REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

FOR THE YEAR

1984-85

(CIVIL)

GOVERNMENT OF TAMIL NADU

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PREFATORY REMARKS

This Report has been prepared for submission to the Governor under Article 151 of the Constitution. It relates mainly to matters arising from the Appropriation Accounts for 1984-85 together with other points arising from audit of the financial transactions of the Government of Tamil Nadu. It also includes certain points of interest arising from the Finance Accounts for the year 1984-85.

2. The observations of Audit on Revenue Receipts and on Statutory Corporations, Boards and Government Companies are presented in separate Reports.

3. The cases mentioned in this Report are among those which came to notice in the course of test audit of accounts during the year 1984-85 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 1984-85 have also been included, wherever considered necessary.

CHAPTER

GENE

1.1. The summarised position of the accounts of the Government Finance Accounts for the year 1984-85 is indicated in the statements

1. STATEMENT OF FINANCIAL POSITION OF THE GOVERNMENT

Amount as on 31-3-1984	*Liabilities*		*Amount as on 31-3-1985*
4,34.52	Internal Debt including Ways and Means Advance (Market loans, loans from LIC and others).		5,29.58
14,05.49	Loans and Advances from Central Government—		
	Pre 1979-80 loans	5,70.42	
	Non-Plan loans	3,63.65	
	Loans for State Plan schemes	5,85.33	
	Loans for Central Plan schemes ..	32.36	
	Loans for Centrally sponsored Plan schemes	22.04	
		———	15,73.80
1,54.22	Small Savings		1,75.30
3,74.36	Deposits		4,15.20
—	Overdraft from Reserve Bank of India		26.21
1,90.20	Reserve Funds		2,25.95
1,41.42	Contingency Fund		46.05
6.42	Remittance Balances		11.46
—	Suspense and Miscellaneous balances ..		14.86
5,54.05	Surplus on Government account ..		7,07.70
33,10.68			37,26.11

I

RAL

of Tamil Nadu emerging from the Appropriation Accounts and following.—

OF TAMIL NADU AS ON 31-3-1985

(*in crores of rupees*)

Amount as on 31-3-1984	*Assets*		*Amount as on* 31-3-1985
13,53.39	Gross capital outlay on fixed assets—		
	Investment in shares of companies, Corporation, etc.	3,30.37	
	Other capital outlay	11,88.66	15,19.03
19,21.69	Loans and Advances—		
	Loans for Power projects	12,60.86	
	Other Development loans	8,12.59	
	Loans to Government servants and miscellaneous loans.	97.49	21,70,94
3.41	Other Advances		4.39
29.02	Reserve Funds Investments:		26.12
2.50	Suspense and Miscellaneous balances		..
0.67	Cash —		
	Cash in Treasuries and Local remittances	3.28	
	Departmental cash balance	1.77	
	Permanent advance	0.41	
	Cash balance investment	0.17	
			5.63
33,10.68			37,26.11

ABSTRACT OF RECEIPT AND DISBURSEMENT

SECTION A--REVENUE

Receipts

I. Revenue receipts—		
(i) Tax Revenue	12,97.57	
(ii) Non-Tax Revenue	2,16.73	
(iii) State's share of Union Taxes	4,44.70	
(iv) Non-plan Grants	40.18	
(v) Grants for State Plan Schemes	68.13	
(vi) Grants for Central and Centrally sponsored Plan schemes	1,60.20	
		22,27.51
II. Revenue Deficit carried over--		..
		22,27.51

FOR THE YEAR 1984-85

(in crores of rupees)

Disbursements

I. Revenue Expenditure—

Sector	*Non-Plan*	*Plan*	*Total*	
(i) General Services	4,99.56	1.27	5,00.83	
(ii) Social and Community Services	6,41.71	2,42.00	8,83.71	
(iii) General Economic Services ..	16.65	5.53	22.18	
(iv) Agriculture and allied Services	2,34.37	2,87.71	5,22.08	
(v) Industry and Minerals ..	15.40	41.91	57.31	
(vi) Water and Power Development	66.78	13.79	80.57	
(vii) Transport and Communication	56.17	11.84	68.01	
(viii) Grants-in-aid and contributions	75.65	..	75.65	
	16,06.29	6,04.05	22,10.34	22,10.34

II. Revenue surplus carried over to Section B 17.17

22,27.51

SECTION B—OTHERS

Receipts

III. Opening balance including permanent advance and cash balance investment		0.67
IV. Miscellaneous Capital Receipts		..
V. Recoveries of Loans and Advances—		
(i) From Government servants	40.46	
(ii) From others	1,39.43	1,79.89
VI. Revenue Surplus brought down		17.17
VII. Public Debt Receipts—		
(i) Internal debt other than Ways and Means advances.	87.29	
(ii) Ways and Means advances	6,72.95	
(iii) Loans and advances from Central Government.	2,57.43	10,17.67
VIII. Appropriation to Contingency Fund ..		..
IX. Amount transferred to Contingency Fund		8.58

SECTION B — OTHERS (*in crores of rupees*)

Disbursements

III. Opening overdraft from Reserve Bank of India ..	..	..
IV. Capital outlay—		
Sector		
(i) General Services	10.11	
(ii) Social and Community Services	33.28	
(iii) General Economic Services	7.95	
(iv) Agriculture and Allied Services	35.13	
(v) Industry and Minerals	17.18	
(vi) Water and Power Development	42.67	
(vii) Transport and Communication	19.32	
		1,65.64
V. Loans and Advances disbursed—		
(i) For power projects	2,12.00	
(ii) To Government servants	51.63	
(iii) To others	1,65.51	
		4,29.14
VI. Revenue Deficit brought down		..
VII. Repayment of Public Debts—		
(i) Internal debt other than Ways and Means Advances	55.81	
(ii) Ways and Means Advances	6,59.37	
(iii) Repayment of loans to Central Government	89.12	
		8,04.30
VIII. Appropriation to Contingency Fund		..
IX. Expenditure from Contingency Fund		3,95

Receipts

X. Public Account Receipts—		
(i) Small Savings and Provident Fund	85.64	
(ii) Reserve Funds	96.56	
(iii) Suspense and Miscellaneous	38,85.81	
(iv) Remittances	5,01.49	
(v) Deposits and Advances	10,08.04	
		55,77.54
XI. Closing overdraft from Reserve Bank of India*		26.21
		68,27.73

* Total Gross overdraft from Reserve Bank of India during the year: Rs. 269.29 crores

Disbursements

(in crores of rupees)

X. Public Account Disbursements—		
(i) Small Savings and Provident Fund	64.56	
(ii) Reserve Funds	57.91	
(iii) Suspense and Miscellaneous	38,31.98	
(iv) Remittances	4,96.45	
(v) Deposits and Advances	9,68.17	
		54,19.07
XI. Cash Balance at end—		
(i) Cash in Treasuries, local remittances and Deposit with Reserve Bank of India.	3.28	
(ii) Departmental cash balance including permanent advance.	2.18	
(iii) Cash balance investment	0.17	
		5.63
		68,27.73

STATEMENT II

SOURCES AND APPLICATION OF FUNDS FOR 1984-85

(in crores of rupees)

I. Sources—		
1. Revenue Receipts		22,27.51
2. Capital Receipts on Government accounts		..
3. Increase in Public Debt, Small Savings, Deposits and Ways and Means Advances		2,74.32
4. Net contribution from Contingency Fund		4.63
5. Increase in overdraft from Reserve Bank of India		26.21
		25,32.67
Adjustments—		
Increase in Suspense Balance	(+)	53.83
Increase in Reserve Funds	(+)	38.65
Effect on Remittance Balance	(+)	5.04
Net funds available		26,30.19
II. Application—		
Revenue expenditure		22,10.34
Capital outlay		1,65.64
Lending for Development and other programmes		2,49.25
Increase in closing cash balance		4.96
		26,30.19

1.2. Audit Comments

1.2.1. Government accounts being on cash basis, the surplus on Government account as shown in Statement I indicates the position on cash basis, as opposed to accrual basis of commercial accounting.

1.2.2. The abridged accounts in the foregoing statements have to be read with the comments and explanations in the Finance Accounts.

1.2.3. There was an unreconciled difference of Rs. 72.30 lakhs between the figures [Rs. (—) 18,89.72 lakhs] as shown in the accounts and that [Rs. (—) 19,62.02 lakhs] intimated by the Reserve Bank of India under "Deposits with Reserve Bank" of which Rs. 17.80 lakhs had been reconciled (November 1985).

1.2.4. During the year, the balance of the State Government with the Reserve Bank of India fell short of the agreed minimum (Rs. 1,10 lakhs) on 283 days. The deficiency was made good by taking ways and means advances (Rs. 4,29.87 crores) on 168 days and overdraft (Rs. 2,69.29 crores) on 115 days. The overdraft and the amount of ways and means advances outstanding at the end of the year were Rs. 26.21 crores and Rs. 66.00 crores respectively. Interest paid on the advances and overdrafts was Rs. 5.69 crores.

1.2.5. The net additional public debt (as adjusted by the effect on Contingency Fund, Remittance and Suspense balances and credit to Reserve Funds) raised during the year was Rs. 3,76.47 crores. Of this, Rs. 2,49.25 crores were utilised for meeting the net additional loans and advances disbursed for development and other programmes. The balance of Rs. 1,27.22 crores together with the Revenue surplus of Rs. 17.17 crores fell short of the total capital expenditure of Rs. 1,65.64 crores by Rs. 21.25 crores. The gap had, in effect, been bridged by resorting to additional overdraft (Rs. 26.21 crores) from the Reserve Bank of India, a part (Rs. 4.96 crores) of which was reflected by corresponding increase in closing cash balance.

1.2.6. The revenue raised by the State Government (Rs. 15,14.30 crores) accounted for 68 per cent of the total revenue receipts (Rs. 22,27.51 crores) during the year.

1.2.7. Against the additional resources mobilisation of Rs. 29.40 crores from the tax revenues anticipated at the budget stage, the increase in tax revenue as an effect of fresh budget proposals was Rs. 45.69 crores. There was a net increase of

Rs. 1,52.33 crores in the tax revenue raised by the Government from Rs. 11,45.24 crores in 1983-84 to Rs. 12,97.57 crores in 1984-85, increase mainly being under 'Sales Tax' (Rs. 1,22.59 crores) due to normal growth of trade and commerce augmented by hike in rates of Sales Tax on certain commodities, 'Land Revenue' (Rs. 19.57 crores) due to heavy collection on account of good harvest and 'Stamps and Registration Fees' (Rs. 14.09 crores) due to increased receipts in sale of non-judicial stamps and registration fees.

