets (value certified by the company auditors to be Rs.0.76 lakh), and assets to be created out of the loan and guarantee under Reserve Bank of India Credit Guarantee Scheme. The loan was disbursed in three instalments between August 1963 and September 1964. Out of the loan the firm, however, created block assets of Rs.0.42 lakh only up to October 1963 and deviated from the original scheme without prior permission. The factory had to be closed down in January 1966, owing to shortage of working capital. Against outstanding dues of Rs.0.88 lakh (including Rs.0.19 lakh as interest and other charges) the Corporation could realise only Rs.0.26 lakh (December 1968) as sale proceeds of the assets (book value Rs.1.11 lakhs) on a decree obtained from the court. Another sum of Rs.0.29 lakh was realised (September 1967) from the Reserve Bank of India against guarantee given for part of the loan.

The remaining amount of Rs.0.33 lakh due from the loanee is yet to be written off (January 1971).

## COMMERCE AND INDUSTRIES DEPARTMENT (POWER BRANCH)

**West Bengal State Electricity Board**

97. *Unloading of furnace oil*: The West Bengal State Electricity Board started purchasing furnace oil from the Indian Oil Corporation at rates ranging between Rs.172 and Rs.212 per tonne from May 1965. The rate included Rs.6 per tonne as unloading charge of oil from the Railway's tank-wagons to oil-storage tank of the power station. The unloading work was not done departmentally on the ground of shortage of men, materials and necessary facilities to do the job. In March 1966 the Management considered the unloading charge of Rs.6 per tonne as exorbitant and decided to unload the oil departmentally. This decision was, however, implemented from March 1968 and the departmental cost of unloading operation worked out to less than Re.1 per tonne.

From May 1965 to February 1968 the Indian Oil Corporation unloaded 55,900 tonnes of oil and was paid Rs.2.89 lakhs as unloading charges (gross unloading charges Rs.3.34 lakhs minus Rs.0.45 lakh representing hire charges of pumping apparatus taken on hire by the Corporation from the Board). Had the unloading work been done departmentally from the beginning, the Board could have avoided an extra expenditure of Rs.2.33 lakhs.

Government stated (December 1970) that in the preliminary stage the job of unloading furnace oil had to be entrusted to suppliers due to paucity of suitable staff. In 1966 the possibility of undertaking the work departmentally was explored but was found to be impracticable until the full complement of staff was available and necessary arrangements were completed. Attempt was made to get the work done through a contractor which, however, failed due to injunction from the Hon'ble High Court. Departmental unloading was, therefore, undertaken from 1st March 1968.

98. *Purchase of brass condenser tubes*: Orders for supply of 8,000 brass condenser tubes for use in two turbo alternators were placed in September 1966. Subsequently it was decided in February 1967 to sell out the two turbo alternators and these were accordingly disposed of in July 1969; however, only 50 per cent of the ordered quantity of tubes was cancelled in February 1967. Up to January 1969 the supplier supplied 3,924 tubes out of which only 475 tubes were used in the alternators in March 1968 leaving a balance of 3,449 tubes valued at Rs.1.65 lakhs which have not yet been disposed of (October 1970).

Government stated (October 1970) that 50 per cent of the ordered quantity of brass condenser tubes was considered necessary for proper maintenance of the two turbo alternators pending finalisation of their sale and unutilised tubes would be used elsewhere as early as possible.

99. (a) *Implementation of Employees' State Insurance Act, 1948, in the Bandel Thermal Power Plant*: The Employees' State Insurance Act, 1948, and the scheme framed thereunder became applicable to the Bandel Thermal Power Plant from 1st January 1966. However, the Board, instead of taking necessary steps to implement the scheme, tried to obtain exemption from the operation of the said Act. This was turned down (March 1968) by the Regional Director, Employees' State Insurance Corporation, Calcutta, on the ground that the employees were not getting substantial or superior benefits to those provided in the Act. The Board, therefore, had to implement the scheme from 1st August 1968 and pay Rs.1.31 lakhs as employers' contribution and Rs.1.27 lakhs as employees' contribution for the period from 1st January 1966 to 31st July 1968. No portion of employees' contribution could be recovered from the employees as under the provisions of the Act such recoveries could only be made from the wages for the relevant wage period. The Board incurred during the same period expenditure of Rs.1.86 lakhs towards maintenance of its hospital and Rs.4.01 lakhs as medical allowance paid to each of the employees at Rs.175 per year.

Even after 1st August 1968, the Plant continued to pay medical allowance to its employees at Rs.175 per year and incurring thereby a further recurring expenditure of Rs.1.56 lakhs per year. Government stated (December 1970) that before introduction of the Employees' State Insurance Scheme, medical allowance was being paid to all employees of the Board as reimbursement of medical expenses. Substitution of this allowance by the implementation of Employees' State Insurance Scheme was not found acceptable to the employees of the Bandel Thermal Power Station, and, as such it had to be paid on administrative grounds.

(b) *Payment of Special Hospital Allowance to the employees of Gouripur Power Station*: In August 1968 the Board sanctioned Special Hospital Allowance at Rs.75 per year from 1st April 1968 to the employees of Gouripur Power Station who were already covered by the Employees' State Insurance Scheme under the Employees' State Insurance Act, 1948, on the ground that there was no dispensary at Gouripur.

As employees insured under the scheme were entitled to medical benefit which included treatment as out-patients or in-patients in a hospital, dispensary or clinic, the payment of this allowance was an additional benefit which resulted in a recurring extra expenditure of nearly Rs.0.25 lakh per annum.

Government stated (December 1970) that sanction of hospital allowance to the employees of Gouripur was accorded by Board (August 1968) as there was no dispensary and on analogical consideration as in Bandel where such allowance was granted in addition to the State Insurance Scheme benefits for administrative reasons.

(c) Although all the employees of the Board at other stations are covered under the Employees' State Insurance Scheme, the employees are paid medical allowance. Information relating to total expenditure on account of such additional benefits granted by the Board to its employees who are covered by Employees' State Insurance Scheme is not, however, readily available.

100. *Claims barred by limitation:* (a) A consignment of steel materials (value: Rs.0.48 lakh) sent in November 1966 by rail from Bandel to Santaldih Project was not received at the destination. On enquiry the Railway authority reported (August 1967) that the delivery of the materials was taken by the transport contractor of the Board at Santaldih and asked for confirmation. The contractor, however, could not be contacted and the Railway authority intimated (January 1968) that unless delivery was confirmed within 14 days the case would be treated as closed. In November 1968, the Board lodged a claim with the Railway for Rs.0.48 lakh after it had become time barred. There was, however, no response from the Railway.

The matter was reported to Government in May 1970; reply is awaited (January 1971).

(b) Mild steel rounds (value: Rs.0.15 lakh) were received short in June 1963 by Jaldhaka Project authority against a railway consignment. The carriage contractor of the Board intimated the short receipt after 8 months (February 1964). The Board lodged a claim with the Railway in March 1964 after it had become time barred and as such was rejected. The amount has not yet been recovered from the contractor (December 1970).

The matter was reported to Government in February 1969; reply is awaited (January 1971).

101. *Construction of Staff Quarters:* To accommodate railway staff running the railway siding constructed for the Bandel Thermal Power Plant Station, seventy-one quarters were constructed (1965) by the West Bengal State Electricity Board through the Railway Authority at a cost of Rs.4.71 lakhs on land owned by the Railway without executing any formal agreement. The original requirement of the staff was based on the contemplation that they would have to handle 300 wagons a day; but actually they were required to handle only 150 wagons a day owing to reduction in the capacity of the station. As a result 31 railway personnel were engaged in the work up to July 1970. Forty quarters (value: Rs.2.62 lakhs), therefore, remained vacant and have not been handed over by the Railway till date (January 1971).

Government stated (January 1971) that the matter was taken up with Railway Authority in November 1969, and their decision is awaited.

102. *Idle shovel loaders*: Two 'Shovel Loaders' purchased by the Jaldhaka Project at a cost of Rs.1.02 lakhs for use in the construction of tunnels, were lying unused (August 1970) in the store-yard since their purchase (October 1965).

The construction of tunnels was completed in February 1966 and the two loaders are, therefore, no longer necessary for use in the project.

The matter was referred to Government in August 1970; reply is awaited (January 1971).

103. *Tender for removal of ash*: To remove 70 lakh cft. of ash from the settling tank of the Bandel Thermal Power Station tenders were invited in April 1968 and the lowest quotation of Rs.6.37 lakhs at Rs.91 per 1,000 cft. was not accepted as it was considered too high. Possibilities of the utilisation by other organisations producing brick or cement were explored and when it proved futile tenders were invited again in August 1968. The lowest offer was Rs.6.06 lakhs at Rs.86.50 per 1,000 cft. and the second lowest was Rs.7.87 lakhs at Rs.112.50 per 1,000 cft. The Board proposed (October 1968) to utilise the ash in filling up the low lands belonging to them at Howrah which, however, had to be abandoned as the rate of the lowest offer was found uneconomical (Rs.14.90 lakhs for carriage of 35 lakh cft. at Rs.425.70 per 1,000 cft.). The Tender Sub-Committee ultimately recommended (January 1969) to place the order for removal of ash on the lowest tenderer but the order was placed on the second lowest tenderer at a negotiated amount of Rs.7.42 lakhs at Rs.106 per 1,000 cft. on the alleged ground that the lowest tenderer, an approved and enlisted contractor, could not be contacted. This resulted in an extra expenditure of Rs.1.41 lakhs (up to September 1970).

The matter was reported to Government in June 1970; reply is awaited (January 1971).

104. *Allotment of staff quarters*: Allotment of staff quarters was not properly recorded in the divisional office, Howrah. No effective control could, therefore, be exercised over non-payment of house rent allowance to the allottees. From the information made available by the division it was noticed that in thirty-seven cases Rs.0.15 lakh had been paid as house rent allowance to staff occupying quarters up to August 1970 out of which fourteen cases dated back to 1966-67.

105. *Packaged Thermal Power Plants*: In para. 127 (9C) of Audit Report 1966, mention was made about the purchase of six numbers of packaged thermal power plant without invitation of open tender to meet temporary power shortage in an area. Two plants were commissioned during 1964-65 at Farakka (estimated cost: Rs.0.625 crore) and four were commissioned during 1965-66 at Dishergarh (estimated cost: Rs.1.265 crores). The revised project estimate indicated that the plant would earn a net profit of 7 per cent on the capital outlay from the second year of

operation. Particulars of targets and achievement of the plant on the basis of 24-hour working are given below :

Year	Installed capacity	Firm capacity	Contractual demand	Actual units sold	Percentage of sale to demand
<i>(In lakhs of units)</i>					
<b>Farakka Plant—</b>					
1967-68	.. 262.80	262.80	197.10	70.54	35.7
1968-69	.. 262.80	262.80	197.10	45.93	23.3
1969-70	.. 262.80	262.80	197.10	24.03	12.2
<b>Dishergarh Plant—</b>					
1967-68	.. 525.60	392.20	367.92	127.10	34.5
1968-69	.. 525.60	392.20	367.92	131.09	35.6
1969-70	.. 525.60	392.20	367.92	114.25	31.0

Financial results of the plant are given below :—

Year	Revenue expenditure	Interest on capital and depreciation	Revenue receipts	Net profit (+) Net loss (—)
<i>(In lakhs of rupees)</i>				
<b>Farakka Plant—</b>				
1967-68	.. 13.80	5.76	14.20	(—)5.85
1968-69	.. 10.31	5.77	10.44	(—)7.75
1969-70	.. 8.25	5.77	9.37	(—)6.90
<b>Dishergarh Plant—</b>				
1967-68	.. 11.39	10.73	20.31	(—)3.73
1968-69	.. 16.03	10.74	21.05	(—)7.63
1969-70	.. 15.98	10.74	19.26	(—)9.37

In the case of Dishergarh Plant minimum guaranteed revenue totalling Rs.19.50 lakhs up to 1969-70 could not be realised from the consumers as proper load schedule could not be maintained.

The Management stated (December 1969) that the uneconomical performance was partly due to inadvertency of the plant and equipment and partly to non-availability of technical staff with comprehensive know-how.

106. *Loss of stores:* On physical verification of stores at Chord Road Central Stores conducted between November 1968 and April 1969, the Stores Officer of the Board reported that porcelain insulators worth Rs.0.48 lakh were found broken.

The loss was attributed to: (i) defective and improper storage for prolonged period, and (ii) irrational procurement policy.

No responsibility has been fixed in the matter nor the loss written off as yet (January 1971).

The matter was reported to Government in April 1970; reply is awaited (January 1971).