1.2.8. The non-tax revenue raised by the State Government increased by Rs. 26.73 crores from Rs. 1,90.00 crores in 1983-84 to Rs. 2,16.73 crores in 1984-85. The increase was mainly under 'Social Security and Welfare' (Rs. 10.85 crores) due to introduction of Tamil Nadu Government Employees' Provident Fund-*cum*-Gratuity Scheme and assistance from UNICEF for Social Inputs in Area Development Programme, 'Interest Receipts' (Rs. 7.05 crores) due to increased receipts from departmental and public sector undertakings and 'Other Administrative Services' (Rs. 6.82 crores) due to receipts from Government of India towards expenditure for conducting Lok Sabha elections and more receipts in the workshops of the Motor Vehicles Maintenance Organisation.

1.2.9. The arrears of revenue at the end of the year were reported by 10 departments to be Rs. 1,42.10 crores of which Rs. 31.27 crores were over 5 years old. Information in respect of other departments was awaited (November 1985).

1.2.10. The total amount overdue for recovery against loans advanced as on 31st march 1985, the detailed accounts of which are maintained in Accounts Office, was Rs. 31,62.24 lakhs including Rs. 14,78.55 lakhs on account of interest. The arrears position in regard to recovery of loans, the detailed accounts of which are maintained by the departmental officers, could not be indicated as the necessary information had not been furnished by them.

1.2.11. The interest paid on debt and other obligations was Rs. 1,45.88 crores. The interest received was Rs. 58.99 crores, including that from departmental undertakings and others. The net interest burden was, thus, Rs. 86.89 crores.

1.2.12. The assistance received from Central Government as grant for State, Central and Centrally sponsored Plan Schemes was Rs. 2,28.33 crores. The expenditure on such Plan Schemes was Rs. 7,62.67 crores, including State's share.

1.2.13. Against the Plan provision of Rs. 7,17.58 crores under Revenue and Rs. 1,87.31 crores under Capital, the actual expenditure on Plan Schemes was Rs. 6,04.05 crores under Revenue and Rs. 1,58.62 crores under Capital, resulting in a shortfall of Rs. 1,13.53 crores under Revenue and Rs. 28.69 crores under Capital. The shortfall under Revenue was mainly under "Social and Community Services" (Rs. 98.18 crores) and "Agriculture and Allied Services" (Rs. 15.04 crores). The shortfall under Capital was mainly under "Social and Community Services" (Rs. 8.37 crores) and "Economic Services" (Rs. 16.85 crores).

1.2.14. Plan expenditure rose from Rs. 6,82.08 crores in 1983-84 to Rs. 7,62.67 crores during 1984-85. The increase of Rs. 80.59 crores was the net result of increase (Rs. 89.88 crores) under Revenue and decrease (Rs. 9.29 crores) under Capital mainly under the following heads of accounts :—

	Major Head	*Increase(+) Decrease (—) (in crores of rupees)*	
Revenue—			
314	Community Development	(+)	46.94
305	Agriculture	(+)	20.72
277	Education	(+)	15.67
321	Village and Small Industries	(+)	14.64
Capital—			
522	Capital Outlay on Machinery and Engineering Industries	(—)	10.69
538	Capital Outlay on Road and Water Transport Services	(—)	8.28
537	Capital Outlay on Roads and Bridges	(—)	2.84

1.2.15. With fresh investment of Rs. 25.68 crores during the current year in the various Corporations/Companies/Co-operative Institutions, the total investment of the Government in shares on 31st March 1985 was Rs. 3,30.37 crores. Dividend received on such investment during the year was Rs. 1.19 crores, representing roughly 0.4 per cent of the investment.

1.2.16. The contingent liability for guarantees given by the State Government for repayment of loans, etc., by the Statutory

Corporations, Companies and Co-operatives, etc., on 31st March 1985 was Rs. 10,63.80 crores (against the maximum guaranteed amount of Rs. 20,88.32 crores). During the year, guarantees to the extent of Rs. 2,00.34 lakhs given to six banks were invoked and paid.

1.2.17. In 18 cases, guarantee commission of Rs. 40.75 lakhs was due for recovery on 31st March 1985, the main defaulters being the Tamil Nadu Civil Supplies Corporation Limited (Rs. 30.01 lakhs), Southern Structurals Limited (Rs. 3.31 lakhs), Tamil Nadu Small Industries Corporation Limited (Rs. 2.99 lakhs) and Tamil Nadu State Marketing Corporation Limited (Rs. 1.38 lakhs).

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

1.2.19. Non-Plan expenditure rose from Rs. 14,11.23 crores in 1983-84 to Rs. 16,13.30 crores in 1984-85. The increase of Rs. 2,02.07 crores was the net effect of increase of Rs. 2,09.65 crores under Revenue and decrease of Rs 7.58 crores under Capital mainly under the following heads of account :—

	Major Heads	*Increase (+) Decrease (—) (in crores of rupees)*	
Revenue—			
309	Food	(+)	81.11
277	Education	(+)	48.74
363	Compensation and Assignments to Local Bodies and Panchayat Raj Institutions.	(+)	25.05
249	Interest Payments	(+)	18.65
253	District Administration	(+)	15.29
266	Pension and Other Retirement Benefits	(+)	12.97
255	Police	(+)	12.77
280	Medical	(+)	10.87
Capital—			
483	Capital outlay on Housing	(—)	5.46

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1. General

The summarised position of actual expenditure during 1984-85 against grants/appropriations is as follows :—

	Original grant/ appropriation	*Supplementary*	*Total*	*Actual expenditure*	*Variation Savings (–)/ Excess (+)*
		(in crores of rupees)			
I. Revenue—					
Voted	18,53.07	3,63.28	22,16.35	20,61.84	(—) 1,54.51
Charged ..	*1,62.64*	*26.11*	*1,88.75*	*1,84.12*	(—) *4.63*
II. Capital—					
Voted	1,88.69	19.24	2,07.93	1,78.68	(—) 29.25
Charged ..	*0.04*	*0.72*	*0.76*	*0.06*	(—) *0.70*
III Public Debt—					
Charged ..	*4,32.22*	*5,44.57*	*9,76.79*	*8,04.30*	(—) *1,72.49*
IV. Loans and Advances—					
Voted	3,45.40	89.50	4,34.90	4,29.14	(—) 5.76
Grand Total ..	29,82.06	10,43.42	40,25.48	36,58.14	(—) 3,67.34

2.2. The following results emerge broadly from the Appropriation Audit.

2.2.1. Supplementary provision obtained during the year constituted 35 per cent of the original provision, as against 52 per cent in the year preceding.

2.2.2. Supplementary provision of Rs. 15.39 crores obtained in 7 grants (Appendix I) during March 1985 proved unnecessary in view of the final saving in each grant being more than the supplementary provision; it could have therefore been restricted to token provision for New service items. In 4 grants (Appendix II) supplementary provison of Rs. 31.53 crores obtained in October 1984 and March 1985 proved insufficient by more than Rs. 50 lakhs each (ranging from Rs. 88.89 lakhs to Rs. 5,15.40 lakhs) leaving an aggregate uncovered excess expenditure of Rs. 8.71 crores.

2.2.3. The overall saving was Rs. 3,77.05 crores in 47 grants and 38 appropriations. The overall excess (Appendix III), on the other hand, was Rs. 9.71 crores in 11 grants and 1 appropriation requiring regularisation under Article 205 of the Constitution.

Excess over grants/appropriations relating to the years 1980-81 to 1983-84 also remains to be regularised.

2.2.4. In the following grants/appropriation, the expenditure fell short by more than Rs. 1 crore each and also by more than 10 per cent of the total provision.

Description of the grant	*Amount of savings (in crores of rupees) (percentage of provision)*	*Reasons for savings*
(1)	(2)	(3)
8. Elections	2.32 (18)	Mainly due to surrender of provision (Rs. 2.55 crores) under 'Elections to Lok Sabha' as elections were held simultaneously to Lok Sabha and State Legislative Assembly. Saving could have been avoided had the supplementary provision of Rs. 9.63 crores obtained in March 1985 (under "Elections to Lok Sabha and State Legislative Assembly (when held simultaneously") been restricted to the requirement after taking into account the available saving.

(1)	(2)	(3)
19. Public Health	52.61 (32)	Mainly due to slow progress of Tamil Nadu Krishna Water Supply Project work in the State of Andhra Pradesh not warranting release of funds to that State (Rs. 50.00 crores), decision of Government to defer execution of the Madras Transmission and Distribution system by Madras Metropolitan Water Supply and Sewerage Board (Rs. 2.18 crores) and delay in construction of culvert by Railways for the crossing work and acquisition of land under Krishna Water Supply Project for Madras City (Rs. 0.47 crore).
30. Social Welfare	12.50 (17)	Saving occurred mainly under (i) Opening of Pre-primary schools (Rs. 6.10 crores), (ii) Nutrition Delivery Services (Rs. 2.07 crores), (iii) Supply of dhoties and sarees to landless agricultural labourers in drought affected areas and old age pensioners (Rs. 2.46 crores), (iv) feeding of poor children in age group 2 plus to 4 plus (Rs. 1.10 crores) and (v) Integrated Child Development Services Scheme (Rs. 0.31 crore). Reasons for these savings have not been communicated.
41. Relief on account of Natural Calamities ..	3.50 (15)	Mainly due to less expenditure on feeding centres, evacuation, free supply of food packets, rice, kerosene, etc., in flood affected areas (Rs. 4.61 crores), reasons for which were awaited and surrender of provision (Rs. 1.84 crores) made erroneously twice for payment of cash doles to persons affected by floods in 2 districts.
43. Miscellaneous	24.10 (31)	Mainly due to withdrawal of lump sum provision to cover unforeseen expenditure (Rs. 34 crores), reduction in payment of Raffle prize money on account of unsold tickets winning prizes and non-settlement of disputed claims for prize money (Rs. 1.70 crores) and less sale of raffle tickets resulting in reduction of payment of commission to Raffle agents (Rs. 0.35 crore).

(1)	(2)	(3)
51. Capital Outlay on Irrigation	6.61 (11)	Rejection and non-finalisation of tenders and non-execution of works of residential quarters (Rs. 0.81 crore) and postponement of execution of work (Rs. 0.98 crore) under Improvements to Periyar System Phase II, short supply of base plates and consequent stoppage of patching of blocks in channels under Modernising the Thanjavur Channels (Rs. 1.81 crores) and not taking up the construction of dam for storage of Krishna River water due to wet season (Rs. 0.98 crore). Saving occurred in this grant during the years 1978-79 to 1983-84 also ranging from 16 to 45 per cent.
52. Capital Outlay on Public Works-Buildings	14.83 (30)	Mainly due to withdrawal of provision under 'Medical Relief' (Rs. 1.54 crores), Medical Education (Rs. 4.60 crores), Police Housing Schemes (Rs. 2.35 crores) and Public Works (Rs. 0.31 crore), Agricultural Farms (Rs. 2.17 crores), Construction of buildings for Judicial and Land Revenue Departments (Rs. 1.03 crores) and Technical Education (Rs. 0.79 crore).
53. Capital Outlay on Roads and Bridges	4.52 (16)	Non-execution of major works for want of sanctioned estimates (Rs.0.90 crore) and on account of land acquisition problems (Rs. 0.40 crore), non-execution of major district road works (Rs. 0.57 crore), non-execution of other roads for want of technical sanction (Rs. 0.45 crore), non-completion of road works under World Bank Project II due to heavy rains (Rs. 0.42 crore), building works under Tamil Nadu Integrated Nutrition Project not having been fully completed (Rs. 0.86 crore), non-purchase of diesel jeep in Tamil Nadu Newsprint Division at Karur and non-supply of rollers by the company (Rs. 0.75 crore) and entrustment of construction of motels under "wayside amenities" to Thiruvalluvar Transport Corporation from out of its funds (Rs. 0.33 crore). Reasons for saving of Rs. 0.79 crore had not been communicated. Saving occurred also during 1982-83 (5 per cent) and 1983-84 (14 per cent).

(1)	(2)	(3)
Public debt—Repayment	1,72.49 (18)	Mainly due to (i) lesser need for Ways and Means Advances (Rs. 26.97 crores) and Overdrafts (Rs. 1,43.58 crores) from Reserve Bank of India on account of receipt of collections and release of Central assistance at the end of the year, (ii) less repayment of Block Loans during the year than that anticipated at the Budget stage (Rs. 3.99 crores) and (iii) shortfall in anticipated drawal of principal by holders of scrips of Tamil Nadu Government Loans (Rs. 0.88 crore).

2.2.5. In addition to those mentioned in paragraph 2.2.4. above, substantial surrenders arose in the following cases on account of either non-implementation or slow implementation of schemes:

Serial number	*Grant*	*Name of the Scheme (Head of account)*	*Amount of surrender* (In lakhs of rupees)	*Percentage of surrender*
(1)	(2)	(3)	(4)	(5)
1.	15. Police	Introduction of Metropolitan Police System in Coimbatore and Madurai (255.A.AG,I.AD)	1,48.68	99 .1

Surrender was due to non-introduction of Commissioner of Police System in Coimbatore and Madurai. Proposals of the Director General of Police, forwarded in May 1983, were pending with Government. During 1982-83 and 1983-84, Rs.1,49.70 lakhs and Rs. 1,49.00 lakhs respectively were surrendered on similar grounds.

2.	17. Education	Chief Minister's Scheme of Life Oriented Education in School System (277. A.AE.II.JR)	9,98.25	99.8

As orders of Government on the proposals of the Director of School Education for sanctioning the scheme, made in November 1983, were not received, the amount was surrendered.

3.	19. Public Health	World Bank assisted water supply scheme for small towns (282.B.AB.II.JR)	4,64.00	100.0

Provision was for grants to Tamil Nadu Water Supply and Drainage Board for implementing the Project for providing/ augmenting water supply to 75 medium, small towns/Madurai, Coimbatore and Salem towns besides 740 wayside rural habitations and for executing low cost sanitation schemes to 14 towns. The project, proposed to be taken up in April 1984, was not taken up in 1984-85 as the agreement with the World Bank for the assistance came into effect only in late February 1985 due to delay in finalisation.

4.	19. Public Health	Madras Water Supply Project (282.B.AB.II.JI)	2,19.70	87.9
5.	58. Loans and Advances by State Government.	Madras Water Supply Project (682.C.AC.II.JH)	2,50.00	100.0

Provision of Rs. 250 lakhs each under Grants 19 and 58 was for payment of grant-in-aid and loan respectively to Madras Metropolitan Water Supply and Sewerage Board for execution of works under Madras Transmission and Distribution System for treatment, transmission, distribution and waste water management of water from Krishna river proposed to be stored in Chembarambakkam Tank and Poondi Reservoir under the Krishna Water Supply Project for Madras City. As formation of open lined canal from Tamil Nadu border to Poondi Reservoir was expected to be completed by the Public Works Department only during 1984-85, Government ordered taking up the works relating to Madras Transmission and Distribution System during 1985-86, resulting in surrender of grant of Rs. 2,19.70 lakhs and Loan of Rs. 2,50.00 lakhs. Provision of Rs. 500 lakhs for the project under Grant 19. Public Health during 1983-84 was also similarly surrendered.

6.	20. Agriculture	Scheme for free distribution of mini kits, fertilisers and seeds to small and marginal farmers and agricultural labourers (305.A.AJ.VI. UB)	2,40.94	63.9

Surrender was due to late sanction of funds by Government in March 1985, when Rabi season was over (Rs. 90.74 lakhs) and erroneous provision for land development and cost of staff (Rs. 1,50.20 lakhs).

7.	28. Community Development projects and Municipal Administration	Scheme for construction of public conveniences in Revenue villages (282.A. AL.II.JC)	6,49.02	98.9

Provision was for payment of grant-in-aid to panchayat unions for construction of a public convenience each in 4,674 Revenue villages. The surrender was due to a post budget decision in December 1984 to complete the pending works of previous year and improve the utilisation of latrines already constructed and to defer construction of new latrines to 1985-86.

8.	28. Community Development Projects and Municipal Administration	One Job per Family Scheme (287.B.AE.II.JE)	13,22.56	88.2

Surrender was due to approval of only a few employment generating schemes by the Empowered Committee and implementation thereof during the year. Rs.14,94.50 lakhs (99.9 per cent) provided for the scheme were surrendered in 1983-84 also.

9.	30. Social Welfare	Supplementary Nutrition in Integrated Child Development Scheme (288.D.AE. II.JF)	97.54	52.4

Surrender was mainly due to reduction of feeding charges (Rs. 78.99 lakhs) on account of reduced number of beneficiaries under the scheme.

10.	36. Irrigation	Modernisation of tanks having an ayacut of less than 200 hectares (333.A.AD.II. JE)	4,41.44	73.6

The scheme is implemented with assistance from European Economic Community. Surrender was due to late positioning of staff and loss of working season during 1984--85, late supply of tools and plant by Tamil Nadu Small Industries Corporation and Public Works Work shop, non-finalisation of ayacut area master plan and plan for lining of field channels and non-approval of 32 Tank Improvement Schemes submitted to Government in March 1984.

11.	52. Capital Outlay on Public Works-Buildings	Construction of quarters for Primary Health Centres (480.A.AA.VI.UA)	1,01.99	62.1

Surrender was due to non-completion of preliminary formalities like acquisition (5 cases) and handing over (6 cases) of sites.

12.	52. Capital Outlay on Public Works-Buildings	Construction of buildings in Medical Colleges and Hospitals (480.A.AB. II.JA)	4,59.86	61.0

Surrender was mainly due to non-completion of building works on account of slow progress, changes in design, delayed finalisation of agreement with Tamil Nadu Construction Corporation, etc.

13.	57. Miscellaneous Capital Outlay	Development of landing facilities (fisheries) (512.A. AC.VI.UA)	1,72.79	57.4

Surrender was due to slow progress of works on account of delay in completion of dredging in 4 fishing harbours and non-finalisiation of agency for execution of work in another fishing harbour.

2.2.6. *Overprovisioning.*—In 5 grants, original provision of Rs 1,90.31 crores was augmented by supplementary provision of Rs. 5.78 crores, but the expenditure did not come up to the original provision, resulting in a saving of Rs. 42.62 crores (22 per cent) as detailed below. This could have almost been avoided had the supplementary provision been restricted to only token provision for 'New Service' items.

Description of grant	*Supplementary provision* (in crores of rupees)	*Amount of savings* (in crores of rupees) (percentage of provision)	*Main reasons for saving*
(1)	(2)	(3)	(4)
30. Social Welfare	4.53	12.50 (17)	Vide-reasons against this grant in paragraph 2.2.4.
33. Housing ..	0.19	1.03 (6)	Surrender of Rs. 1.30 crores was due to delay in acquisition of lands for Sites and Services scheme under Madras Urban Development Project II.

(1)	(2)	(3)	(4)
43. Miscellaneous	0.97	24.10 (31)	*Vide*-reasons against this grant in paragraph 2.2.4.
53. Capital Outlay on Roads and Bridges	0.08	4.52 (16)	*Vide*-reasons against this grant in Paragraph 2.2.4.
54. Capital Outlay on Road Transport Services and Shipping	0.02	0.47 (34)	Not taking up construction of foot bridge from main land to Vivekananda Rock Memorial (Rs. 0.20 crore) and non-receipt of Government sanction for Development of Colachel Port (Rs. 0.17 crore).

2.2.7. Persistent savings of 5 per cent and above were noticed in the following grants:—

Serial number and grant	1982—83		1983—84		1984—85	
	Amount (in crores of rupees)	*Percentage*	*Amount (in crores of rupees)*	*Percentage*	*Amount (in crores of rupees)*	*Percentage*
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. Civil Supplies ..	6.04	10	5.70	6	16.31	8
2. Fire Services ..	0.43	8	1.29	21	0.56	8
3. Fisheries ..	0.24	5	0.91	18	0.74	13
4. Miscellaneous ..	44.80	49	43.29	54	24.10	31
5. Social Welfare ..	4.47	7	8.10	13	12.50	17
6. State Legislature ..	0.09	6	0.09	7	0.22	15
7. Capital Outlay on Agriculture	2.96	39	0.77	11	0.97	19
8. Capital Outlay on Irrigation	7.48	16	19.64	30	6.61	11
9. Capital Outlay on Public Works—Buildings	6.80	18	6.78	16	14.83	30

2.2.8. In the following grants, the expenditure exceeded the provision by more than Rs. 1 crore each and also by more than 5 per cent of the total provision.

Description of the grant	*Amount of excess* (in crores of rupees) (percentage of provision)	*Main reasons for excess*
(1)	(2)	(3)
37. Public Works-Buildings	1.51 (32)	Payment of property taxes and maintenance of 'Other Office buildings and court buildings (Other than Technical Education Department)' (0.04 crore). Reason for excess of Rs. 1.75 crores under 'Other Office and court buildings (other than Technical Education Department)' (Rs. 0.82 crore), 'Miscellaneous Works Advances (Technical Education Department)' (Rs. 0.22 crore), 'repairs and renovation of damaged public buildings due to flood' (Rs. 0.18 crore), 'construction of cyclone relief shelters' (Rs. 0.17 crore) and other items (Rs. 0.36 crore) had not been communicated.
42. Pensions and other Retirement Benefits	5.15 (8)	More payment under 'pensions' due to increase in the number of Tamil Nadu Government pensioners, enhancement of monthly minimum pension from Rs. 100 to Rs. 125 with effect from 1st April 1982 and arrears under liberalised pension formula from October 1979 to May 1984 consequent on Supreme Court Judgement (Rs. 1.77 crores), payment of additional instalments of dearness allowance to pensioners (Rs. 1.80 crores) and more payment of death-*cum*-retirement gratuities and commuted value of pensions due to increase in the number of pensioners and sanction of commutation without medical examination applied for within a year of sanction of pension (Rs. 1.43 crores).