107. *Payment for de-watering of a tunnel in the construction of Jaldhaka Hydrel Project:* As per agreement the contractor had to keep the working face and whole of the tunnel free from standing water till its completion and all springs met were also to be grouted. In November 1963 the contractor preferred a claim for Rs.0.89 lakh as de-watering charges in face No. I of the tunnel on the ground that percolation of water was abnormal due to excess rain; this was rejected by the Board in November 1968, as, such work was already included in the contract and was covered by the contractor's rate for the complete job, and further that there was no record with the Project Authority to verify the pumping hours. On a representation submitted by the contractor again in February 1969, the matter was reconsidered by the Board in June 1969, and they decided to pay a portion of the actual cost of pumping after verification of the relevant documents on the ground that the contractual stipulation to keep the tunnel free from standing water did not probably mean to include spring water. A sum of Rs.0.27 lakh was, however, paid in November 1969 on the basis of information furnished by the contractor.

The matter was referred to Government in August 1970; reply is awaited (January 1971).

### SECTION III—GOVERNMENT COMPANIES

108. There are nine Government Companies, named below, in the State as on 31st March 1970:

- (1) Durgapur Projects Limited,
- (2) Durgapur Chemicals Limited,
- (3) West Bengal Industrial Development Corporation Limited,
- (4) State Fisheries Development Corporation Limited,
- (5) West Bengal Small Industries Corporation Limited,
- (6) Kalyani Spinning Mills Limited,
- (7) Electro Medical and Allied Industries Limited,
- (8) West Bengal Agro-Industries Corporation Limited, and
- (9) Westinghouse Saxby Farmer Limited.

Messrs. Westinghouse Saxby Farmer Private Limited (serial No. 9), a company in the private sector, became a Government company with effect from 19th July 1969, when 51 per cent of its share capital was taken over by the Government of West Bengal. The authorised and paid up share capital of the company is Rs.25,00,000 and the paid up value of the shares held by the Government of West Bengal is Rs.12,75,000. The company is at present engaged in the manufacture of Railway airbrakes, vacuum brakes and railway signals.

The financial results of the companies (except serial Nos. 8 and 9) are given in Annexure II.

COMMERCE AND INDUSTRIES DEPARTMENT (DURGAPUR  
INDUSTRIES BRANCH)

**Durgapur Projects Limited**

109. *Payment of interest:* Between September 1963 and February 1966 Durgapur Projects Limited purchased a boiler plant from Messrs. Mitsubishi of Japan at a cost of Rs.21.24 lakhs. As the purchase was financed out of second yen credit, the Government of India paid the cost initially and claimed (March 1966) reimbursements from the company. The company, however, delayed reimbursements amounting to Rs.18.58 lakhs by 431 days to 457 days, for which Government of India charged a penal interest at the rate of 5½ per cent per annum from the date of payment to the foreign suppliers in Japan to the date of reimbursement by the company. The Board of Directors regretted the delay in reimbursement and approved payment of the penal interest charges (August 1969). The company paid Rs.1.21 lakhs in February 1970 as penal interest.

The matter was reported to Government (July 1970); reply is awaited (January 1971).

110. *Rejection of lower tender:* Tenders were invited in December 1966 for supply of 100 tonnes of Ferrous Sulphate in response to an indent received in May 1966. Two firms submitted quotations, the lower being Rs.350 per tonne F.O.R. (Calcutta or Durgapur and the higher being Rs.485 per tonne F.O.R. Durgapur. The company placed trial orders with the lower tenderer (March 1967) to supply 22 tonnes. Instead of supplying the material, the lower tenderer intimated (July 1967) that the transport charges would be Rs.20 per tonne from Calcutta to Durgapur. Instead of negotiating with the party, the company purchased 100 tonnes of Ferrous Sulphate Monohydrate from another firm at the rate of Rs.650 per tonne F.O.R. Tatanagar plus Rs.40 per tonne as packing charges between September 1967 and April 1968, at a total extra cost of Rs.0.34 lakh.

The matter was reported to Government (October 1968); reply is awaited (January 1971).

**Durgapur Chemicals Limited**

111. *Payment of compensation:* Agreement for electrolysis plant buildings, miscellaneous building and phenol group of works was entered into with the lowest tenderer at an estimated cost of Rs.37.20 lakhs under three work orders issued in December 1963 and May 1964 with a stipulation to complete the works by August 1964, September 1964 and March 1965 respectively. The contractor could not complete the work before June 1966 due to delay in receipt of drawings and designs as well as steel materials from the company as per agreement. The contractor intimated (September 1964) his unwillingness to execute the works unless the company



considered his compensation claim for (i) idle overhead and tools and plants (ii) ex gratia payment for loss of business and (iii) enhancement of rates.

The claims of the contractor were referred to the Arbitrator (November 1964) by the Management and the Arbitrator in his award (December 1965) allowed Rs.1.36 lakhs to the contractor as a compensation for the loss. The payment as per award was approved by the Board of Directors in January 1966.

The Management stated (May 1968) that work orders were issued in anticipation that the designs and drawings would be ready by due time but delay occurred due to non-receipt of the drawings etc., from the Consultants of the company.

As, however, there was no penalty clause in the agreement with the Consultants no claim for damages relating to delay in supply of drawings etc., could be preferred against them.

The matter was reported to Government (February 1967); reply is still (January 1971) awaited.

112. *Phthalic Anhydride Plant*: The plant was commissioned in February 1968 by the Durgapur Chemicals Limited to produce 3,300 tonnes of phthalic anhydride per year by using 3,630 tonnes of indigenous naphthalene to be procured from Durgapur Coke Oven Plant and other Coke Ovens in the vicinity. Between February 1968 and March 1970 the plant remained closed for 5,634 hours out of 18,744 working hours available and the total production was only 3,619 tonnes of phthalic anhydride against the production potential of 4,939 tonnes based on actual production hours. This shortfall in production (1,320 tonnes) amounted to Rs.58.62 lakhs (814 tonnes at Rs.3,749 per tonne and 506 tonnes at Rs.5,553.75 per tonne at cost price). The Management stated in October 1970 that the loss in production was due to closure of the plant, mainly for the following reasons:

- (i) Frequent explosions due to use of sub-standard naphthalene (1,262 hours, including five hours loss required to reach optimum level of production when restarted after each explosion);
- (ii) Day to day deterioration of the control instruments due to frequent shut down of the plant (484 hours);
- (iii) The failure in the supply of power and steam (1,694 hours);
- (iv) General maintenance (2,194 hours).

The naphthalene was procured from the sources as contemplated in the project report.

113. *Payment of demurrage charges:* A sum of Rs.2.02 lakhs was paid by the company between November 1964 and March 1966 to the Calcutta Port Commissioners on account of delay in clearance of imported consignments from wharfs and the customs sheds in the Calcutta godown. The company made the clearing and transport agent responsible for an amount of Rs.1.26 lakhs as the latter failed on several occasions to provide adequate transport for lifting and transporting the goods from the docks to the factory site at Durgapur.

While refuting the claim, the agent held the company responsible for delay in clearance of consignments on grounds that (i) complete set of shipping documents were not made available in time, (ii) delay in clarification of points raised by the appraisers. As per provisions in the agreement, the company appointed Arbitrator (August 1966) to settle the claim. In course of arbitration proceedings (August 1969) the company brought down their claim against the agent from Rs.1.26 lakhs to Rs.1 lakh. The Board of Directors resolved (October 1969) that arbitration proceedings should be put to an end forthwith and the matter be settled mutually with the agent. The agent, however, did not accept the offer of compromise (April 1970). The company spent (up to July 1970) Rs.0.50 lakh (approximately) towards arbitration proceedings.

The matter was reported to Government (June 1970); reply is awaited (January 1971).

### **West Bengal Industrial Development Corporation Limited**

114. *Irregularities in connection with a loan:* According to the memorandum on procedure issued by the company, the normal limit for sanction of a loan is Rs.5 lakhs. Further, the title of the property to be offered as security for the loan should be clear and marketable. However, the company sanctioned (February 1968) a loan of Rs.8.68 lakhs to an individual to be secured by 1st mortgage of the entire fixed assets of the factory (Rs.6 lakhs) and the house property of the loanee (Rs.10 lakhs) with the specific purpose of (i) purchase of pencil and Sheet Metal Factory which had closed down and was in the hands of the Receiver, High Court, Calcutta, since 1963 (Rs.6.50 lakhs) and (ii) repayment of debts of the borrower for release of borrower's house properties at Alipore, which were earlier mortgaged by the loanee and which are to be offered as security for the loans from the company (Rs.2.18 lakhs). The loan was disbursed in two instalments (Rs.3.18 lakhs in March 1968 and Rs.5.50 lakhs in September 1968).

The sanction of the loan was also subject to the following conditions:

- (i) The undertaking should be converted into a private limited company.
- (ii) Interest was payable in quarterly instalment at 10 per cent per annum subject to a prompt payment rebate of  $1\frac{1}{2}$  per cent and

- (ii) The loan was to be repaid within 10 years, and the repayment was to commence from the second year of disbursement of first instalment of the loan.

The loan agreement entered into with the borrower (March 1968), however, included a provision for the commencement of repayment of principal after second year from the date of payment of last advance, which was not in accordance with the terms of the sanction. Even after the release of mortgaged house property the loanee did not offer it as security with clear and marketable title to the company. The mortgage deed executed by the borrower in respect of the factory, contained blanks, and was also not dated; it could not also be registered as the loanee could not obtain the Income Tax Clearance Certificate (November 1969). The discrepancy in the repayment schedule incorporated in the loan agreement could be detected by the Management only in January 1969 (i.e., nine months after execution of the loan agreement).

The undertaking was neither converted into a private limited company, nor was the interest payable quarterly paid by the party regularly on the due dates. The total amount of interest pending recovery as on 18th December 1969 amounted to Rs.88,678.33 paise. The company, therefore, filed a suit (December 1969) against the loanee for the recovery of the entire amount outstanding against the loanee including the interest. The matter is still subjudice (March 1971). However, under orders of the Court (March 1970), the loanee had been depositing with the Court Rs.10,000 every month from March 1970; but this was done up to August 1970.

## COTTAGE AND SMALL SCALE INDUSTRIES DEPARTMENT

### **West Bengal Small Industries Corporation Limited**

115. (A) *Loss in sale of yarn*: Under orders of Government issued on 17th April 1967, the Corporation had arranged for the purchase of yarn from Messrs Kalyani Spinning Mills Limited, a Government company and for sale thereof through its different sales depots. During the period from April 1967 to March 1970, stocks of yarn so purchased at a cost of Rs.25.10 lakhs were sold by the Corporation for only Rs.22.70 lakhs, resulting in a loss of Rs.2.40 lakhs without taking into account any administrative, selling and distribution expenses.

The loss was attributed by the Management (March 1970) to the high price and inferior quality of yarn (already known to the Management at the time of purchase). Out of the above loss, Rs.1.19 lakhs were due to distress sale of yarn at 43 per cent discount on sale price owing to (i) damage of yarn by whiteants and (ii) loss in quality due to intermixing of yarns of different counts.

The loss is yet to be written off (December 1970). The matter was reported to Government (September 1969); their reply is still awaited (January 1971).

(B) *Import of stainless steel*: During 1967-68 the Corporation imported 1.7 tonnes of stainless steel on behalf of a private firm under the Financial Accommodation Scheme without any valid licence.

Due to this illegal import, the Corporation had to pay a penalty of Rs.0.12 lakh to the Customs Authorities in March 1968. The Accountant was placed under suspension (March 1968) and the matter is under investigation (September 1970).

(C) *Payment of advance*: During 1967-68 the Manager, Bengal Emporium, New Delhi, paid an advance of Rs.14,791 to a private party without obtaining any acquittance. The private party, however, disowned the liability therefor later on. The Manager was dismissed from service in March 1970. The loss still remains unadjusted (December 1970).

## HEALTH DEPARTMENT

### Electro-Medical and Allied Industries Limited

116. *Purchase of a Spot Welding Machine*: To minimise import of machinery, the company decided in December 1965 to process some equipment with a Press Break and a Spot Welding Machine. As Spot Welding Machine of required capacity was not indigenously available, one was imported in November 1966 at a cost of Rs.0.80 lakh. Subsequently it transpired that procurement of such equipment from vendors having established factories would be more economical and accordingly the company decided in September 1966 not to invest further in plant equipment. In May 1969 the company decided to sell the Welding Machine which had been lying unused since the date of purchase; till date (December 1970) it has, however, not been sold.

The matter was reported to Government (January 1970); reply is awaited (January 1971).

## SECTION IV—STATE GOVERNMENT COMMERCIAL AND QUASI-COMMERCIAL DEPARTMENTS

117. *Non-submission of pro forma Accounts*: During the year 1969-70, 33 commercial and quasi-commercial Schemes/Centres were operated departmentally. The financial results of the working of these undertakings are to be ascertained annually by preparing statement of accounts on a *pro forma* basis outside the general accounts of Government. Even though the importance of furnishing *pro forma* accounts in time has been stressed in successive Audit Reports since 1953 and the Government had issued instructions in May 1960 (on recommendation of the Public Accounts Committee on the Appropriation Accounts of 1954-55) for immediate preparation of arrear accounts and their timely submission to Audit, the position has not improved. Fourteen Undertakings/Centres have not submitted *pro forma* accounts since inception and the preparation of accounts in 19 Undertakings is in arrears for different periods (details given in Appendix XIV).

The financial results of four schemes as shown in the *pro forma* accounts audited during the year are summarised below. Individual Accounts of the schemes for the latest year, for which accounts were certified in audit have been set forth in Appendix XV of the Report.

Name of the scheme	Year of accounts	Turnover	Profit (+) Loss (-)	
			<i>(In lakhs of rupees)</i>	
1. Brick and Tile Board .. ..	1965-66	8.11	(-) 0.52	
	1966-67	3.73	(-) 1.33	
	1967-68	2.89	(-) 0.16	

The adverse financial results relating to the scheme are due to poor turnover.

Following are some of the important points noticed during audit of its *pro forma* accounts:

- (i) Figures of expenditure shown in the Trading and Profit and Loss Accounts have not been reconciled with those booked in Accountant-General's office.
- (ii) Audit fee has not been charged in the Profit and Loss Account. Proportionate expenditure on Headquarters establishment has not been charged in the Profit and Loss Accounts of Palta for 1967-68.
- (iii) Closing stock and assets have not been physically verified.
- (iv) No Journal and Ledger have been maintained and Trial Balance prepared in support of the *pro forma* accounts.
- (v) No issue vouchers in support of issue of bricks and coal worth Rs.0.03 lakh and Rs.0.19 lakh respectively could be made available to audit. No stock register for coal was also maintained.

Name of the scheme	Year of accounts	Turnover	Profit (+) Loss (-)	
			<i>(In lakhs of rupees)</i>	
2. Greater Calcutta Milk Supply Scheme ..	1961-62	2,21.53	(+) 18.63	
	1962-63	2,13.22	(-) 20.89	

The adverse financial results during the year 1962-63 are due to (i) poor turnover, (ii) heavy charges on depreciation and (iii) interest on capital.

Following are some of the important points noticed during audit of its *pro forma* accounts:

- (i) The correctness of the value of land and buildings could not be verified for want of (a) title deeds, (b) authenticated completion certificates, and (c) documents in support of their acquisition.
- (ii) No inventory of furniture, livestock and milk booths was maintained.
- (iii) No physical verification report of stores, buildings, plant and machinery, vehicles, crates and furniture was made available. The Asset Register of Plant and Machinery was not maintained properly.
- (iv) No confirmation of balances of debtors and creditors was obtained and produced to Audit. No provision on account of bad and doubtful debts was made in the accounts. Outstanding liability in respect of supply of milk was also understated by Rs.1.93 lakhs due to non-exhibition of outstanding bills in the accounts through omission.
- (v) No Register incorporating full particulars of the advances, e.g., date of advance, purpose of advance, date of adjustment, etc., was maintained. An amount of Rs.1.19 lakhs remained unadjusted on 31st March 1963.
- (vi) The correctness of the value of the closing stock could not be properly ascertained due to (a) non-maintenance of priced store ledgers, (b) defective basis of valuation, (c) non-inclusion of many items in the stock balance statements, (d) non-segregation of items while preparing closing stock statements and (e) understatement of closing stock to the extent of Rs.0.11 lakh.
- (vii) Purchase of milk to the extent of Rs.1.19 lakhs (calculated on the basis of available records) made during 1962-63 has not been taken into account.
- (viii) Though interest on capital account is required to be calculated on the opening balance of the capital and half the amount of net withdrawals, interest on capital was calculated ignoring the remittances of Rs.2,62.52 lakhs during the year. The consequent overcharge on account of interest on capital amounted to Rs.5.25 lakhs.
- (ix) Relevant vouchers in respect of Rs.4.77 lakhs charged to the Profit and Loss Account under "Miscellaneous Expenditure" could not be made available to Audit.

Name of the scheme	Year of accounts	Turnover	Profit (+)
			Loss (-)
(In lakhs of rupees)			
3. Central Engineering Organisation	.. 1964-65	19.86	(-) 2.12
	1965-66	13.52	(-) 4.55

The adverse financial result was due to poor turnover.

Following important points were noticed during audit of its *pro forma* accounts:—

- (i) No register of fixed assets was maintained. The correctness of depreciation, addition to assets could not, therefore, be verified.
- (ii) Confirmation of balances from Debtors and Creditors at the year end has not been obtained.
- (iii) The figures of withdrawals and remittances were not reconciled with the figures booked in the Accountant-General's office.
- (iv) No relevant records in support of issue of raw materials to constituent units for fabrication were made available to audit.
- (v) Loss for the year has been understated to the extent of Rs.0.14 lakh due to undercharge of Interest on Capital.
- (vi) No authority in support of the apportionment of expenditure between the Hospital Appliances Scheme and the Central Engineering Organisation in the ratio of 1:7 was made available.

Name of the scheme	Year of account	Turnover	Profit (+) Loss (-)
<i>(In lakhs of rupees)</i>			
4. Scheme for State Trading in wheat and wheat products	1963-64	12,96.62	(-) 67.00
	1964-65	6,12.00	(-) 13.47

Loss during 1964-65 was mainly due to shortage in stock of wheat and atta (Rs.11.85 lakhs).

Following are some of the important points noticed during audit of the *pro forma* accounts:—

- (i) The net trading loss on this scheme during 1964-65 was over Rs.13 lakhs as against Rs.67 lakhs and Rs.77 lakhs during 1963-64 and 1962-63 respectively.
- (ii) Transit and godown shortages for wheat and wheat products accounted for 16,845 (wheat 16,786 + atta 59) and 11,215 (wheat 10,955 + atta 260) quintals valued at Rs.7.11 lakhs and Rs.4.74 lakhs respectively. No detailed accounts were maintained by the Department for the transit shortages.
- (iii) Subsidiary records revealed that out of the Sundry Debtors of Rs.3,96.86 lakhs a sum of Rs.54.54 lakhs representing sale proceeds of wheat and atta remained unrealised from mills and agents in respect of which no ledger showing particulars in detail could be produced to Audit.
- (iv) No inventory of assets was maintained.

- (v) No detailed account showing the particulars of items constituting the figures of Rs.1,48.36 lakhs shown on both sides of the Balance Sheet under "Undivided Bengal Suspense" was made available to Audit.
- (vi) The figures booked in the Trading and Profit and Loss Account have not been reconciled with those booked in the Accountant-General's Office.
- (vii) Due to non-linking of debit vouchers with corresponding acknowledgments the quantitative correctness of 11.27 lakh quintals of wheat supplied ex-stock and 0.28 lakh quintals of wheat supplied from the godowns of the Regional Directorate of Food to the various depots of the Food Department during 1964-65 was not susceptible of verification.
- (viii) Wheat valued Rs.29 lakhs received from Food and Agriculture Department as loan adjustable against supply of rice under "Purulia Tank Improvement Scheme" was shown as liability in the Balance Sheet since 1962-63 without discharging it by supplying rice.
- (ix) In the absence of relevant ledgers, figures under the heads (1) Railway Freight Charge, (2) Railway claims recovered, (3) Miscellaneous Recoveries could not be checked in Audit.

#### COTTAGE AND SMALL SCALE INDUSTRIES DEPARTMENT

118. *Kalyani Industrial Estate*: Mention was made in paragraph 31(vi) of Audit Report 1963 about unrealised rent of Rs.2.27 lakhs to the end of November 1961 in respect of the estate. While discussing the paragraph in the Public Accounts Committee meeting the Department intimated that recoveries of outstanding rents would be stepped up. Such unrealised rents have, however, increased to Rs.22.03 lakhs up to March 1970, as detailed below :

				(In lakhs of rupees)
1959-60	..	..	..	0.28
1960-61	..	..	..	0.63
1961-62	..	..	..	0.71
1962-63	..	..	..	1.68
1963-64	..	..	..	1.82
1964-65	..	..	..	2.25
1965-66	..	..	..	2.94
1966-67	..	..	..	3.02
1967-68	..	..	..	3.02
1968-69	..	..	..	2.89
1969-70	..	..	..	2.79

The matter was referred to Government in July 1970; reply is awaited (January 1971).



## HEALTH DEPARTMENT

119. *Factory attached to the Dental College and Hospital*: Mention was made in paragraph 70 of the Audit Report 1963 of the loss of Rs.0.60 lakh in the disposal of artificial teeth by the dental factory attached to the Dental College and Hospital. While expressing their dissatisfaction with the performance of the factory, the Public Accounts Committee opined (1966) that no such scheme should be prepared except after proper investigation about the market potential and utility of the product. In spite of the Public Accounts Committee's remarks, neither the Government could promote the sales of the factory nor did they close it down. In July 1970 Government decided its closure after incurring further losses of Rs.2.46 lakhs (approximately) up to 1969-70 and with a closing stock of unmarketable teeth worth Rs.0.46 lakh. The factory has, however, not yet been closed (September 1970).

The matter was reported to Government in August 1970; reply is awaited (January 1971).

## COMMERCE AND INDUSTRIES DEPARTMENT

**Oriental Gas Company's undertaking**

120. *Purchase of pipes*: Orders were placed between September 1966 and February 1967 with the lowest tenderer for supply of tyton spun pipes with requisite rubber gasket for distribution of coke oven gas. After delivery of large number of pipes valued at Rs.2.79 lakhs between October 1966 and March 1967, the supplier intimated (March 1967) that such type of pipes were unsuitable for distribution of coke oven gas with moisture content changing from season to season. Consequently, the Management asked (March 1967) the supplier to stop further delivery. The pipes valued Rs.2.52 lakhs became surplus and are still (August 1970) lying unused.

The Management stated (December 1968) that pipes were purchased only on its suitability for work certified by the supplier who later on declared the pipes as unsuitable and attempts were being made for their disposal.

The matter was referred to Government (June 1970); reply is awaited (February 1971).



## ANNEXURE I

(Reference: Paragraph 94, page 75)

**Government Commercial and Trading Activities—Statutory Corporations/Board***Financial results of the Statutory Corporations/Board*

Period of accounts	1969-70	1969-70	1968-69
(1) Name of the Corporation/Board	West Bengal State Electricity Board	West Bengal Financial Corporation	Calcutta State Transport Corporation
(2) Name of the Department ..	Commerce and Industries Department (Power Branch)	Commerce and Industries Department	Home (Transport) Department
<i>(Figures in lakhs of rupees excepting items 9 and 12)</i>			
(3) Date of incorporation ..	1-5-55	1-3-54	15-6-60
(4) Total Capital invested* ..	98,97.77	8,11.21	12,11.06
(5) Profit(+) and Loss(-) ..	(+)1,15.81	(+)15.43	(-)2,68.77
(6) Total interest charged to Profit and Loss Account	4,03.92	36.99	63.28
(7) Interest on long-term loans ..	4,03.92	36.99	63.28
(8) Total return on Capital invested (5+7)	5,19.73	52.42	(-)2,05.49
(9) Percentage of total return on Capital invested	5.25	6.46	Nil
(10) Capital employed† ..	77,20.96	..	1,75.04
(11) Total return on Capital employed (5+6)	5,19.73	..	(-)2,05.49
(12) Percentage of total return on Capital employed	6.73	..	Nil

\*"Capital invested" represents paid-up capital *plus* long-term loans *plus* free reserves.

†"Capital employed" represents net fixed assets (excluding capital work-in-progress) *plus* or *minus* Working Capital.

**ANNEXURE**

(Reference :

**Financial results of the Government Companies as shown**

Serial No.	Period of accounts	1969-70	1969-70
1.	Name of the Company	.. Durgapur Projects Limited	Durgapur Chemicals Limited
2.	Name of the Department	.. Commerce and Industries Department (Durgapur Industries Branch)	Commerce and Industries Department (Durgapur Industries Branch)
<i>(In lakhs of rupees except</i>			
3.	Date of Incorporation	.. 6-9-61	31-7-63
4.	Total Capital Invested(*)	.. 60,02.53	11,24.21
5.	Profit(+) Loss(-)	.. (-)2,93.94	(-)47.34
6.	Total interest charged to Profit and Loss Account	2,40.12	31.29
7.	Interest on long-term loans	.. 2,40.12	22.13
8.	Total return on Capital invested (5+7) ..	(-)53.82	(-)25.21
9.	Percentage of total return on Capital invested	....	....
10.	Capital employed†	.. 45,68.76	7,77.26
11.	Total return on Capital employed (5+6)	(-)53.82	(-)16.05
12.	Percentage of total return on Capital employed	....	....

---

(\*) "Capital invested" represents paid up capital *plus* long-term loans *plus* free reserves (all figures at the close of the year).