2.2.9. Persistent excess was noticed in Grant No. 42. Pensions and Other Retirement Benefits during 1982-83 (Rs. 3.88 crores—10 per cent), 1983-84 (Rs. 2.80 crores — 5 per cent) and 1984-85 (Rs. 5.15 crores—8 per cent).

2.2.10. Provision by reappropriation proved significantly inadequate in the following cases:—

Grant/appropriation	*Head of account*	*Reappropriation*	*Final excess*
		(in lakhs of rupees)	
(i) 11. District Administration	253.A.AB.I.AD.Ryotwari Village Services	5.74	39.76
	253.A.AA.I.AA.Collectors and Magistrates	10.61	27.13
(ii) 18. Medical	280.A.AB.I.AK. Government Stanley Hospital, Madras	12.71	15.04
(iii) 19. Public Health ..	281.A.B.III.SB. Rural Sub-Centres	99.99	29.81
	281.AF.III.SA. Compensation for Tubectomy	82.35	72.28
	281.AF.III.SD. Compensation for Vasectomy	23.20	41.93
(iv) 20. Agriculture ..	305. AC.II.JA. State Seed Farms	3.22	50.10
	305.AM.I.AC. Tractor Hiring Scheme	16.30	52.96
(v) 28. Community Development Projects and Municipal Administration	314.A.AA.I.AE. Block Headquarters	1,60.80	33.38
	288. D.AE.I.AV. Staff for implementing Nutritious noon meal programme in rural areas	19.66	44.55
(vi) 30. Social Welfare ..	288.D.AC.I.AC. Assistance to Schools for the Defective	11.60	38.77
	288. D.AD.I.AO. Mahalir Mandram	0.06	22.79
	288.E.AA.I.AA. Old Age Pensions	47.38	13.35
(vii) 32. Welfare of the Backward Classes, etc.	288.C.AE.I.AR. Pre-Matric Scholarship to Backward Classes	7.08	44.70
	288.C.AE.II.JM. Post-Matric Scholarship for Backward Classes	0.81	26.00
	288.C.AE.II.JM. Pre-Matric Scholarship for Backward Classes	1.98	16.85
(viii) 39. Roads and Bridges	337.A.AG.II.JA.Construction	9.00	14.29

(ix) 40. Road Transport Services and Shipping	265.A.M.I.AA. Motor Vehicles Maintenance Organisation,	14.60	21.48
(x) 41. Relief on account of Natural Calamities	289.B.AF.I.AA. Medical and Public Health Measures in flood affected areas	10.00	11.54
(xi) 42. Pensions and Other Retirement Benefits	266.AK.I.AC. Gratuities	1.84	36.77
	266.AA.I.AA. Payment to Tamil Nadu Government Pensioners	0.14	1,77.08
(xii) 43. Miscellaneous ..	288.E.AE.I.BE. Tamil Nadu Government Employees'Special Provident Fund-cum-Gratuity Scheme	1,62.00	49.19
(xiii) 46. Compensation and Assignments	363.AA.I.AA. Entertainment Tax	0.10	1,22.58
(xiv) 49. Capital Outlay on Agriculture	506.AA.II.JA. Equipments for Tube-Wells	7.36	22.12
(xv) 51. Capital Outlay on Irrigation	482.A.AC.II.JA. Water Supply to Madras City from Krishna River	45.90	11.31
(xvi) 52. Capital Outlay on Public Works—Buildings	481.AB.III.SA.Buildings-For Integrated Nutrition Project with Assistance from DANIDA	15.60	89.38
(xvii) 57. Miscellaneous Capital Outlay	498.AK.V.ZA. Assistance towards the Share Capital of Co-operative Spinning Mills	6.99	1,25.00

2.2.11. *Budgetory procedure and Expenditure control*

A test check by Audit of the records of selected departments disclosed the following :—

(i) *Grant No.* 20. *Agriculture.*— (*a*) The rules provide that the estimates should be so framed that they are neither inflated nor under-pitched, but are as accurate as possible. In March 1985, Government obtained a supplementary provision of Rs. 12,00 lakhs (included in Rs. 14,00 lakhs provided under the head "305. A. AE. II. JH") for payment of production incentive to farmers in Cauvery Delta for supply of paddy to the State owned Tamil Nadu Civil Supplies Corporation during the ensuing "Samba" season. Though the target for procurement in 'Samba' season was fixed at 5 lakh tonnes, as early as January 1985 and the

incentive payable thereon would only be Rs. 7.50 lakhs, at the rate of Rs. 150 per tonne, the provision was not restricted to the actual requirement of Rs. 7,50 lakhs, but was fixed at Rs. 12,00 lakhs. The excess provision of Rs. 4,50 lakhs and its ultimate surrender in March 1985 (included in Rs. 5,77.65 lakhs surrendered under this head) contributed to nearly 72 per cent of the total saving of Rs. 6,25.17 lakhs under the grant.

(*b*) According to rules, in respect of new schemes for which provision is included in the budget, pending scrutiny and issue of sanction, every effort should be made to issue the sanctions with the least possible delay after the demands for grants have been voted, at any rate before the end of April so that the expenditure could be phased and the provision utilised during the year. For the implementation of the scheme of water management in Sathanur Reservoir Right Bank Canal Command Area Project, a provision of Rs. 8.14 lakhs was made in the budget estimate under the head "308. AA. II. JD. Water Management on Farm Development and Command Areas". However, a separate division for implementation of the scheme was sanctioned by Government only in September 1984 and formed only in February 1985. Belated issue of sanction and formation of the division had resulted in surrender of Rs. 4.49 lakhs, representing 55 per cent of the provision under the head.

(*c*) The rules provide that the estimates should be so framed as to cover all items of expenditure expected to be incurred in the coming year for the normal working of the departments with reference to the existing sanctions. Even though the services of the employees of the State Agricultural Marketing Board were provincialised as far back as June 1982 and the expenditure on their pay and allowances was to be initially met from Government funds, no provision was made towards their pay and allowances in the budgets for 1983-84 and 1984-85. In those years, the expenditure of Rs. 0.31 lakh and Rs. 16.63 lakhs respectively was met by reappropriation of funds. In 1984—85, even the provision of Rs. 3.51 lakhs made by reappropriation in March 1985 was far less than the expenditure of Rs. 16.63 lakhs, leaving the balance of Rs. 13.12 lakhs uncovered.

(*d*) Rules provide that provision should cover all charges not only to be paid during the year but also to be adjusted in the accounts of that year. During 1983—84, an expenditure of Rs. 49.70 lakhs was met from the Contingency Fund on the new service of Soil and Moisture

Conservation of Manjalar Watershed Project under Western Ghat Development Programme. To recoup the Contingency Fund, provision of Rs. 49.70 lakhs was obtained through the Supplementary Estimate presented in October 1984. Accordingly the amount was credited to the Contingency Fund by debit to Consolidated Fund under "307. AE. III. SG." in the accounts for 1984-85. However, the provision of Rs. 49.70 lakhs was surrendered in March 1985 for the reason that the amount was drawn even in 1983-84. The erroneous surrender of the provision (included in the total withdrawal of Rs. 92.27 lakhs under "307. AE. III. SG") which was rightly obtained through Supplementary Estimate, resulted in excess expenditure under the head.

(ii) *Grant No. 41—Relief on account of Natural Calamities.*— Based on the reports of the Collectors of Chenglalpattu and Thanjavur, the Special Commissioner and Commissioner of Revenue Administration proposed in February 1985 provision of Rs. 1,84 lakhs under "289. B. AC. I. AE. "towards payment of cash doles to persons affected in flood. In February 1985, Government sanctioned the expenditure on disbursement of cash grant, supply of rice, etc. to persons affected in flood to be debited under "289. B. AE. I. AB". In the Supplementary Estimate presented in March 1985, provision for this expenditure was obtained both under "289. B. AC.I.AE" and "289. B. AE.I.AB". Consequently, provision of Rs. 1,84.12 lakhs was surrendered in March 1985 under "289. B.AC.I.AE"; this surrender contributed to 53 per cent of the saving of Rs. 3,50.08 lakhs under the grant.

These instances indicate that neither the forecast was realistic nor the control of expenditure effective.

2.3. Expenditure on New Service

2.3.1. According to rules, expenditure on a scheme/service not contemplated in the Budget Estimate or in excess of the provision therefor in the Budget Estimate constitutes new service or new instrument of service, when the expenditure exceeds the limits prescribed in the rules. In such cases expenditure can be incurred only after obtaining either an advance from the Contingency Fund, pending authorisation of funds by the Legislature or provision of funds through Supplementary Estimates. Expenditure on the two schemes mentioned below, which constituted new service, was incurred without the approval of the Legislature.

2.3.2. The rules provide that expenditure on additional staff, though for a purely temporary need for a specific period, constitutes a new instrument of service if it exceeds Rs. 2 lakhs recurring/Rs. 3 lakhs non-recurring per annum. Expenditure of Rs. 46.20 lakhs on special staff for restoration of Government roads affected by floods, for which there was no provision in the Budget Estimate, was met by reappropriation in March 1985 from savings within the grant. Omission to obtain authorisation of the Legislature through a token provision in the Supplementary Grants in March 1985 had resulted in the expenditure on the new instrument of service escaping the notice of the Legislature.

2.3.3. The rules provide that grant-in-aid, the like of which had not been voted in the past, exceeding Rs. 50,000 is a new service. In November 1984, Government sanctioned a grant of Rs. 6.98 lakhs to Chitamur Panchayat Union in Chengalpattu district for construction of 60 latrines and 60 bathrooms at Melmaruvathur to provide sanitary facilities to the devotees visiting the Adiparasakthi temple. The expenditure was met out of the provision made for the scheme of constructing one public latrine per Revenue village. One public latrine was already provided to the village under the scheme. As construction of 60 latrines and 60 bathrooms in the village was outside the scope of the scheme, the expenditure of Rs. 6.98 lakhs constituted a new service and should have been met following the new service procedure. Failure to have followed the new service procedure had resulted in the expenditure escaping the notice of the Legislature.

2.4. Advances from Contingency Fund

The Corpus of the Contingency Fund placed at the disposal of Government to meet unforeseen expenditure pending authorisation by the State Legislature was Rs. 50 crores.

Advances from the Fund can be made only to meet unforeseen expenditure not provided for in the Budget and of such an emergent character that postponement thereof till the vote of the Legislature is taken, would be undesirable.