II

Paragraph 108, page 83)

in their latest available accounts received :

1969-70	1969-70	1969-70	1969-70	1969-70
West Bengal Industrial Development Corporation Limited	State Fisheries Development Corporation Limited	West Bengal Small Industries Corporation Limited	Kalyani Spinning Mills Limited	Electro-Medical and Allied Industries Limited
Commerce and Industries Department	Fisheries Department	Cottage and Small Scale Industries Department	Commerce and Industries Department	Department of Health
<i>item Nos. 9 and 12)</i>				
6-1-67	30-3-66	29-3-61	13-1-60	29-6-61
91·90	24·06	71·91	3,94·37	25·50
(+)1·22	(—)3·34	(—)6·47	(—)73·12	(—)1·29
0·02(**)	..	3·07	13·89	0·08
..	..	3·07	13·89	0·08
(+)1·22	(—)3·34	(—)3·40	(—)59·23	(—)1·21
1·33	..	..	..	..
91·90	18·05	71·71	2,46·09	20·32
(+)1·24	(—)3·34	(—)3·40	(—)59·23	(—)1·21
1·35	..	..	..	..

(†) "Capital employed" represents net fixed assets (excluding capital work-in-progress) plus or minus working capital (all figures at the close of the year).

(\*\*) Indicates Interest on Employees' Provident Fund Account.

## CHAPTER X

**Outstanding Audit Objections and Inspection Reports**

121. *Outstanding audit objections* : Irregularities and defects noticed in Audit are reported to the departmental authorities. Half yearly reports of outstanding audit objections are also forwarded to the heads of departments for taking necessary steps to expedite their settlement.

7,730 audit objections (money value : Rs.36·31 crores) raised up to 31st March 1970 were outstanding at the end of September 1970. The other objections (Rs.58·41 crores in 5,939 cases) on account of (i) want of sanctioned estimates, (ii) excess over sanctioned estimates and (iii) unvouched outlay on works have been dealt with in paragraph 66 of Chapter V.

Yearwise analysis of audit objections is given below :—

Year of issue	Civil Departments		Commercial Departments/activities	
	Number of objections	Amount (In lakhs of rupees)	Number of objections	Amount (In lakhs of rupees)
1965-66 and earlier years ..	1,262	18,04·11	8	1,20·52
1966-67 ..	999	2,22·35	3	61·43
1967-68 ..	1,248	2,08·33	22	1,03·51
1968-69 ..	2,292	8,57·29	18	65·81
1969-70 ..	1,843	1,71·86	35	7·09
<b>Total ..</b>	<b>7,644</b>	<b>32,63·94</b>	<b>86</b>	<b>3,67·36</b>

Nature of objections, number of items and amounts are shown below :

Nature of objection	Civil Departments		Commercial Departments/activities	
	Number of objections	Amount	Number of objections	Amount
		(In lakhs of rupees)		(In lakhs of rupees)
Want of sanctions to establishment or continuance of establishment	161	1 93	2	0 01
Want of sanctions to miscellaneous and contingent expenditure	245	12·69	..	∴
Want of detailed contingent bills ..	1,376	1,68·45	29	1,24·59
Want of payees' stamped receipts, vouchers, stamped acknowledgment and other documents	4,000	11,68·03	53	2,32·76
Recoverable advances not recovered and adjusted within the prescribed period	888	1,10·20	..	..
Non-recoveries of overpayments of amounts disallowed in audit	183	1·25	..	..
Want of sanctions to write off of losses or irrecoverable amounts	1	0·01	..	..
Objection raised on grounds of financial propriety	3	0·21	..	..
Other reasons .. ..	787	18,01·17	2	10·00
Total ..	7,644	32,63·94	86	3,67·36

In the absence of payees' receipts and sub-vouchers full audit could not be done. Delay in submission of these documents may result in serious irregularities remaining undetected for long.

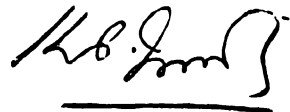
The objections for want of detailed contingent bills represent the amounts drawn as advances by disbursing officers on abstract bills and detailed bills, countersigned by the controlling authority, where necessary, in token of approval of expenditure have not been furnished to Audit. Non-submission of the detailed bills in time results in the expenditure remaining unaudited for long.

122. *Outstanding inspection reports* : Financial irregularities and defects in the accounts noticed during local audit and inspections are included in inspection reports which are sent to departmental officers and also to the heads of departments. It is necessary that the points raised in the reports should be settled expeditiously if the object of inspection is to be fully achieved. Unless such reports receive prompt attention, the irregularities are likely to persist.

Under the departmental orders, a head of office is required to submit to the head of his department his replies to an inspection report within three weeks of its receipt. The head of the department is to transmit to the Audit Office the replies of the head of office with his remarks thereon within two months of the date of receipt of the replies in his office. Settlement of 9,030 inspection reports containing 46,584 paragraphs issued up to 31st March 1970 was pending at the end of September 1970 as shown below :—

Year of issue	Civil departments		Commercial departments/activities		Revenue receipts	
	Number of		Number of		Number of	
	inspection reports	paragraphs	inspection reports	paragraphs	inspection reports	paragraphs
1965-66 and earlier years ..	4,497	13,977	337	1,191	..	..
1966-67 .. ..	824	4,315	75	433	..	..
1967-68 .. ..	813	5,608	84	382	..	..
1968-69 .. ..	784	6,652	145	688	..	..
1969-70 .. ..	1,301	12,386	141	693	29	259
Total ..	8,219	42,938	782	3,387	29	259

The important types of irregularities noticed in local audit and inspection in 1969-70 are mentioned in Appendix XVI.



(K. P. JOSEPH),

*Accountant-General, West Bengal.*

CALCUTTA,  
The... **7 OCT 1971** ..... 1971.

Countersigned.



(S. RANGANATHAN),

*Comptroller and Auditor-General of India.*

NEW DELHI,  
The... **20 OCT 1971** ... 1971.



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## APPENDIX

(Reference :

## Utilisation Certificates awaited in January 1971 for

Department	Year of distribution			
	Up to 1964-65		1965-66	
	No. of certificates	Amount	No. of certificates	Amount
	<i>(Amounts in lakhs)</i>			
1. Agriculture and Community Development	..	..	..	..
2. Co-operation .. ..	101	59.88	40	19.61
3. Cottage and Small Scale Industries	..	..	..	..
4. Education .. ..	818	1,55.26	345	2,20.99
5. Health (Medical Branch)	..	..	..	..
6. Health (Public Health Branch)	7	0.84	39	31.24
7. Home (Political)	..	..	..	..
8. Home (Defence)	..	..	..	..
9. Housing .. ..	..	..	..	..
10. Information and Public Relations	4	0.68	..	..
11. Public Works .. ..	..	..	..	..
12. Local Self-Government	..	..	..	..
13. Land and Land Revenue	..	..	..	..
14. Finance .. ..	..	..	..	..
15. Panchayat .. ..	..	..	..	..
16. Refugee Relief and Rehabilitation	..	..	..	..
17. Development and Planning	..	..	..	..
18. Relief and Social Welfare	..	..	..	..
Total ..	930	2,16.66	424	2,71.84

I

Paragraph 14, page 17)

**grants paid by Government up to 31st March 1969**

distribution of grants

1966-67		1967-68		1968-69		Total	
No. of certificates	Amount	No. of certificates	Amount	No. of certificates	Amount	No. of certificates	Amount
<i>of rupees)</i>							
29	10.65	11	5.96	23	14.12	63	30.73
41	18.90	43	16.12	62	12.50	287	1,27.01
..	..	2	0.27	..	..	2	0.27
1,528	5,50.71	5,787	15,61.23	8,673	12,79.52	17,151	37,67.71
129	49.57	178	66.44	291	76.79	598	1,92.80
43	22.76	69	14.06	140	13.97	298	82.87
..	..	..	..	3	0.03	3	0.03
..	..	..	..	3	0.03	3	0.03
..	..	6	0.68	3	17.35	9	18.03
1	0.05	..	..	20	0.10	25	0.83
160	48.16	126	34.09	149	49.31	435	1,31.56
..	..	18	1,62.95	16	1,23.21	34	2,86.16
..	..	2	0.11	6	0.14	8	0.25
..	..	..	..	28	5.16	28	5.16
..	..	..	..	3	0.09	3	0.09
..	..	..	..	37	12.06	37	12.06
..	..	4	0.32	..	..	4	0.32
..	..	..	..	127	7.38	127	7.38
1,931	7,00.80	6,246	18,62.23	9,584	16,11.76	19,115	46,63.29

## APPENDIX II

(Reference : Paragraph 16, page 18)

**Cases where the verification and acceptance of balances for large amounts have been unduly delayed**

Head of Account	Number of acceptances awaited	Year from which acceptances are awaited	Balances on 31st March 1970
<i>(In lakhs of rupees)</i>			
<b>O—Public Debt—</b>			
Loans from the Central Government ..	51	1964-65	5,32,11.34
<b>Q—Loans and Advances by State and Union Territory Governments—Loans to local funds, private parties etc.—</b>			
(1) Loans to Municipal Corporation and Municipalities	110	1964-65	4,39.61
(2) Loans to District and other Local Fund Committees	157	1962-63	1,42.75
(3) Loans to Co-operative Institutions and Banks	7	1962-63	1,63.27
(4) Loans under Community Development Projects	6	1962-63	3,91.58
(5) Loans and advances to displaced persons	10	1948-49	27,32.19
(6) Advances to cultivators .. ..	2	1967-68	12,37.15
(7) Loans to Statutory Corporations, Boards and Government Companies	31	1962-63	1,08,02.83
(8) Miscellaneous Loans and Advances ..	97	1962-63	11,69.07
<b>T—Deposits and Advances—</b>			
(1) Deposits of Local Funds .. ..	127	1965-66	9,07.63
(2) Deposits for work done for Public Bodies or Private Individuals	15	1967-68	63.71
(3) Personal Deposits .. ..	586	1969-70	9,05.26

## **APPENDIX III**

## APPENDIX

(Reference :

**Grants/appropriations in which supplementary provisions were obtained and the**

Particulars of grants/appropriations

Voted or  
*Charged***(i) Grants/appropriations in which the supplementary provisions proved unnecessary—**

19—Education	..	..	..	..	Voted	..
29—Community Development Projects etc.	..	..	..	..	<i>Charged</i>	..
36—Ports and Pilotage	..	..	..	..	Voted	..
41—Stationery and Printing	..	..	..	..	Voted	..
44—Miscellaneous—Other Miscellaneous Expenditure	..	..	..	..	Voted	..
52—Loans and Advances by State/Union Territory Governments	..	..	..	..	Voted	..

**(ii) Grants/appropriations in which the supplementary provisions proved excessive—**

33—Irrigation	..	..	..	..	Voted	..
34—Public Works	..	..	..	..	<i>Charged</i>	..
38—Famine Relief	..	..	..	..	Voted	..
45—Miscellaneous—Expenditure on Displaced Persons	..	..	..	..	Voted	..
49—Capital Outlay on Public Works	..	..	..	..	<i>Charged</i>	..
Public Debt	..	..	..	..	<i>Charged</i>	..

**(iii) Grants/appropriations in which the supplementary provisions proved inadequate—**

3—State Excise Duties	..	..	..	..	Voted	..
15—Police	..	..	..	..	Voted	..
32—Miscellaneous Social and Developmental Organisations —Excluding Welfare of Scheduled Tribes and Castes and Other Backward Classes	..	..	..	..	Voted	..
34—Public Works	..	..	..	..	Voted	..
39—Pensions and Other Retirement Benefits	..	..	..	..	Voted	..
50—Capital Outlay on Schemes of Government Trading	..	..	..	..	Voted	..

## III

Paragraph 19, page 19)

**extent to which they remained unutilised or proved inadequate**

Amount of grant/appropriation		Total	Actual expenditure	Saving— Excess+
Original	Supplementary			
<i>(In lakhs of rupees)</i>				
59,74·58	1,97·68	61,72·26	59,16·76	—2,55·50
88·40	1·13	89·53	..	—89·53
17·57	1·60	19·17	17·37	—1·80
1,15·62	2·72	1,18·34	1,08·37	—9·97
11,06·78	47·60	11,54·38	10,43·97	—1,10·41
17,72·24	76·33	18,48·57	15,94·01	—2,54·56
18,93·11	4,48·32	23,41·43	20,47·81	—2,93·62
17·75	5·08	22·83	19·90	—2·93
5,76·11	2,76·55	8,52·66	8,02·53	—50·13
10,70·04	1,08·19	11,78·23	10,88·99	—89·24
0·16	4·07	4·23	0·61	—3·62
54,36·52	43,56·09	97,92·61	85,22·47	—12,70·14
1,05·10	0·68	1,05·78	1,18·52	+12·74
23,61·04	1,15·44	24,76·48	26,90·06	+2,13·58
1,69·77	9·96	1,79·73	2,01·56	+21·83
17,01·73	1,24·64	18,26·37	21,34·33	+3,07·96
2,80·34	21·69	3,02·03	3,40·32	+38·29
3,92·99	2,54·17	6,47·16	7,12·47	+65·81

## APPENDIX IV

(Reference : Paragraph 22, page 24)

**Savings exceeding 10 per cent of the total provision and Rs. 1 lakh in each case under voted grants/charged appropriations***A—Voted Grants*

Serial number and name of the grant	Total grant	Expenditure	Saving	Percentage of saving
<i>(In lakhs of rupees)</i>				
I—Cases where the savings were 20 per cent or more of the total grant—				
(1) 21—Public Health .. .. .	12,20.66	9,46.44	2,74.22	22
(2) 22—Agriculture—Agriculture ..	21,76.67	14,59.49	7,17.18	33
(3) 40—Privy Purses and Allowances of Indian Rulers	1.49	0.24	1.25	84
(4) 43—Miscellaneous—Contributions	6,83.23	5,16.32	1,66.91	24
(5) 47—Expenditure connected with the National Emergency	3,54.83	2,82.64	72.19	20
(6) 48—Capital Outlay on Multi-purpose River Schemes— Damodar Valley Projects	9,58.34	2,16.85	7,41.49	77
(7) 49—Capital Outlay on Public Works	8,25.84	4,56.51	3,69.33	45
II—Cases where the savings exceeded 10 per cent but were less than 20 per cent of the total grant—				
(1) 14—Jails .. .. .	2,50.96	2,09.96	41.00	16
(2) 23—Agriculture—Fisheries ..	64.86	52.83	12.03	19
(3) 26—Industries—Industries ..	5,25.91	4,32.62	93.29	18
(4) 33—Irrigation .. .. .	23,41.43	20,47.81	2,93.62	13
(5) 35—Greater Calcutta Development Scheme	2,97.63	2,44.11	53.52	18
(6) 37—Road and Water Transport Schemes	87.88	75.54	12.34	14
(7) 52—Loans and Advances by State/Union Territory Governments	18,48.57	15,94.01	2,54.56	14



<i>B—Charged appropriations</i>					
Serial No.	Number and name of the appropriation	Total appropriation	Expenditure	Saving	Percentage of saving
<i>(In lakhs of rupees)</i>					
(1)	2—Land Revenue ..	5.70	4.52	1.18	21
(2)	9—Interest on Debt and Other Obligations	36,99.87	22,94.45	14,05.42	38
(3)	29—Community Development Projects, etc.	89.53	..	89.53	100
(4)	34—Public Works ..	22.83	19.90	2.93	13
(5)	39—Pensions and Other Retirement Benefits	5.87	4.14	1.73	29
(6)	44—Miscellaneous—Other Miscellaneous Expenditure	2.41	1.21	1.20	50
(7)	49—Capital Outlay on Public Works	4.23	0.61	3.62	85
(8)	Public Debt .. ..	97,92.61	85,22.47	12,70.14	13

## APPENDIX

(Reference :

## Unutilised provision due to non-implementation/partial

*A—Development Schemes in the State Sector (other than Centrally-sponsored*

Serial No.	Schemes	Provision in 1969-70
<i>(In lakhs of rupees)</i>		
1.	River Lift Irrigation .. ..	2,99.00
2.	Private tubewells including filter points .. ..	2,61.00
3.	Emergency Water Supply Schemes .. ..	1,08.00
4.	Deep Tubewell Irrigation (large dia. deep tubewells) ..	77.00
5.	Development of the Calcutta State Transport Corporation ..	75.96
6.	Greater Calcutta Milk Supply Schemes .. ..	72.64
7.	Employees' State Insurance Scheme .. ..	51.92
8.	Minor Irrigation Schemes (New Schemes) .. ..	47.01

## V

Paragraph 24, page 28)

**Implementation of development schemes***schemes and committed portion of Third Five-Year Plan)*

Saving in 1969-70 (and its percentage)	Remarks	Savings during the previous years (and their percentage)	
----------------------------------------------	---------	----------------------------------------------------------------	--

*(In lakhs of rupees)*

1,72.84 (58)	Mainly stoppage of work on setting up of an Evaluation Committee and delay in taking decision for completion only of technically-sound river lift stations and non-purchase of pump sets	..	..
1,61.09 (62)	Less demand for shallow tube-wells by cultivators	..	..
34.23 (32)	Mainly delay in acquisition of land in different municipal and non-municipal areas	..	..
58.39 (76)	Mainly less repair and maintenance works due to non-finalisation of purchase of spare parts and tools	..	..
29.26 (38)	Less payment due to financial stringency	..	..
22.36 (31)	Mainly less expenditure on works and less purchase of equipment and materials owing to late receipt of sanctions	1962-63	72.85 (57)
		1963-64	36.16 (43)
		1964-65	57.71 (38)
		1965-66	22.30 (28)
		1966-67	43.70 (49)
		1967-68	72.43 (67)
		1968-69	28.95 (32)
38.49 (74)	Mainly as a measure of economy	..	..
38.07 (81)	Reasons for the major portion of the saving are awaited ; a part of the saving was due to postponement of schemes in hill areas owing to landslide	1967-68	48.38 (88)
		1968-69	30.05 (60)

## APPENDIX

Serial No.	Schemes	Provision in 1969-70
<i>(In lakhs of rupees)</i>		
9.	Plant protection including control of wild animals	.. 40.00
10.	Kanchrapara area development (Kalyani Town)	.. 38.00
11.	Rural Water Supply .. .. .	38.14
12.	Primary and Subsidiary Health Centres .. .. .	31.46
13.	Lift Irrigation from rivers and beels (Surface water lift irrigation from rivers and streams)	30.64
14.	Underground Drainage Scheme for part of Cossipore-Dum Dum Area	30.00
15.	Integrated Subsidised Housing Scheme for Industrial Workers and Weaker Sections of the Community	28.50
16.	Improvement of Bantolla-Kulti Outfall System .. .. .	25.00
17.	Piped Water Supply Scheme .. .. .	25.00
18.	State Aid to Industries Act .. .. .	24.70
19.	Industrial Plantations of Quick-growing Species .. .. .	23.31
20.	Craftsman Training Scheme .. .. .	23.00
21.	Reorganisation of agricultural research and problem-oriented reserach schemes in West Bengal	22.81

## V.—contd.

Saving in 1969-70 (and its percentage)	Remarks	Savings during the previous years (and their percentage)	
<i>(In lakhs of rupees)</i>			
31.14 (78)	Less purchase due to gradual taking over of distribution of pesticides by trade	1968-69	21.75 (48)
28.24 (74)	Mainly non-finalisation of the proposals for development of Block A (Phase III) and construction of additional standard type buildings	..	..
20.45 (54)	Non-execution of work of sinking and resinking of new and derelict tubewells in rural areas due to non-selection of sites	..	..
12.79 (41)	Mainly non-receipt of administrative sanction and slow progress of work	..	..
9.23 (30)	Non-entertainment of staff as estimated and non-supply of articles by contractors	1966-67	14.50 (73)
		1967-68	30.05 (30)
		1968-69	1,07.86 (63)
23.45 (78)	Mainly non-availability of site and delay in finalising tenders	..	..
10.81 (38)	Reasons for the saving are awaited	..	..
22.57 (90)	Reasons for the saving are awaited	..	..
20.20 (81)	Non-receipt of timely sanction to schemes	..	..
8.46 (34)	Mainly imposition of cut on the Plan budget	..	..
14.99 (64)	Curtailement of expenditure imposed by Government	..	..
14.17 (62)	Mainly non-receipt of administrative sanction and slow progress of work	..	..
13.92 (61)	Non-finalisation of scheme for reorganisation of existing research facilities and additional programmes for research	..	..

## APPENDIX

Serial No.	Schemes	Provision in 1969-70
		<i>(In lakhs of rupees)</i>
22.	Establishment and development of seed farms	20·00
23.	Development of Agricultural Marketing Societies	18·55
24.	Slum Clearance Scheme .. .. .	15·00
25.	Improvement of traffic conditions near Howrah Railway Station area	15·00
26.	Extension of Soil Testing Service (including Soil Testing laboratories)	14·00
27.	West Bengal Financial Corporation—Investment in Share Capital	13·55
28.	Plantation Labour Housing Scheme .. .. .	13·50
29.	Foodgrains Storage .. .. .	13·23
30.	Sealdagong Basin Drainage Scheme .. .. .	13·00
31.	Expansion of the State Transport Service in Durgapur	12·00
32.	Tollygunge Panchannagram Drainage Scheme .. .. .	12·00
33.	Water Supply Schemes in Halisahar, Bhatpara, Garden Reach and South Suburban Municipalities	11·00
34.	Development of Consumers' Co-operatives .. .. .	11·00
35.	Post-graduate Medical Education and Research Institutes	10·40
36.	State's contribution to the Share Capital of Agricultural Credit Corporation	10·00

## V—contd.

Saving in 1969-70 (and its percentage)	Remarks	Savings during the previous years (and their percentage)	
<i>(In lakhs of rupees)</i>			
13.60 (68)	Non-execution of construction works for non-completion of preliminaries	..	..
7.46 (40)	Mainly as a measure of economy	..	..
11.01 (73)	Mainly slow progress of work by executing agencies, viz., Calcutta Corporation and Calcutta Improvement Trust	..	..
6.97 (46)	Delay in shifting of Howrah Rotary Club, electric posts and cables	..	..
13.87 (99)	Non-finalisation of the proposal for purchase of laboratory requisites	..	..
13.55 (100)	Post-budget decision to implement the second phase of augmentation of the share capital next year	1968-69	6.34 (100)
11.67 (86)	Slow progress of work and non-completion of formalities by the employers	..	..
10.26 (77)	Non-finalisation of the preliminaries	..	..
11.05 (85)	Stoppage of work due to public opposition	..	..
6.28 (52)	Less purchase of buses and non-construction of staff quarters owing to financial stringency	..	..
4.87 (41)	Reasons for the saving are awaited	..	..
9.62 (87)	Reasons for the saving are awaited	..	..
7.38 (67)	Mainly as a measure of economy	..	..
7.25 (70)	Mainly non-sanctioning of certain schemes and non-payment of grants to Calcutta University and School of Tropical Medicines	..	..
10.00 (100)	Non-setting up of the Corporation	..	..

## APPENDIX

Serial No.	Schemes	Provision in 1969-70
<i>(In lakhs of rupees)</i>		
37.	Improvement of milk production by cross breeding dairy cattle at Haringhata (Zebu)	10.00
38.	Expansion of Kalyani Spinning Mills Ltd.—Investment in share capital	10.00
39.	Traffic Operation Plan for Calcutta .. .. .	10.00
40.	Setting up of a new press for printing work of the Legislature, High Court, etc.	10.00
41.	Haringhata (North) Farm .. .. .	10.00
42.	Calcutta-Dum Dum Superhighway .. .. .	10.00
43.	Investment in share capital for the West Bengal Dairy and Poultry Development Corporation (P) Ltd.	10.00
44.	Development of gas distribution system in Calcutta .. .	10.00
45.	Patipukur Township Sewerage Scheme .. .. .	10.00
46.	Expansion of rural credit .. .. .	9.97
47.	Development of hill areas of Darjeeling district ..	9.00



## V—contd.

Saving in 1969-70 (and its percentage)	Remarks	Savings during the previous years (and their percentage)	
<i>(In lakhs of rupees)</i>			
10.00 (100)	Reasons for non-implementation are awaited	..	..
10.00 (100)	Non-expansion of the Habra unit owing to loss suffered during previous two years	..	..
9.67 (97)	Mainly non-finalisation of the schemes for traffic improvement	..	..
9.51 (95)	Mainly non-importation of mono-caster for want of foreign exchange and import licence	..	..
8.42 (84)	Mainly imposition of restriction on expenditure	..	..
8.16 (82)	Non-availability of possession of land	..	..
8.00 (80)	Observance of economy	..	..
7.65 (76)	Mainly non-purchase of foreign gas meters owing to non-receipt of import licence and non-execution of repair and renovation works for want of administrative approval	1968-69	4.40 (63)
6.28 (63)	Mainly non-availability of the site and delay in finalising tenders	..	..
6.83 (68)	Mainly as a measure of economy	..	..
8.03 (80)	Non-initiation of the special programme for soil conservation work to check the ravages of flood	..	..

**APPENDIX***B—Centrally-sponsored*

Serial No.	Schemes	Provision in 1969-70
		<i>(In lakhs of rupees)</i>
1.	Family Planning, Maternity and Child Welfare	.. 4,57.33
2.	Second Bridge over the Hooghly River including Kona Expressway	60.00
3.	Strengthening of the Basic Health Services Staff attached to Primary Health Centres	51.62
4.	Ranigunj Coal-field area water supply scheme	.. 40.00
5.	Cholera Control Programme	.. .. 32.60
6.	Small Pox Eradication Programme	.. .. 30.00
7.	Intensive development of Small Industries in rural areas	.. 21.82
8.	Control of Tuberculosis	.. .. 17.40
9.	Rehabilitation of Displaced Goldsmiths	.. .. 16.16

-V—contd.