The supplementary estimates for all expenditure so sanctioned and withdrawn from the Contingency Fund are required to be presented to the Legislature at the first or second session of Legislature as may be practicable, immediately after the advance is sanctioned.

Two hundred and fourteen sanctions were issued during 1984-85 advancing Rs. 57,46.87 lakhs from the Contingency Fund. It was noticed that—

(i) 28 sanctions for Rs. 2,33.58 lakhs were neither operated nor cancelled ;

(ii) The actual expenditure (Rs. 70.34 lakhs) against 19 sanctions was less than 50 per cent of the amount sanctioned (Rs. 3,17.14 lakhs);

(iii) In 3 cases, the amount drawn from the Contingency Fund (Rs. 7.08 lakhs) exceeded the amount sanctioned (Rs. 4.63 lakhs); and

(iv) Six advances amounting to Rs. 3,95.02 lakhs sanctioned and drwan during March 1985 remained unrecouped to the Fund at the end of the year—*Vide* details given below :

		(in lakhs of rupees)
265.	Other Administrative Services	13.32
282.	Public Health, Sanitation and Water Supply	18.37
498.	Capital Outlay on Co-operation	3,63. 15
698.	Loans for Co-operation	0.18

2.5. Non-receipt of explanations for savings/excesses

After the close of each financial year, the detailed apropriation accounts showing the final grants/appropriations, the actual expenditure and the resultant variations are sent to the controlling officers requiring them to explain significant variations under the heads. Out of 329 heads, the explanations for variations were not received (April 1986) in 187 cases (57 per cent).

2.6. Shortfall/excess in recoveries

Under the system of gross budgeting followed by Government, the demands for grants presented to the Legislature are for gross expenditure and exclude all credits and recoveries which are adjusted in the accounts

in reduction of expenditure; the anticipated recoveries and credits are shown separately in the Budget estimates. During 1984-85, such recoveries were anticipated at Rs. 79.70 crores; actual recoveries during the year were Rs. 48.73 crores. Some of the important cases of shortfall/ excess as compared to estimates are detailed in Appendix IV.

2.7. Reconciliation of departmental figures

Rules require that the departmental figures of expenditure should be reconciled with those of the Accountant General every month. The reconciliation has remained in arrears in several departments.

The number of Controlling Officers who did not reconcile their figures and the amounts involved are indicated below :—

Year	*Number of controlling officers who did not reconcile their figures*	*Amount not reconciled*
(1)	(2)	(3)
		(in lakhs of rupees)
1980—81 and earlier years	56	1,13,53.11
1981—82	13	47,10.51
1982—83	18	1,10,79.28
1983—84	22	1,86,87.21
1984—85	40	12,01,78.99
Total ..	149	16,60.09.10

In the following departments, amounts remaining unreconciled during 1984-85 exceeded Rs. 10 crores.—

Department	*Amount not reconciled*
(1)	(2)
	(in lakhs of rupees)
Agriculture	1,47,12.22
Co-operation	13,54.48
Commercial Taxes	31,50.00
Education	3,38,37.65
Food	1,63,72.34
General Administration	11,20.87
Home	77,27.23
Industries	22,88.10
Judicial	13,00.26
Medical and Family Welfare	1,05,15.19
Public Health	14,79.32
Public	11,90.17
Public Works	64,33.07
Revenue	69,03.90
Rural Development and Local Administration	51,67.52

2.8. Withdrawal of funds in advance of requirements

In March and July 1982, Government sanctioned Rs. 6.92 lakhs for construction of four godowns for storing certified oilseeds for distribution to the farmers. Though for execution of Government works funds need not be deposited with the Public Works Department (PWD), which was to execute the works and despite one of the Executive Engineers of the concerned PWD divisions brought the rules position to the notice of the Director of Oil Seeds, the Director, after obtaining permission of Government, withdrew the entire sanctioned amount in March 1983 to avoid surrender of funds and deposited it with PWD.

Three godowns were completed between December 1983 and Aprii 1985 after delays ranging from 9 to 24 months. Construction of the fourth godown was not commenced for want of a suitable site and the deposit of Rs. 1.63 lakhs, lying unutilised with PWD, was surrendered to Government in September 1985.

Government stated in September 1985 that it was decided to draw and place the amount at the disposal of the PWD, in order to facilitate spending the sanctioned amount before the end of 1982—83.

Drawal of funds in advance of requirements and depositing it with PWD, eventhough such deposit was not required to be made for Government works, with a view to avoid lapse of provision, was against financial rules.

CHAPTER III

CIVIL DEPARTMENTS

AGRICULTURE DEPARTMENT

3.1. Rinderpest Eradication Scheme

3.1.1. With a view to controlling and eradicating rinderpest, the cattle plague, in Tamil Nadu, Rinderpest Eradication Scheme is being implemented by the Government from March 1965. It consists of preventive vaccination of cattle susceptible to the disease besides treatment of cattle affected by it during its outbreak and is implemented by Rinderpest District Squads, Vigilance Units and Check-posts comprising Veterinary Assistant Surgeons and Vaccinators.

3.1.2. The expenditure incurred on the scheme under Plan, non-Plan and Centrally Sponsored Schemes during the period 1978—79 to 1984—85 (up to July 1984) was Rs. 2,38.79 lakhs as indicated below:—

Year	*State Plan*	*Centrally sponsored schemes/ shared equally between State and Centre*	*Non-Plan*	*Total*
(1)	(2)	(3)	(4)	(5)
		(in lakhs of rupees)		
1978—79	4.41	7.40	18.54	30.35
1979—80	1.24	7.59	21.70	30.53
1980—81	12.87	8.57	23.05	44.49
1981—82	7.78	10.56	26.92	45.26
1982—83	4.41	8.76	22.78	35.95
1983—84	5.75	8.90	24.17	38.82
1984—85 (Up to July 1984)	3.06	2.68	7.65	13.39
Total ..	39.52	54.46	1,44.81	2,38.79

3.1.3. Certain points noticed in audit in implementing the schemes are mentioned in the succeeding paragraphs.

3.1.4.1. The targets fixed and actual vaccination done during 1978—79 to 1983—84 were as indicated below :—

Year	*Number of Vaccinations*	
	Target	*Actual*
(1)	(2)	(3)
	(in lakhs)	
1978—79	55.50	55.32
1979—80	55.56	57.53
1980—81	58.11	48.36
1981—82	62.61	61.63
1982—83	62.61	56.09
1983—84	38.03	46.80

As the period of immunity of rinderpest vaccine is three years, to control the disease, 78·30 lakh livestock (one third of the total population) should be covered annually. The annual targets and achievements of vaccinations were far below this requirement. Further, the targets were fixed based on the number of vaccinators sanctioned and not on the requirement to cover the entire population over a period of 3 years. The result was that not only coverage of cattle by preventive vaccination was not complete but also continued immunity of vaccinated cattle was not maintained.

3.1.4.2. The shortfall in performance in 1980—81 was attributed, by the Director of Animal Husbandry, to the reluctance of farmers to get their cattle vaccinated during the severe drought conditions prevalent in the State. The shortfall in performance in 1982—83 and the reduction of target for 1983—84 were attributed to shortage of vaccinators consequent on their deputation for training and their subsequent promotion as livestock inspectors. Two hundred (100 from January 1982 and 200 from May 1984) out of the 292 sanctioned posts of vaccinators were vacant as in May 1984. Orders of Government on the proposals of the Director of Animal Husbandry for filling up the vacancies, made in December 1981 and January 1984, were awaited (May 1985).

3.1.4.3. The disease/infection can be checked only by preventive vaccination of at least 80 per cent of the cattle population in a contiguous area (otherwise indicated as herd-immune level). But even this level of 62.64 lakh vaccinations was not targeted in 4 of the 6 years mentioned in para 3.1.4.1 nor achieved in any of the 6 years. There had been 110 outbreaks of the disease during 1978—79 to 1984—85, indicative of its inadequate control, resulting in 8,527 attacks and 6,197 deaths. Seventy one per cent of the outbreaks occurred in 1980—81 and 1981—82 resulting in 5,693 deaths.

3.1.5.1. There was short supply of vaccine by the Institute of Veterinary and Preventive Medicine, Ranipet (IVPM), ranging from 8 to 45 per cent of the indents placed by implementing agencies during 1980—81 to 1984—85. The short supply of vaccine was reported to have affected the programme of vaccination in some districts.

3.1.5.2. To increase production of tissue culture rinderpest vaccine (TCRV) in IVPM from 50—60 lakh doses in 1980—81 to 80—90 lakh doses per annum by 1984—85, Government sanctioned in July 1981 setting up of a laboratory at a cost of Rs. 20.83 lakhs (non-recurring : Rs. 20.11 lakhs; recurring : Rs. 0.72 lakh). The work, which was commenced in May 1982 and on which Rs. 12.99 lakhs had been spent up to February 1985, was yet to be completed (May 1985).

3.1.5.3. Though the laboratory was yet to commence production, additional staff sanctioned to cope with the anticipated additional work load were employed from August/September 1981; expenditure on staff up to March 1985 was Rs. 2.24 lakhs.

3.1.6. Preventive vaccination has to be done by reconstituting tissue culture rinderpest vaccine using only the buffer solution supplied by IVPM; when the vaccine is reconstituted by other means, its viability is affected and immunity to disease may not be developed. However, in three rinderpest squad units (Ramanathapuram, Shencottah and Tirunelveli), vaccines reconstituted with distilled water and saline prepared locally with saline tablets, which constituted 13 to 40 per cent of the total quantity of solution, were used for vaccination during 1977—78 to 1982—83. As such the cattle so vaccinated would not have developed immunity to the disease.

3.1.7. There were 49 known routes open for movement of cattle between Tamil Nadu and neighbouring States. Checkposts for regulation of the movement and vaccination of cattle were, however, located only at 16 (13 till May 1982 and 16 thereafter) of these routes through which only 20 per cent of the estimated cattle movement was reported to take place. The animals moving through the remaining routes escaped vaccination, though according to Government, they were carriers of the disease causing outbreaks.

3.1.8. Loss of vaccine occurring in field offices due to breakage of vials, wastage after reconstitution and long storage during 1975—76 to 1982—83 ranged up to 26 per cent of the total quantity received in Madurai, Ramanathapuram and Shencottah units. The department had not prescribed any percentage for permissible wastage.

3.1.9. *Summing up.*—The targets fixed and actual number of vaccinations done during the years 1978—79 to 1983—84 were less than one-third of the total cattle population required to be covered each year to control the disease.

Herd-immune level was not attained during the years 1978—79 to 1983—84 resulting in outbreaks of disease.

Short supply of rinderpest vaccine by IVPM ranged from 8 to 45 per cent during 1980—81 to 1984—85.

Government generally accepted (November 1985) the facts.