*Schemes (New Schemes)*

Saving in 1969-70 (and its percentage)	Remarks	Savings during the previous years (and their percentage)	
<i>(In lakhs of rupees)</i>			
2,83.38 (62)	Mainly deferment of the scheme for construction of buildings for 53 Rural Family Welfare Planning Centres, non-purchase of vehicles and equipment due to non-receipt of supply from Centre and non-filling of posts	1965-66	25.31 (88)
		1966-67	59.93 (47)
		1967-68	1,07.70 (42)
		1968-69	83.90 (32)
60.00 (100)	Non-commencement of the work proper	..	..
51.62 (100)	Reasons for non-implementation of the scheme are awaited	..	..
13.39 (33)	Less progress of work .. ..	..	..
32.60 (100)	Reasons for non-implementation of the scheme are awaited	..	..
30.00 (100)	Diversion of the scheme to the Annual Plan as per advice of the Government of India	..	..
10.45 (48)	Mainly non-release of funds by the Government of India	1966-67	7.61 (46)
		1967-68	13.05 (55)
		1968-69	8.92 (45)
15.22 (87)	Loss payment of grants-in-aid to non-Government T. B. Institutes, non-purchase of articles and non-execution of works owing to non-receipt of sanction	..	..
9.38 (58)	Non-release of funds by the Government of India	1967-68	20.64 (59)
		1968-69	22.32 (70)

**APPENDIX***B—Centrally-sponsored*

Serial No.	Schemes	Provision in 1969-70
<i>(In lakhs of rupees)</i>		
10.	Post-Graduate Medical Education and Research Institutes ..	15·20
11.	Soil Conservation works in the Upper Catchment of the Kangsabati River	14·00
12.	Special Package Programme on Jute in West Bengal ..	12·60
13.	Margin money to the Apex Marketing Society for fertiliser business	11·00
14.	Development of Post-Graduate Courses and Research ..	11·00
15.	Pre-vocational Training .. .. .	10·00

**V—concl'd.****Schemes (New Schemes)**

Saving in 1969-70 (and its percentage)	Remarks	Savings during the previous years (and their percentage)		
<i>(In lakhs of rupees)</i>				
9.85 (65)	Reasons for the saving are awaited	..	..	..
7.62 (54)	Non-achievement of the target	..	..	..
4.54 (36)	Delay in appointment of staff	..	..	..
11.00 (100)	Non-qualifying of the society to qualify for further assistance by stepping up ferti- liser business	..	..	
10.74 (98)	Reasons for the saving are awaited	..	..	..
10.00 (100)	Reasons for non-implementation of the scheme are awaited	..	..	

## APPENDIX

(Reference :

Serial No.	Details of scheme	No. of units	Total cost	Sale proceeds
<i>(In lakhs of rupees)</i>				
1.	Patipukur Township Scheme	.. 886 plots 71 houses	61.81	56.16
2.	Regent Estate	.. .. (a) 186 plots (b) 112 flats	28.97 ..	28.13 ..
3.	Karaya Government Housing Estate	104 flats and shops	20.32	..
4.	Kalyani—			
	(a) Middle Income Group	.. 100 houses	26.91	..
	(b) Low Income Group	.. 300 ..	45.08	..
	(c) Rental	.. .. 100 ..	14.09	..
	(d) Low Income Group converted into rental	100 ..	..	..
5.	Andul Road (Flats)	.. .. 33 plots	..	..
6.	Flats at Maniktala	.. .. 20 plots	..	..
7.	Entally Housing Scheme	.. .. ....	..	..
		<b>Total</b> ..	..	..

## VI

Paragraph 44, page 43)

Loss on sale	Loss of rent/ interest on blocked capital calculated at 6 per cent per annum due to delay in allotment	Total loss	Rent outstanding	Remarks
		-		
		.		
<i>(In lakhs of rupees)</i>				
5.65	....	5.65	....	Rs. 0.23 lakh being value of land sold not yet realised (November 1970)
0.84	6.04	6.88	....	.....
..	....	..	0.07 (March 1970)	
..	0.07	0.07	0.12 (March 1970)	.....
..	4.09	4.09	....	
..	5.30	5.30	} 16.66 (March 1970)	
..	0.63	0.63		
..	....	..	4.41 (March 1970)	
..	1.45 (rent)	1.45	....	The flats were lying vacant for a period varying from 20 to 37 months
..	2.12 (rent)	2.12		Ditto
..	0.24	0.24	1.81 (March 1970)	Arrears of rent and taxes in 5 cases written off
6.49	19.94	26.43	23.07	

## APPENDIX VII

(Reference : Paragraph 52, page 47)

**Outstanding dues on account of services rendered by the West Bengal National Volunteer Force personnel***(A) Government Departments*

Period during which services rendered	From whom due	Amount out-standing
		Rs.
1. May 1965 to September 1965	Army Authorities .. ..	80,293
2. July 1962 to August 1962 ..	Department of Health ..	91,829
3. April 1964 to September 1966	Ditto .. ..	30,625
4. July 1960 ..	Chief Security Officer, Eastern Railway	258
5. November 1965 to September 1970	Superintending Engineer (Agri-Irrigation), Ex-officio Additional Director of Agriculture	45,105
6. August 1966 to September 1966	Special Officer and Ex-officio Deputy Secretary, Food and Supplies Department, 11-A Free School Street, Calcutta-16	4,673
7. December 1964 to January 1965	Executive Engineer, Housing Construction Division—V, Sagarbhanga Colony, Durgapur-II, Burdwan	3,615
8. September 1965 to January 1968	Controller of Civil Defence, Asansol, Burdwan	34,194
9. September 1965 to February 1966	Controller of Civil Defence, 24-Parganas	34,060
10. January 1968 ..	Superintendent, Presidency Jail, Calcutta	945
11. November 1967 ..	Regional Director of Food (Eastern Region), Government of India, 8 Esplanade East, Calcutta	6,062
12. November 1969 ..	Superintendent of Police, West Dinajpur, Balurghat	975
13. April 1970 to May 1970 ..	Milk Commissioner, Government of West Bengal	4,783
14. December 1969 and January 1970	Controller of Civil Defence, Calcutta	16,830



**APPENDIX VII—concl'd.**

Period during which services rendered	From whom due	Amount out-standing
	-	Rs.
15. August 1970	.. Secretary to the Government of West Bengal, Public Works Department	1,575
16. November 1969	.. Commandant, S. A. P., 3rd Battalion, Barrackpore	602
17. November 1969	.. Commandant, S. A. P., 5th Battalion, Durgapur	355
	Total ..	3,56,779

*(B) Non-Government Bodies*

1. June 1961 and February 1964 to March 1964	Howrah Municipality ..	16,913
2. June 1966 and November 1966 to April 1967	Executive Engineer, Water Works Engineering Department, Corporation of Calcutta, Surendra Nath Banerjee Road, Calcutta	11,879
3. April 1968	.. Chairman, West Bengal State Electricity Board, Calcutta	207
4. February 1968 to August 1970	Food Corporation of India ..	2,42,923
5. April 1960 to August 1970	.. Durgapur Projects Ltd ..	2,63,360
6. July 1968 to October 1968	.. Chief Engineer, West Bengal State Electricity Board, Calcutta-27	1,13,110
7. July 1968	.. Accounts Officer, Durgapur Chemicals Ltd., Durgapur, Burdwan	1,687
8. August 1968 to September 1969	Executive Engineer, Civil Engineering Stores, Durgapur Projects Ltd., Durgapur, Burdwan	13,716
9. December 1968	.. Works Manager, Durgapur Projects Ltd.	1,260
	Total ..	6,65,055
	Grand Total ..	10,21,834

## APPENDIX

(Reference :

Part II—

*(a) Cases of loss etc. (each item not exceeding*

Serial No.	Department					
1.	Agriculture and Community Development (Agriculture)	..	..	..	..	..
2.	Animal Husbandry and Veterinary Services—					
	(a) Animal Husbandry	..	..	..	..	..
	(b) Milk Branch	..	..	..	..	..
3.	Board of Revenue	..	..	..	..	..
4.	Development and Planning	..	..	..	..	..
5.	Finance (Taxation)	..	..	..	..	..
6.	Food and Supplies	..	..	..	..	..
7.	Home (Police)	..	..	..	..	..
8.	Home (Defence)	..	..	..	..	..
9.	Home (Tourism)	..	..	..	..	..
10.	Home (Jails)	..	..	..	..	..
11.	Health (Public Health)	..	..	..	..	..
12.	Information and Public Relations	..	..	..	..	..
13.	Judicial (Registration)	..	..	..	..	..
14.	Land and Land Revenue	..	..	..	..	..
15.	Public Works (C. S. Branch)	..	..	..	..	..
16.	Refugee Relief and Rehabilitation	..	..	..	..	..
17.	Relief and Social Welfare (Relief)	..	..	..	..	..
18.	Irrigation and Waterways	..	..	..	..	..
	<b>Total</b>	..	..	..	..	..

## VIII

Paragraph 60, page 51)

## Other cases

*Rs. 5,000) written off in 1969-70*

Write off of losses, irrecoverable revenues, duties, advances etc.		Ex-gratia payment		Waiver of recovery	
Number	Amount	Number	Amount	Number	Amount
	Rs.		Rs.		Rs.
33	11,756	..	..	..	..
214	1,03,870	..	..	..	..
86	34,493	..	..	..	..
3	168	..	..	..	..
1	286	..	..	..	..
2	49	..	..	..	..
290	9,93,189	..	..	..	..
9	2,664	7	11,350	..	..
14	333	..	..	..	..
3	198	..	..	..	..
3	1,114	..	..	..	..
2	2,498	..	..	..	..
1	159	..	..	..	..
2	1,492	..	..	..	..
10	5,448	..	..	2	1,820
1	240	..	..	..	..
6	2,997	..	..	..	..
..	..	12	4,850	..	..
2	744	..	..	..	..
682	11,61,698	19	16,200	2	1,820

**APPENDIX**

(Reference :

**Part II—***(b) Cases of loss etc. (each item exceeding*

Serial No.	Department					
<b>1. Animal Husbandry and Veterinary Services—</b>						
	(a) Animal Husbandry	..	..	..	..	..
	(b) Milk Branch	..	..	..	..	..
<b>2. Finance (Taxation)</b>						
		..	..	..	..	..
<b>3. Home (Defence)</b>						
		..	..	..	..	..
<b>4. Public Works</b>						
		..	..	..	..	..
<b>5. Relief and Social Welfare (Relief)</b>						
		..	..	..	..	..
<b>6. Refugee Relief and Rehabilitation</b>						
		..	..	..	..	..
<b>Total</b>						..

## VIII—contd.

Paragraph 60, page 51)

## Other cases

*Rs. 5,000) written off in 1969-70*

Write off of losses, irrecoverable revenues, duties, advances etc.

Write off of losses, irrecoverable revenues, duties, advances etc.		Ex-gratia payment		Waiver of recovery	
Number	Amount	Number	Amount	Number	Amount
	Rs.		Rs.		Rs.
8	2,05,886	..	..	..	..
1	20,243	..	..	..	..
..	..	..	..	1	1,70,035
3	3,22,289	..	..	..	..
1	1,60,979	..	..	..	..
..	..	1	8,250	..	..
1	8,008	..	..	1	11,800
14	7,17,495	1	8,250	2	1,81,934

**APPENDIX VIII—concl'd.****Notes on important cases of loss**

Serial No.	Department	Amount Rs.	Particulars
1.	Animal Husbandry and Veterinary Services—		
(a)	Animal Husbandry	2,05,886	Loss of livestock from October 1956 to September 1967 due to normal causes written off.
(b)	Milk Branch ..	20,245	Loss of milk due to disruption of power on 4th October 1968 written off.
2.	Finance (Taxation)	1,70,035	Demand for Agricultural Incometax from nine Co-operative Societies written off pending amendment of the Agricultural Income Tax Act in pursuance of the policy to exempt all registered co-operative farming societies.
3.	Home (Defence) ..	3,22,289	Value of stores rendered unserviceable and declared condemned written off.
4.	Public Works ..	1,60,979	The amount represents net discrepancy in the stock accounts of the Western Electrical Division for the period from 1947-48 to 1963-64. The discrepancy could not be reconciled and had to be written off as a special case to facilitate final closing of the stock accounts, although a special cell worked from December 1958 to November 1968 and Rs. 1.20 lakhs were spent on the maintenance of the cell up to July 1968.
5.	Relief and Social Welfare (Relief)	8,250	Ex-gratia relief given to 30 families affected by disturbances in Calcutta in November 1968 and January 1969.
6.	Refugee Relief and Rehabilitation	8,098	Cost of 12,269 gunny bags could not be recovered from the Group Superintendents as the staff were discharged suddenly and responsibility could not be fixed.
		11,899	Out of Rs. 13,888 defalcated by a cashier Rs. 1,989 were recovered and the balance of Rs. 11,899 written off. The cashier was sentenced to imprisonment for 4 years.