EDUCATION DEPARTMENT

3.2. Universalisation of elementary education for the age group 6—14

3.2.1.1. *Introductory.*—The programme of universalisation of elementary education was initiated with the object of achieving complete coverage of all children in the age group 6 to 14 by 1990, by creating facilities for enrolment and improvement in the quality of education. Elementary education has two stages, *viz.*, primary, for the age group 6—11 years (Standards I—V) and middle, for the age group 11—14 years (Standards VI to VIII)and is imparted in primary schools, middle schools and middle sections of High/Higher Secondary Schools.

3.2.1.2. *Organisational set up.*—(a) *State level.*—The Director of School Education is the authority for planning and executing schemes relevant to school education. Directorate of Non-formal Education provides educational facilities to students who have dropped out from the schools and non-starters.

(b) *District level.*—The Chief Educational Officers (CEOs) in each of the Revenue Districts plan and watch the progress of education and exercise academic control through District Educational Officers (DEOs), Inspectresses of Girls' Schools, Deputy Inspectors of Schools and Assistant Educational Officers. District Adult Education Officers (DAEOs) are in charge of non-formal education in each Revenue district, assisted by field officers.

As on 30th September 1983, the strength of pupils in the age group 6—14 was as follows :—

Age group (1)	*Standards* (2)	*Pupils* (3)	*Boys* (4)	*Girls* (5)
		(in lakhs)		
6—11	I—V	68.74	37.24	31.50
11—14	VI—VIII	21.91	13.29	8.62
		90.65	50.53	40.12

3.2.1.3. *Finance and Accounts.*—Budget allocation and expenditure for the years 1979—80 to 1983—84 in respect of elementary education were as under :—

Year	*Non-Plan**		*Plan*	
	Budget allocation	*Expenditure*	*Budget allocation*	*Expenditure*
(1)	(2)	(3)	(4)	(5)
		(in crores of rupees)		
1979—80	99.30	95.44	0.70	0.27
1980—81	1,07.49	1,09.53	1.72	1.40
1981—82	1,16.66	1,15.76	2.81	2.13
1982 83	1,57.20	1,55.10	3.82	3.61
1983—84	1,77.13	1,75.04	5.23	4.91

* Excludes figures relating to pupils in the age group 11—14 in High/Higher Secondary Schools as they are not separately available.

3.2.1.4. The accounts and records of 7 out of 16 CEOs, 15 out of 51 DEOs, 5 out of 14 Inspectresses of Girls' Schools and 6 out of 15 DAEOs were test checked in audit during October 1984 to April 1985 in addition to the relevant records in the Education Department of the Secretariat and Directorates of School Education and Non- formal Education. Important points noticed are given below:—

3.2.2. Universalisation of elementary education

3.2.2.1. *Additional enrolment.*—During the Sixth Plan period, the State was to reach universalisation of primary education (age group 6—11) and achieve a substantial increase in the enrolment at the middle stage (age group 11—14). For this purpose, target was fixed each year for additional enrolment over and above the enrolment of previous year. There was shortfall in achievement of additional enrolment by 39 per cent in one year in the primary stage and by 25 and 15 per cent in two years in the middle stage during 1980—81 to 1984—85 as indicated below :—

Year	*Target for additional enrolment*		*Achievement*	
	6—11	11—14	6—11	11—14
(1)	(2)	(3)	(4)	(5)
	(in lakhs)			
1979—80	NA	NA	1.06	0.65
1980—81	1.00	1.00	1.18	0.75
1981—82	1.00	1.00	0.61	1.22
1982—83	1.00	1.00	2.26	0.85
1983—84	1.00	1.00	2.40	1.42
1984—85 ..	1.00	1.00	1.70	1.28

N.A. : Not available

3.2.2.2. *Enrolment boosted by long absentees.*—According to the department, the enrolment rose from 94.64 per cent in 1979—80 to 98.66 per cent in 1984—85, of the total school age children in the age group 6—11 and from 59.68 per cent in 1979—80 to 72.18 per cent in 1984—85 in the age group 11—14.

The enrolment mentioned above included 'long absentees' i.e., those whose names figured in the attendance registers but who did not turn up to school at all or continuously for nine months and more in the academic year. In 11 education districts, the average per centage of long absentees to total enrolment, in respect of 1,407 to 1,493 schools in the years 1979—80 to 1983—84 as per figures furnished by the range officers, ranged from 13 to 17.

Test check in audit of attendance registers of 267 schools in 10 education districts disclosed that the percentage of long absentees in individual schools was even more—20 and above in 80, 87, 68 and 68 schools in 1980—81 to 1983—84 respectively; in 8, 8, 3 and 4 schools, it was as high as 50 to 60 per cent. One DEO reported that long absentees were removed from the rolls once and for all, only when such removals would not adversely affect the achievement of enrolment. Due to non-removal of the names of long absentees from the rolls, the number of children imparted education was less than the number reported as enrolled each year and, to this extent, the reported achievement, based on enrolment, was overstated and the goal of universalisation far away.

3.2.2.3. The progress of coverage in the age group 11—14 in the 6 years 1979—80 to 1984—85 was only a marginal increase of 12.50 per cent. As the programme envisaged complete coverage of all the children in the age group of 6—14 by 1990, 27.82 per cent was still to be covered in the next five years.

3.2.2.4. *Survey of children.*—Survey of children was to be conducted and all the school age children were to be enumerated in the register of census by teachers of schools every year during summer vacation and their admission in schools ensured without omission.

The Deputy Inspectors of the department merely verified whether the children, enumerated as per the census register, had all been admitted. There was no machinery to verify that the enumeration was complete. In the centres imparting non-formal education in South Arcot and Chengalpattu districts, the average percentage of non-starters to total enrolment ranged from 6 to 46 in the years 1979—80 to 1983—84, indicating that the enumeration was not done properly. Government stated in October 1985 that instructions had been issued for effective collection of data by teachers and check by inspecting officers.

3.2.3. *Drop outs.*—According to the department, the percentage of drop outs at the primary stage (I to V) had come down from 42.09 in 1976—77 to 26.48 in 1983—84. However, a comparison of the number of children who were admitted in I standard in the year 1979—80 with the number who appeared for annual examination in V standard in the year 1983—84 in selected schools in 13 education districts disclosed that the crude dropout rate in those districts ranged from 7 to 48 per cent. It was over 40 per cent in 3 districts, between 30 and 40 per cent in 2 districts, 20 and 30 per cent in 4 districts and less than 20 per cent in the other 4 districts.

The DEOs, Cheyyar, Kancheepuram and Mayiladuthurai, attributed the drop outs to (i) poor economic condition of the families of children, (ii) necessity to earn and supplement family income and (iii) detention of children in houses to take care of other kids.

3.2.4.1. *Teacher pupil ratio.*—According to the orders issued by Government in 1964, one teacher was permitted for every 35 and 30 pupils in primary and upper primary standards respectively. The State average of teacher pupil ratio, which was 1 : 35 in primary schools and 1 : 24 in middle schools in 1975—76, slid in 1982—83 to 1 : 41 and 1 : 39 respectively. But State averages concealed a very high strength of students per teacher in a majority of schools as brought out below.

There were 2,645 single teacher schools in the State as on 30th September 1983. The per teacher strength in 196 out of 230 of those schools in 10 education districts test checked was more than 35 as indicated below :

Per teacher strength	*Number of schools*	*Percentage to total number of schools*
(1)	(2)	(3)
Up to 35	34	15
Between 36 and 49	59	26
Between 50 and 59	53	23
Between 60 and 69	38	17
Over 70	46	20

3.2.4.2. In 989 out of 1,469 primary and middle schools test checked in 10 districts, two or more sections were combined together and managed by one teacher due to heavy shortage of teachers. The shortage of teachers, with reference to the admissible strength on the basis of average attendance, as in July 1984, was over 40 per cent in 437 schools, between 20 and 40 per cent in 455 schools and less than 20 per cent in 97 schools.

3.2.4.3. Based on the increase in the average attendance of pupils in the age groups 6—11 and 11—14 in the years 1976—77 to 1983—84, the requirement of additional secondary grade teachers according to the department, was 75,156 as per the approved teacher pupil ratio. But only 7,350 posts of secondary grade teachers were sanctioned between 1976—77 and 1983—84, 400 in 1976—77, 700 in 1977—78, 1,000 each in the years 1978—79 to 1982—83 and 1,250 in 1983—84. The reasons for not sanctioning the required number of teachers were awaited from the department. The DEOs, Kancheepuram, Cheyyar, Mayiladuthurai, Tiruvannamalai and Vellore stated that the heavy shortage of teachers and overcrowding in classes resulted in 'lack of personal attention to raise standards of education'.

3.2.4.4. There were also 330 posts of secondary grade teachers vacant in 8 districts for periods ranging from 1 to 12 months as on 31st March 1985.

3.2.4.5. While there was heavy shortage of teachers as indicated in para 3.2.4.3, there were surplus teachers over and above the requirement in several Panchayat Union and Municipal Schools. In 159 schools in 13 districts, 271 teachers were in excess of requirement as per the approved teacher pupil ratio, during the year 1984-85, the excess in individual schools ranging from 1 to 8 teachers. The expenditure on the excess teachers amounted to nearly Rs. 27.10 lakhs (at the rate of Rs. 10,000 per teacher per year on an average). The department had not taken action to divert the excess teachers to schools where there was shortage.

3.2.4.6. Government stated in October 1985 that district level surveys regarding the requirement of teacher posts had been ordered in February 1985 and that reports were awaited from some of the inspecting officers for taking a decision.

3.2.5. *Inspection and surprise visits*

3.2.5.1. As per the Inspection Code of the Education department, the Deputy Inspectors of Schools were required to make one annual inspection and three surprise visits per school and also cover all the elementary schools in their range within the calender year. In the years 1979 to 1984 annual inspection was not conducted in 40 to 54 per cent of the schools (ranging from 2,869 in 1979 to 7,179 in 1984) test checked in audit.

Annual inspection was not done continuously for 4 years in 688 schools, for 3 years in 838 schools and for 2 years in 1,117 schools.

3.2.5.2. There was also shortfall in surprise visits ranging from 51 to 56 per cent in respect of 8,194 to 8,408 schools in the years 1982 to 1984.

3.2.5.3. By not conducting annual inspection as well as required number of surprise visits, the Deputy Inspectors of Schools concerned did not discharge their main duty of watching the proper functioning of schools. They explained that they were overburdened with the work relating to Chief Minister's Nutritious Noon-Meal Programme launched in 1982 and hence they could not cover all the schools for inspection and visits each year. While the shortfall in inspection

had increased by about 9 to 10 per cent during the years 1982 to 1984, the shortfall in coverage even prior to 1982 was considerable (40 to 44 per cent) for which no reasons were adduced.

3.2.6. *Building and other essential facilities*

3.2.6.1. Lack of essential facilities in schools was one of the more important factors contributing to the slow progress of achievement of the goal of universalisation. Essential facilities included school buildings, safe drinking water, toilet/lavatory blocks in general and in particular for girls, furniture, equipment, teaching aids, etc.

3.2.6.2. In 681 out of 1,722 schools test checked in 21 ranges in 12 education districts, there was paucity of accommodation and classes were conducted in verandas, under tree shades and in open space.

3.2.6.3. Out of 1,673 schools test checked in 9 education districts, buildings in 507 schools required repairs.

3.2.6.4. Out of 103 school buildings constructed and completed during 1981-82 and 1982-83 in 5 Panchayat Unions, 42 (approximate cost: Rs. 20 lakhs) were utilised as Balwadis and feeding centres under Chief Minister's Nutritious Noon-Meal Programme without conducting schools therein.

3.2.6.5. In 12 education districts, drinking water supply was not available in 693 out of 1,722 schools in 14 ranges, there were no urinals and lavatory facilities for girls/woman teachers in 1,488 out of 1,722 schools in 21 ranges and there was shortage of black boards in 699 out of 1,257 schools in 16 ranges; as against 4,351 boards required, only 2,318 boards were available in those schools. The provision of seating for teachers and pupils was also inadequate, as in 597 schools test checked in 13 ranges of 10 education districts, there was shortage of 1,311 chairs and 1,464 tables and as against the requirement of 9,749 benches and 9,861 planks in 565 schools in 9 ranges of 7 educational districts, there were only 4,249 benches and 3,693 planks.

3.2.7. *Educational Technology*

3.2.7.1. Out of Rs. 0.90 lakh and Rs. 1.04 lakhs disbursed as advance grant to 90 and 104 Panchayat Union Schools in the years 1978-79 and 1979-80 respectively, for the purchase of science equipments and teaching aids, 43 schools which received a grant of Rs. 0.43 lakh in 1978-79 utilised Rs. 0.09 lakh only and the balance of Rs. 0.34 lakh remained unutilised (May 1985). Reports regarding utilisation were awaited (May 1985) from the remaining 47 schools which received a grant of Rs. 0.47 lakh in 1978-79 and all the 104 schools which received a grant of Rs. 1.04 lakhs in 1979-80. Test check of 26 schools disclosed that 8 schools did not utilise the amounts yet (May 1985). The purpose of the grant was not largely achieved even 6 and 5 years after it was given.

3.2.7.2. Out of 18 and 16 firms on which orders were placed for Rs. 8.01 lakhs and Rs. 7.39 lakhs for supply of science equipments to 200 and 156 middle schools in 1981-82 and 1982-83 respectively, 3 and 4 firms did not make any supply at all (June 1985), value of supply not made being Rs. 1.08 lakhs and Rs. 0.48 lakh; 5 and 7 firms did not effect supplies to 46 and 62 schools (June 1985) (value : Rs. 0.40 lakh and Rs. 0.89 lakh). Items not supplied included apparatus and also chemicals essential for experiments. Out of 59 schools in 14 districts for which information was available, 26 did not have trained teachers to handle the apparatus.

3.2.7.3. Each of the 51 education districts is provided with a science laboratory van under the control of a Deputy Inspector of Schools (Science) for giving practical demonstration in science teaching in schools in rural areas, which were not provided with laboratory facilities and for verification of science kits supplied to them. Each van was to cover 200 to 250 schools a year. Test check of the performance of 12 vans disclosed that the prescribed minimum of 200 schools a year was covered by only 4, 2 and 1 in the years 1982-83 to 1984-85.

The DEOs attributed the poor performance to frequent repairs to vehicles and preoccupation of Science Deputy Inspectors of Schools with other miscellaneous works. Government stated in October 1985 that instructions had been issued for prompt repair of vehicles to ensure the prescribed coverage.

3.2.7.4. With a view to bringing about qualitative improvement of education through maximum utilisation of the educational broadcasts, radios or transistors were provided to 31,887 schools. Out of 7,608 schools test checked in 15 districts, the radios/transistors were in working condition only in 3,704 schools and in respect of other schools, the position was that 47 were stolen, 2,514 were under repair, 1,145 were not working due to non-supply of cells/ electricity and 198 were to be condemned.

3.2.8. *Pre-vocational training.*—As at the end of September 1983, there were 3,147 full-time and 605 part-time craft instructors in Higher Elementary Schools for training students in crafts. In 15 Education districts, out of 944 Higher Elementary Schools where craft instructors were working, prevocational training was not imparted in 779, as in 338 schools there were no equipments, in 47, the equipments were under repair for periods ranging from 6 months to 12 years and in 394 there was no supply of raw materials in the years 1979-80 to 1983-84, though there were equipments in good condition. The Deputy Inspectors of the ranges stated that the services of craft instructors were utilised for regular acadamic teaching work. The expenditure of approximately Rs. 46.74 lakhs per year on payment of salaries to 779 prevocational Instructors employed in those 779 schools had not achieved the intended objective.

3.2.9. *Non-Formal System of Education*

3.2.9.1. The programme of universalisation of Elementary Education was, *inter alia*, to cover promotion of non-formal system of learning to cater to those children who had never been to school or who had dropped out of the formal system. Centres of non-formal education for age group 6-14 were started in 1976-77 in all the 375 panchayat unions at the rate of one centre per union, which was increased progressively to 4 centres per union. The entire cost was borne by the State Government. A separate Directorate of Non-formal Education was formed in 1976-77 to give an impetus to the scheme. The minimum enrolment in a centre was to be 30 pupils. Slates, text books, note books, and pencils were given to the pupils free of cost. Teachers were selected

from local residents and posted after being trained for a week. The course was for a period of 10 months and the centre would run for 3 years in a place, before being shifted to another.

3.2.9.2. The achievement of non-formal education in the State since 1978-79 was as follows:

Year	*Number of centres*	*Number of learners*	*Expenditure incurred*
(1)	(2)	(3)	(4)
			(in lakhs of rupees) →
1978-79	1,444	46,239	13.14
1979-80	1,073	33,110	9.36
1980-81	1,424	46,511	17.55
1981-82	996	31,506	12.95
1982-83	1,068	32,750	14.85
1983-84	420	11,943	14.91
1984-85	180	5,400	Not yet ready

There had been a drastic reduction in the number of centres and learners—from 1,444 centres and 46,239 learners in 1978-79 to 180 centres and 5,400 learners in 1984-85. Reasons for the reduction were awaited from the Department (November 1985).

3.2.9.3. (a) In three districts (South Arcot, Tiruchirappalli and Dharmapuri), out of 1,179 centres started between January 1978 and October 1984, 25 centres did not function at all, 60 did not function for periods ranging from 6 to 9 months, 138 for periods ranging from 2 to 5 months and 206 for periods of less than 2 months, as evidenced from non-receipt of monthly returns from the centres and non-payment of honorarium to the instructors for those months. Thus, in all, about 36 per cent of the centres did not function for the full course of 10 months.

(b) The DAEOs did not obtain from the centres the attendance registers and evaluation sheets of learners for record in their offices at the end of the course; those records were left with the instructors themselves with the result they were not available for verification to ensure the percentage of attendance of the learners and their literacy attainments, claimed by the department.

(c) The trained teachers were to continue for the full period of 3 years in each centre. Out of 420 teachers trained in 4 districts in the years 1979-80 to 1983-84, 220 quit before completing the full 3 year period; of those, 200 worked for only 12 months or less.

3.2.10. *Gift paper account of Non-formal Education*

3.2.10.1. Government of India supplied to Tamil Nadu during 1980-81 to 1982-83, free of cost, 1,372.148 tonnes of paper procured from the assistance provided by Swedish International Development Agency (SIDA) for non-formal elementary education programme for children in the age group 6-14 on the condition that the paper should not be utilised for any other programme.

The paper was received by the Tamil Nadu Text Book Society, which was doing the printing work for both formal and Non-formal education programmes of Government. The Directorate of Non-formal Education did not maintain stock account of receipt, utilisation and balance of SIDA paper, with the result that it could not be ensured whether the paper was utilised only for the intended purpose and how much of it was still remaining to be utilised. From the stock account of books maintained by the Directorate, it was seen that of the three titles relating to non-formal education, printed and supplied by the Society, SIDA paper was used for only one and the requirement of paper based on the number of copies, pages and size worked out to 41.89 tonnes only. There were diversions for other purposes as indicated below:

(i) In November 1983, Government permitted the Society to utilise 300 tonnes of paper for printing books for formal education on the condition that it should be replenished when the society's stock position became satisfactory. The Directorate had no information till date (May 1985) as to how much paper was temporarily diverted and whether it had been replenished.

(ii) In May 1983, Government permitted use of 6 tonnes of paper (value : Rs. 0.50 lakh) for population education programme, a State programme implemented by the State Council of Educational Research and Training.

3.2.10.2. Eighty tonnes of offset printing paper were received in 4 consignments during 1981-82. As, in one consignment, 5 bundles were received short, a joint inspection along with the suppliers was done in May 1983 and the shortage in that consignment fixed, by sample check, at 1.29 tonnes, for which the suppliers accepted liability. As the other three consignments of offset paper and all the consignments of other papers were not verified, during the joint inspection in May 1983, by samples check, the suppliers refused to accept further shortages noticed by the Society as under:

(i) 28 reams of offset paper noticed in December 1983.

(ii) 8.61 tonnes in 420 tonnes in lot 21 of glazed paper noticed in February 1984.

3.2.10.3. Quarterly reports on the utilisation of SIDA paper were not sent to Government of India by the State Government till date (May 1985).

3.2.11. *Comprehensive Access to Primary Education*

3.2.11.1. Comprehensive Access to Primary Education (CAPE) is a part of the effort to achieve the target of enrolling school children in the age group 6-14 in part-time non-formal education. The main objectives of the programme were (i) to develop non-formal system of education as an alternative to formal education and (ii) to evolve flexible work-based decentralised curricula and learning materials relevant to the needs, life situations of diverse groups of children not only for non-formal channels but also for formal channels of education. These were to be achieved by (i) developing and trying out the learning episodes for the children, (ii) introducing into the curriculam of Elementary Teacher Training Institutes and inservice education programmes, a training-cum-production for developing curriculam materials and generating a source for learning materials, (iii) developing non-formal learning centres for providing

accredited education to the children in the target group of 9-14 and slow learners attending to formal schooling and (iv) developing evaluation centres and accredition services for the evaluation and certification of learners in the non-formal centres.

3.2.11.2. While the National Council of Educational Research and Training (NCERT) at New Delhi was the central resources centre, the State Council of Educational Research and Training (SCERT) was the regional decentralised resources centre. The programme was implemented from September 1979.