## **APPENDIX IX**

**APPENDIX**

(Reference :

**Cases of misappropriation awaiting**

Serial No.	Department					
1.	Agriculture and Community Development	..	..	..	..	..
2.	Animal Husbandry and Veterinary Services	..	..	..	..	..
3.	Board of Revenue ..	..	..	..	..	..
4.	Commerce and Industries	..	..	..	..	..
5.	Cottage and Small Scale Industries	..	..	..	..	..
6.	Education	..	..	..	..	..
7.	Excise ..	..	..	..	..	..
8.	Finance	..	..	..	..	..
9.	Food and Supplies	..	..	..	..	..
10.	Health	..	..	..	..	..
11.	Home (General Administration)	..	..	..	..	..
12.	Home (Police)	..	..	..	..	..
13.	Information and Public Relations	..	..	..	..	..
14.	Irrigation and Waterways	..	..	..	..	..
15.	Judicial	..	..	..	..	..
16.	Labour	..	..	..	..	..
17.	Land and Land Revenue	..	..	..	..	..
18.	Panchayat	..	..	..	..	..
19.	Public Works	..	..	..	..	..
20.	Public Works (Construction Board)	..	..	..	..	..
21.	Relief and Social Welfare	..	..	..	..	..
22.	Refugee Relief and Rehabilitation	..	..	..	..	..
	<b>Total</b>	..	..	..	..	..



**IX**

Paragraph 61, page 52)

**finalisation on 31st March 1970**

Cases pertaining to 1963-64 and earlier years		Cases pertaining to 1964-65 to 1969-70		Total	
Number	Amount	Number	Amount	Number	Amount
	Rs.		Rs.		Rs.
12	26,798	32	3,06,090	44	3,32,888
1	5,000	1	17,000	2	22,000
..	..	4	18,702	4	18,702
7	36,426	5	8,379	12	44,805
2	23,388	2	50,108	4	73,496
1	510	24	2,15,660	25	2,16,170
1	418	1	39,120	2	39,538
1	1,695	..	..	1	1,695
6	47,946	3	93,115	9	1,41,061
5	18,226	9	1,48,678	14	1,66,904
1	11,083	6	9,755	7	20,838
8	56,634	2	27,470	10	84,104
2	399	1	518	3	917
..	..	3	1,50,696	3	1,50,696
1	3,718	1	146	2	3,864
..	..	1	878	1	878
166	3,25,984	53	1,65,832	209	4,91,816
1	6,065	..	..	1	6,065
..	..	1	953	1	953
..	..	1	797	1	797
..	..	25	73,905	25	73,905
..	..	1	18,268	1	18,268
205	5,64,290	176	13,46,070	381	19,10,360

## APPENDIX X

(Reference : Paragraph 66, page 54)

**(A) Six important works of Kangsabati Project (Irrigation and Waterways Department) executed without sanctioned estimate**

Serial No.	Division	Work	Year from which expenditure is being incurred	Expenditure up to March 1970 (In crores of rupees)
1.	Bankura Irrigation	.. Excavation of Bishnupur branch canal	1962-63	1.57
2.	Kangsabati Left Bank	.. Construction of Kangsabati earthen dam	1957-58	2.32
3.	Kangsabati Left Bank	.. Construction of Kumari dam	1961-62	0.89
4.	Kangsabati Mechanical	.. Obtaining of earth moving machinery	1956-57	1.82
5.	Kangsabati Canals II	.. Excavation of Supur main canal	1960-61	1.56
6.	Kangsabati Canals II	.. Excavation of right bank main canal	1963-64	1.28
Total ..				9.44

**(B) Works of Kangsabati Project (Irrigation and Waterways Department) expenditure on which exceeded the sanctioned estimate by more than 50 per cent.**

Serial No.	Division	Work	Sanctioned estimate	Actual expenditure up to March 1970	Percentage of excess over sanctioned estimate	Year in which excess occurred
(In lakhs of rupees)						
1.	Kangsabati Canals II	Construction of a saddle spillway at Mukutmanipur	6.61	35.45	436	1963-64
2.	Kangsabati Canals II	Excavation of left bank feeder canal	70.80	112.65	59	1965-66
3.	Kangsabati Canals II	Excavation of Indpur main canal	27.96	72.62	160	1963-64
4.	Kangsabati Canals III	Excavation of Bishnupur branch canal	10.00	51.64	416	1967-68

## APPENDIX XI

(Reference : Paragraph 66, page 54)

## Departmentwise and yearwise analysis of the unvouched outlay on 31st March 1970

## (i) Departmentwise analysis

Serial No.	Department			Number of items	Amount (In lakhs of rupees)
1.	Irrigation and Waterways	..	..	806	1,16.99
2.	Public Works	..	..	524	98.67
3.	Land and Land Revenue	..	..	25	22.79
4.	Development and Planning	..	..	61	21.30
5.	Housing	..	..	83	18.68
6.	Agriculture and Community Development			446	16.14
7.	Public Works (Roads)	..	..	201	13.61
8.	Health	..	..	118	11.13
9.	Public Works (Construction Board)		..	193	4.73
			Total	2,457	3,24.04

## (ii) Yearwise analysis

Year of objection			Number of items	Amount (In lakhs of rupees)
Up to 1965-66	..	..	55	8.56
1966-67	..	..	24	6.75
1967-68	..	..	146	17.49
1968-69	..	..	631	73.38
1969-70	..	..	1,601	2,17.86
		Total	2,457	3,24.04

## APPENDIX XII

(Reference : Paragraph 86, page 66)

Department	Category/No. of Divisions	Minimum annual work-load required for a Division	No. of Divisions where average annual work-load fell short of the prescribed minima	Remarks
		Rs. (in lakhs)		
1. Public Works	Construction—7	45	5	Number of Divisions which had an average annual work-load of less than Rs. 15 lakhs .. 1
				Number of Divisions which had an average annual work-load of more than Rs. 15 lakhs but less than Rs. 30 lakhs .... 3
	Maintenance—31	24	12	Number of Divisions which had an average annual work-load of more than Rs. 30 lakhs but less than Rs. 45 lakhs ..... 1
				Number of Divisions which had an average annual work-load of less than Rs. 10 lakhs .. 1
2. Public Works (Special Roads)	Construction—6	35	4	Number of Divisions which had an average annual work-load of more than Rs. 10 lakhs but less than Rs. 20 lakhs .. 7
				Number of Divisions which had an average annual work-load of more than Rs. 20 lakhs but less than Rs. 24 lakhs .... 4
				Number of Divisions which had an average annual work-load of less than Rs. 15 lakhs .. 3
				Number of Divisions which had an average annual work-load of more than Rs. 15 lakhs but less than Rs. 25 lakhs .... 1

APPENDIX XII—*concl'd.*

Department	Category/No. of Divisions	Minimum annual work-load required for a Division	No. of Divisions where average annual work-load fell short of the prescribed minima	Remarks
		Rs. (in lakhs)		
3. Irrigation and Waterways	Construction—15	35	8	Number of Divisions which had an average annual work-load of less than Rs. 15 lakhs .. 3
				Number of Divisions which had an average annual work-load of more than Rs. 15 lakhs but less than Rs. 25 lakhs .... 1
				Number of Divisions which had an average annual work-load of more than Rs. 25 lakhs but less than Rs. 35 lakhs .... 4
	Maintenance—22	20	8	Number of Divisions which had an average annual work-load of less than Rs. 10 lakhs .. 2
				Number of Divisions which had an average annual work-load of more than Rs. 10 lakhs but less than Rs. 15 lakhs .... 4
				Number of Divisions which had an average annual work-load of more than Rs. 15 lakhs but less than Rs. 20 lakhs .. 2

## APPENDIX XIII

(Reference : Paragraph 92, page 73)

**Statement showing cases of unutilised grants for more than Rs. 5,000 in each case**  
**Education Department**

Serial No.	Institution, amount of grant and year of payment	Purpose of grant	Amount remaining unutilised and the period up to which it remained unutilised Rs.
1.	R. K. Mission Vidya-mandir, Belurmamth— Rs. 57,000 (1968-69)	Improved salary scales of teacher	16,547 (February 1970)
2.	Asutosh College— Rs. 1,11,500 (1968-69)	Ditto ..	5,341 (February 1970)
3.	Vivekananda Centenary College, Rahara— Rs. 12,10,757 (1961-65)	Ditto ..	20,804 (February 1970)
4.	Jnan Chandra Ghosh Polytechnic— Rs. 10,28,000 (1965-66)	Equipment .. ..	1,35,320 (February 1970)
5.	R. K. Mission Boys Home, Rahara— Rs. 10,000 (1968-69)	Building .. ..	8,500 (February 1970)
6.	Girls' College, Howrah— Rs. 2,20,765 (1968-69)	Payment of stipends, scholarships and dearness allowance	6,008 (January 1970)
7.	Shri Chaitanya College, Habra— Rs. 1,18,450 (1960-62)	Construction of quarters and purchase of equipment etc.	89,966 (March 1970)
8.	R. K. Mission Siksha Mandir, Belurmamth— Rs. 2,44,950 (1959-60)	Construction of garage and purchase of furniture, equipment, utensils etc.	17,714 (January 1970)
9.	R. K. Mission Ashram, Sarisha—		
	(i) Rs. 1,50,000 (1962-63)	Construction of Assembly Hall	1,36,604 (February 1969)
	(ii) Rs. 20,000 (1964-65)	Purchase of station wagon	20,000 (February 1969)
	(iii) Rs. 27,799 (1965-66)	Construction of kitchen and dining hall	27,799 (February 1969)
	(iv) Rs. 30,000 (1967-68)	Construction of boys' hostel	30,000 (February 1969)

**APPENDIX XIII—concl'd.****Health Department**

Serial No.	Institution, amount of grant and year of payment	Purpose of grant	Amount remaining unutilised and the period up to which it remained unutilised
			Rs.
10.	K. S. Roy T. B. Hospital, Jadavpur—		
	(i) Rs. 3,00,000 (1960-61)	Non-recurring grant for purchase of equipment and construction of quarters	18,902 (February 1969)
	(ii) Rs. 2,20,000 (1961-62)	Construction of quarters ..	54,046 (February 1969)
11.	H. C. Mukherjee T. B. After Care Colony— Rs. 10,00,000 (1959-60)	Capital grant ..	3,62,778 (March 1969)
		Total ..	9,50,329

## APPENDIX XIV

(Referred to in paragraph 117, page 88)

## List of Wanting Pro-forma Accounts

(a) In the following cases *pro-forma* accounts have not been prepared since inception :—

Serial No.	Name of the Scheme/ Concern	Period for which accounts are due for submission	Remarks
1.	Durgapur Industries Board	1955-56 to 1961-62 (up to pre-company period, i.e., 14th September 1961)	
<i>Scheme for Production Centres</i>			
2.	Midnapore [transferred to the Home (Social Welfare) Department from April 1963]	1954-55 to 1969-70	
3.	Titagarh ..		
4.	Habra ..		
5.	Dharampur ..		
6.	Uttarpara ..		
7.	Oriental Gas Company's Undertaking		
8.	Government Sales Emporia other than those at Calcutta and Howrah	1957-58 to 1961-62 (up to 31st May 1961)	Transferred (June 1961) to West Bengal Small Industries Corporation (a Government Company)
9.	Dental Factory ..	1960-61 to 1969-70	
10.	Fulia Township ..	1961-62 to 1969-70	
<i>Industrial Estates</i>			
11.	Kalyani ..	1956-57 to 1969-70	
12.	Baruipur ..	1958-59 to 1969-70	
13.	Industrial Centres ..	1956-57 to 1964-65	The scheme was merged with another scheme in April 1965. Outstanding accounts have not been prepared as yet (October 1970).
14.	Kanchrapara Development Area (Kalyani Township Scheme)	1961-62 to 1969-70	



**APPENDIX XIV—contd.**

(b) In the following cases *pro-forma* accounts have been received for the period noted against each and are under audit or *pro-forma* accounts have not been received for the period noted against each:—

Serial No.	Name of the Scheme/ Concern	Period for which accounts are due for submission	Remarks
1.	Central Engineering Organisation	1968-69 and 1969-70	Accounts for 1966-67 and 1967-68 have been received in audit (December 1969). The Accounts for 1966-67 require revision as found on scrutiny. The revised accounts have not yet been received (September 1970). Audit of the Accounts for 1967-68 can be taken only after the revised accounts for 1966-67 have been finally checked.
2.	Hospital Appliances Scheme of Central Engineering Organisation	1968-69 and 1969-70	Accounts for 1967-68 have been received (May 1970) in audit and are awaiting audit check.
3.	Integrated Wood Industries Scheme at Durgapur, Kalyani and Siliguri	1965-66 to 1969-70	Revised <i>pro-forma</i> accounts from 1960-61 to 1964-65 have been received in audit in September 1970 and are awaiting audit check. Audit certificate on the revised accounts from 1956-57 to 1959-60 could not be issued as extra copies of accounts have not yet been received from Government in spite of several reminders.
4.	Brick and Tile Board	1968-69 and 1969-70	
5.	Mechanised Brick Factory at Palta	1968-69 and 1969-70	Accounts for the period from 1961-62 to 1967-68 have been received in audit (August 1970) and are under scrutiny.
6.	Brooklyn Ice Plant and Cold Storage	1967-68 to 1969-70	The accounts for 1965-66 and 1966-67 were received (December 1968) in audit, but these require revision as found on scrutiny. The revised accounts have not yet been received. In letter No. 277(2), dated the 20th

APPENDIX XIV—*contd.*

Serial No.	Name of the Scheme/ Concern	Period for which accounts are due for submission	Remarks
			February 1970, the Potato Development Officer intimated that "purchase and sale of seed potatoes under the Brooklyn Scheme have been abandoned with effect from March 1968". No Government order has, however, been received in this office regarding abandonment of the scheme.
7.	Scheme for production of Shark Liver Oil, Fishmeat etc.	1964-65 to 1969-70	Accounts for 1963-64 received (February 1968) in audit required revision as found on scrutiny. The revised accounts were received in September 1969. For clarification of some points, the Director of Fisheries requested the Technical Officer-in-charge to depute an Assistant with necessary records. But as the Assistant concerned has not yet turned up, the Accounts could not be finally checked.
8.	Durgapur State Transport Services	1965-66 to 1969-70	
9.	Silk Reelers' Co-operative and Allied Organisation	1955-56 to 1969-70	The revised accounts for 1955-56 have not yet been received. Besides, audit of the accounts for 1955-56 is possible if the opening Balance Sheet as at 1st April 1955 is correctly prepared. The opening Balance Sheet submitted (May 1968) to audit could not be checked for want of relevant records and documents. Besides, there were various irregularities and defects in the opening Balance Sheet. The revised opening Balance Sheet as at 1st April 1955 and the revised accounts for 1955-56 have not yet been received (September 1970).

APPENDIX XIV—*concl'd.*

Serial No.	Name of the Scheme/ Concern	Period for which accounts are due for submission	Remarks
10.	Greater Calcutta Milk Supply Scheme	1964-65 to 1969-70	Accounts for 1963-64 have been received (June 1970) in audit and are under scrutiny
11.	Government Cinchona Plantations	} 1963-64 to 1969-70	The Department submitted consolidated Accounts for 1962-63. Draft audit comments have been forwarded to Government (September 1970). Comments of Government are awaited (January 1971).
12.	Government Quinine Factory, Mungpoo		
13.	Quinine Sales Depot, Calcutta		
14.	Surgical Instruments Servicing Station, Baruipur	1969-70	.. Accounts for 1965-66 to 1968-69 have been received in audit but the same required revision as found on scrutiny. The revised accounts have not yet been received in audit (September 1970).
15.	Government Sales Emporia—  Howrah  Calcutta	} 1951-52 to 1962-63	<i>Pro-forma</i> Accounts for 1963-64 to 1968-69 have been received in audit (September 1970). Audit of the accounts cannot be taken up as previous accounts have not been received. Any Government order regarding skipping over of the accounts has also not been received.
16.	Government Saw Mills, Siliguri		
17.	Scheme for State Trading in Rice and Paddy	1964-65 to 1969-70	
18.	Consolidated <i>pro-forma</i> account of Hats under the management of Government	1966-67 to 1969-70	
19.	Scheme for State Trading in wheat and wheat products	1965-66 to 1969-70	

**APPENDIX**

(Referred to in

**Brick and***Trading and Profit and Loss Account (excluding**Dr.*

1966-67					1967-68
Rs.					Rs.
10,25,965	To Opening Stock	..	..	..	9,07,935
2,77,390	„ Purchase	..	..	..	3,60,547
47,845	„ Salary, Wages, Travelling Allowances and Contingencies				68,589
56,653	„ Interest	..	..	..	38,186
4,915	„ Depreciation	..	..	..	3,873
2,000	„ Rent, etc.	..	..	..	2,000
3,000	„ Royalty	..	..	..	3,000
14,17,768	Total	..	..	..	13,84,130

*Balance Sheet (excluding Durgapur Unit) for*

1966-67		Capital and Liabilities			1967-68
Rs.					Rs.
11,73,385	Capital	..	..	..	12,26,911
96,434	Current Liabilities	..	..	..	1,03,747
12,69,819	Total	..	..	..	13,30,658

## XV

paragraph 117, page 88)

## Tile Board

*Durgapur Unit) for the year ending 31st March 1968*

						<i>Cr.</i>
1966-67						1967-68
Rs.						Rs.
3,73,009	By Sales	..	..	..	..	2,89,343
3,550	„ Miscellaneous Income	..	..	..	..	15,888
9,07,935	„ Closing Stock	..	..	..	..	10,62,873
1,33,274	„ Net Loss	..	..	..	..	16,026
14,17,768	Total	...	...	..	..	13,84,130

*the year ending 31st March 1968*

1966-67	Assets and Properties				1967-68	
Rs.					Rs.	
1,69,936	Fixed Assets	..	..	..	..	2,26,844
9,63,439	Current Assets	..	..	..	..	10,85,618
3,170	Investments	..	..	..	..	2,170
1,33,274	Net Loss	..	..	..	..	16,026
12,69,819	Total	..	..	..	..	13,30,658

## APPENDIX

## Greater Calcutta

## Trading and Profit and Loss Account for the

Dr.

1961-62				1962-63
Rs.				Rs.
12,93,669	To	Opening Stock	.. ..	10,73,712
1,30,19,420	„	Purchase	.. ..	1,50,13,061
5,56,118	„	Wages	.. ..	7,43,382
15,18,786	„	Depreciation	.. ..	26,22,085
4,900	„	Stationery	.. ..	52,178
2,27,457	„	Petty Contingencies and repairs, etc.	.. ..	4,23,703
13,79,503	„	Administrative Expenses	.. ..	15,45,285
1,89,884	„	Audit Fee	.. ..	40,530
18,08,639	„	Interest on Capital	.. ..	21,75,544
14,77,316	„	Miscellaneous Expenses	.. ..	15,90,708
18,62,966	„	Profit	.. ..	..
2,33,38,658			Total	2,52,80,188

## Balance Sheet as

1961-62	Capital and Liabilities	1962-63
Rs.		Rs.
	Capital Balance up to previous year	4,26,18,837
	Withdrawal during the year	2,35,39,523
		<hr/> 6,61,58,360
	Less—Amount refunded (remittance)	2,62,52,205
		<hr/> 3,99,06,155
4,07,55,871	Add—Interest on Capital	21,75,544
		<hr/> 4,20,81,699
16,44,881	Outstanding Liabilities	16,41,494
4,74,676	Accounts with P. A.	4,79,287
11,635	Security Deposit	..
51,49,974	Reserve	51,49,974
18,62,966	Profit and Loss Account	..
4,99,00,003	Total	4,93,52,454

XV—*contd.***Milk Supply Scheme***year ended 31st March 1963*

1961-62				1962-63	
Rs.				Rs.	
2,21,52,985	By Sales .. ..	..	..	2,13,21,905	
1,11,961	„ Miscellaneous Income ..	..	..	5,18,567	
10,73,712	„ Closing Stock .. ..	..	..	13,51,012	
	„ Loss .. ..	..	..	20,88,704	
2,33,38,658			<b>Total</b> ..	2,52,80,188	

*on 31st March 1963*

1961-62		Properties and Assets		1962-63	
Rs.				Rs.	
2,98,00,919	Fixed Assets .. ..	..	..	3,50,85,901	
1,06,91,465	Capital Work-in-Progress ..	..	..	65,49,716	
11,035	Live Stock .. ..	..	..	8,828	
24,35,575	Current Assets .. ..	..	..	47,57,663	
69,61,009	Cash in hand and at Bank ..	..	..	8,61,642	
	Profit and Loss Account ..	..	..	20,88,704	
4,99,00,003			<b>Total</b> ..	4,93,52,454	

## APPENDIX

## Central Engineering

*Manufacturing, Trading and Profit and Loss*

Dr.

1964-65					1965-66
Rs.					Rs.
18,74,088	To	Opening Stock	..	..	15,02,231
3,97,164	„	Purchase	..	..	5,85,559
38,106	„	Factory Expenses	..	..	41,451
1,71,095	„	Administrative, Selling and Distributing Expenses etc.			1,71,252
22,872	„	Depreciation	..	..	26,058
2,000	„	Audit Fee	..	..	2,000
1,41,464	„	Interest on Government Capital	..	..	1,32,753
10,06,202	„	Fabrication Charges	..	..	6,27,573
14,940	„	General Reserve	..	..	8,771
44,820	„	Constituents Lump Fund Account		..	26,314
16,150	„	Preliminary Expenses	..	..	16,151
..	„	Contribution to Employees' Provident Fund	..	..	80,887
37,28,901				Total ..	32,21,000

*Balance Sheet as*

1964-65	Capital and Liabilities	1965-66
Rs.		Rs.
26,13,875	Government Capital .. ..	23,99,451
9,98,116	Personal Ledger Account (in the name of the Works Manager)	9,02,718
1,60,375	Reserve and Surplus .. ..	1,69,146
5,52,005	Current Liabilities and Provisions .. ..	3,85,614
4,83,852	Outstanding with the constituent units for manufacture of constituent units products	..
..	Fund Account .. ..	81,259
48,08,223		Total ..
		39,38,188





## APPENDIX

## Scheme for State Trading in Wheat

## Trading and Profit and Loss Account for

Dr.

1963-64	Particulars	1964-65
Rs.		Rs.
1,18,72,821	To Opening Stock .. ..	97,88,921
12,06,80,072	„ Purchase .. ..	4,91,60,542
15,829	„ Stock in transit .. ..	..
..	„ Other procurements .. ..	..
30,24,317	„ Incidental Charges .. ..	30,49,336
84,43,508	„ Other Incidental Charges .. ..	..
20,13,442	„ Railway Freight Charges .. ..	8,27,228
..	„ Overhead Charges .. ..	28,44,814
1,37,104	„ Audit Fee .. ..	40,353
14,61,87,093	Total	6,57,11,194

Balance Sheet as

1963-64	Liabilities	1964-65
Rs.		Rs.
1,91,74,131	Net Outlay .. ..	1,71,17,817
..	Overhead Charges .. ..	13,12,04,999
18,45,468	Audit Charges .. ..	18,85,821
13,77,031	Interest Account .. ..	13,77,031
14,61,78,678	Sundry Creditors: Government of India (Purchase and Incidentals) and other Miscellaneous Liabilities	1,71,59,094
1,24,904	Refund to parties .. ..	2,74,307
50,000	Security Deposit (Flour Mills) .. ..	50,000
1,48,35,821	Undivided Bengal Suspense .. ..	1,48,35,821
18,35,86,033	Total	18,39,04,890

**XV—concl'd.****and Wheat Products***the year ended 31st March 1965*

1963-64	Particulars	1964-65
Rs.		Rs.
12,96,62,451	By Sales .. ..	6,12,00,378
14,339	„ Claims realised from Railways .. ..	14,772
20,894	„ Miscellaneous Recoveries .. ..	21,582
97,88,921	„ Closing Stock .. ..	31,27,795
67,00,488	„ Net Loss .. ..	13,46,667
14,61,87,093	Total ..	6,57,11,194

*on the 31st March 1965*

1963-64	Assets	1964-65
Rs.		Rs.
3,37,70,857	Sundry Debtors .. ..	3,96,85,881
293	Central Revenues Suspense .. ..	48,354
1,48,35,821	Undivided Bengal Suspense .. ..	1,48,35,821
50,000	Investments (at cost) .. ..	50,000
97,88,921	Stock in trade .. ..	31,27,795
	Profit and Loss Account :	
	(Less Adjustment) ..	Rs. 12,48,10,372
12,51,31,141	Add—This year's Loss ..	13,46,667
		<u>12,61,57,039</u>
18,35,86,033	Total ..	18,39,04,890

**APPENDIX XVI**

(Reference : Paragraph 122, page 99)

**Important types of irregularities noticed during local audit and inspections conducted during 1969-70**

Serial No.	Nature of irregularity	Number of offices in which irregularities were noticed
1.	Delay in remittances .. .. .	14
2.	Irregular maintenance of Log Book .. .. .	7
3.	Irregular maintenance of Cash Book .. .. .	12
4.	Permanent advance held in excess of requirement .. .. .	34
5.	Advances lying unadjusted .. .. .	10
6.	Unserviceable articles lying undisposed of .. .. .	10
7.	Amount not refunded to treasury .. .. .	3
8.	Non-realisation of outstanding dues from Gram Sevaks and Village Level Workers	13
9.	Security deposits not furnished .. .. .	40