3.2.11.3. During 1979 to 1984, assistance received from NCERT amounted to Rs. 15.95 lakhs, while the expenditure incurred on the programme was Rs. 17.37 lakhs. In addition to the direct expenditure, the State Government also incurred expenditure by way of pay and allowances of the staff of SCERT, maintenance of vehicles, etc. The running expenditure of the training centres was also borne by the State Government.

3.2.11.4. It was programmed to establish 292 centres—73 centres at the pilot stage by July 1982 and 219 at the wider stage by July 1983, to be attached to 73 Teacher Training Institutes (TTI) in the State at the rate of 1 and 3 centres respectively. Though the State Government sanctioned setting up of 73 pilot centres in March 1982, the locations of the centres were identified by the SCERT only in November 1983 and approved by the State Government in March 1985. Consequent on the delay in identification of the centres and obtaining Government's approval, the centres were opened only during January—March 1985.

3.2.11.5. According to the department, the delay in opening the centres was also due to the delay in getting the modules printed. Processing and refining of the learning materials produced by the trainees in the TTIs during 1979-80 to 1981-82 were taken up only during 1982 and there was a further delay of about a year in printing the modules due to difficulties in getting them printed. Up to September 1985, 100 modules for 900 learning hours were developed and printed by SCERT; however, only 47 modules for 450 learning hours had been sent to the centres.

3.2.11.6. Out of 8,668 reams of SIDA gift printing paper received from the Government of India through the Directorate of Non-formal Education during 1983-85 for this project, 1,414 reams were diverted by SCERT for another project on formal education.

3.2.11.7. Steel shelves for stocking learning materials, slates for learners and science kits as envisaged in the project had not been supplied to the centres (September 1985).

3.2.11.8. From the reports of functioning of 43 centres, it was seen that the enrolment was less than 30 (as on 31st July 1985) in 20 centres and the average attendance was 20 and below in 19 centres.

3.2.11.9. Eventhough the project was primarily intended to rope in children belonging to the disadvantaged section of the society, statistics regarding the number of Scheduled Caste/Scheduled Tribe children enrolled under this project had not been collected by SCERT.

3.2.12. *To sum up* —

The enrolment in the age group 6-11 which rose from 94.64 per cent in 1979-80 to 98.66 in 1984-85 was found to be boosted by long absentees by as much as 13 to 17 per cent.

The survey of school age children to ensure their compulsory admission was not effective and complete.

The dropout rate was 26.48 per cent at the end of 1983-84. Test check disclosed a crude dropout rate of even over 40 per cent in 3 districts.

The teacher pupil ratio for the State as a whole was 1:41 in primary schools and 1:39 in middle schools in 1982-83 as against the prescribed ratio of 1:35 and 1:30 respectively. In individual schools test checked, it was still higher, over 1:70 in 20 per cent of schools. This was due to heavy shortage of teachers.

There were also quite a number of schools having surplus teachers. The expenditure on the excess teachers in 159 schools amounted to Rs. 27.10 lakhs per annum.

Annual inspection of schools was not conducted by the Deputy Inspectors in 40 to 54 per cent of schools in the years 1979 to 1984. There was also shortfall of more than 50 per cent in surprise visits of schools by them in the years 1982 to 1984.

Out of 103 school buildings in 5 panchayat unions constructed during 1981-82 and 1982-83, 42 were used for other purposes. There was paucity of accommodation in 681 out of 1,722 schools test checked.

Out of Rs. 1.94 lakhs paid as grant to 194 schools during 1978-79 and 1979-80 for purchasing sciecne equipments, utilisation was reported for Rs. 0.09 lakh only.

Out of Rs. 15.40 lakhs for which orders were placed in 1981-82 and 1982-83 for supply of science equipments to middle schools, supplies were not received for Rs. 2.85 lakhs.

About 83 per cent of the craft teachers in higher elementary schools, on whom Rs. 46.74 lakhs were spent per annum as pay and allowances, did not give any craft training to pupils.

There was drastic reduction in the non-formal centres for age group 6-14 after 1982-83. About 36 per cent of non-formal centres did not function for the full course of 10 months.

There was diversion of 306 tonnes of SIDA paper, received from Government of India, to purposes other than non-formal education for which they were to be used.

3.3. Adult Education Programme

3.3.1. *Introductory.*—Adult Education Programme was launched by the Government of India, as a National Programme, on 2nd October 1978 with the object of providing educational facilities by 1983-84, to all illiterate persons in the age group 15-35 in the country, so as to enable them to acquire basic literacy skill, upgrade their vocational skill for more productive use of time and raise the level of their social awareness. The programme was mainly confined to rural areas, priority being given to

coverage of women, scheduled castes and scheduled tribes. In the Sixth Five Year Plan, the programme was included under "Minimum Needs Programme" and envisaged 100 per cent coverage of all the illiterate persons, by 1990. The different projects functioning under the programme are (i) Rural Functional Literacy Projects (RFLP), (ii) Shramik Vidyapeeth, (iii) Nehru Yuvak Kendras, (iv) Adult Educaion through voluntary agencies, Universities and Colleges and (v) Post-Literacy and Follow up Programme. Items (i), (ii) and (v) are Centrally sponsored schemes implemented by the State Government. Item (iii) is implemented by the Government of India and item (iv) by voluntary agencies, Universities and Colleges.

With a view to speeding up the programme, the State Government is also implementing two schemes:—"State Adult Education Programme (SAEP)" from 1979-80 and Post-Literacy and Follow up Programme from 1981-82 as State Plan schemes.

3.3.2. *Organisational set up.*— At the State level, the Directorate of Non-formal and Adult Education (DNAE) is in overall control of the programme. At the district level, District Adult Education Officer (DAEO) is to oversee and monitor the implementation of the programme by the various agencies.

3.3.3. *Funding.*—(*a*) During the years 1979-80 to 1984-85 the Government of India made available to the State Government as assistance for the Programme Rs. 5,92.56 lakhs. The State Government had spent Rs. 13,50.90 lakhs—Rs. 5,04.73 lakhs on the Centrally sponsored schemes, Rs. 7,37.06 lakhs on State Schemes and Rs. 1,09.11 lakhs on the State Directorate.

Year-wise and scheme-wise details of assistance received from Government of India and expenditure incurred by the State Government are given in Appendix V.

(*b*) Financial assistance is released to voluntary agencies direct by the Government of India. Full details of assistance released to them and expenditure incurred on the programme by those agencies and also by Nehru Yuvak Kendras run by Government of India were not available with either the DNAE or DAEO concerned, though they were to co-ordinate and monitor the programme for the State as a whole.

3.3.4. *Physical targets and achievement.*—All the sixty five lakh illiterate persons in the age group 15-35 in Tamil Nadu were proposed to be covered in the five years from 1978-79 to 1982-83. However, in 1978-79 only preparatory work was done. The coverage during the three years from 1979-80 to 1981-82 by the various agencies was only 10.83 lakhs against the target of 51.80 lakhs as shown below:—

Agency	*Target up to* 1981-82	*Achievement*
(1)	(2)	(3)
	(in lakhs)	
Government	34.00	9.59
Voluntary agencies	13.00	0.63
Universities and Colleges	4.00	0.42
Nehru Yuvak Kendras	0.80	0.19
Total ..	51.80	10.83

The poor performance was attributed by the department to fixation of unrealistic target and non-availability of adequate funds. In 1982-83, taking into account past performance and availability of funds, the target to be covered by 1990 was revised as 63.71 lakhs—13.71 lakhs in the remaining 3 years 1982-83 to 1984-85 of the VI Plan and 50 lakhs during the VII Plan period 1985-86 to 1989-90. As against the target of 13.71 lakhs for the years 1982-83 to 1984-85, the achievement was 15.57 lakhs. The achievement over and above the target was due to setting up of 54 additional projects with 100 centres each during 1983-84 by the State Government under SAEP.

3.3.5. *Audit coverage.*— The implementation of the programme in the State was reviewed in audit during October 1984 to April 1985 with reference to records available in the Secretariat, DNAE, 7 District Adult Education Offices and 64 projects. Important points noticed are mentioned below.

3.3.6. *RFLP AND SAEP.*—RFLP envisaged setting up of a minimum of one project per district with 300 adult education centres with an average enrolment of 30 adult illiterate persons per centre. The course in each centre was to run for 10 months at the end of which learners' attainment was to be evaluated by a simple test. Each centre was to be manned by one instructor appointed from among the local residents and trained for the purpose. The project was to be headed by a Project Officer to be assisted by ten supervisors, each to supervise 30 centres. The learners were to be provided, free of cost, with books, slates and pencils and the centres with teaching materials and other equipments such as lanterns, where needed. Government of India provided assistance at the rate of Rs.5.20 lakhs per project (revised to Rs. 8.55 lakhs from 1st February 1984). As on 31st March 1985, 27 projects with 8,100 centres were functioning in Tamil Nadu.

Under SAEP, each project was to consist of 100 adult education centres with an average enrolment of 30 learners per centre and to be headed by Project Officer assisted by three supervisors. Sixtyone projects were started in February—March 1980 and another 54 projects in October 1983.

(*i*) *Attendance.*— Of the 55,347 centres which functioned in the State between July 1979 and December 1984, the average attendance was below 20 as against the minimum of 30, in 16,739 centres. In 11 districts, out of 91,600 learners enrolled in the years 1979-80 to 1983-84, 11,697 learners dropped out, after attending the course for periods ranging from one to four months as against the prescribed ten months. The project officers attributed the absenteeism and dropping out to lack of sustained interest on the part of the learners and their migration in search of employment. The department did not, however, take steps to sustain interest in the learners, indicating lack of adequate motivational efforts. A generator purchased by DNAE in September 1982 at a cost of Rs. 14,000 for use in the propaganda van of the Madurai District Audlt Education Officer for propaganda purposes in non-electrified areas was remaining unutilised ever since its purchase due to its over size.

(*ii*) *Evaluation test.*— In four districts, out of 1,09,404 learners enrolled in RFLP centres during November 1980 to December 1984, only 97,697 attended the evaluation tests conducted at the conclusion of the courses to assess their attainment. Of these, 5,854 were found to fall under the category "to improve". The Project Officers stated that due to commencement of agricultural operations in the periods in which the tests were conducted, the learners who were agricultural labourers did not attend the tests.

(*iii*) *Non-Provision of facilities to the centres.*— Of the 2,100 RFLP centres run in the first phase from July 1979 to April 1980, 854 were not electrified; of these, 736 which functioned after 6.00 p.m. were not supplied with lanterns during the entire course of 10 months. The lanterns were procured by the Project Officers only in March 1980.

(*iv*) *Premature closure of centres.*— In nine districts, 594 centres were closed after running them for periods ranging from 1 to 7 months as against the prescribed period of 10 months. In lieu of those closed centres, new centres were

opened in other places for the unexpired period with new sets of learners and untrained instructors. Neither set of learners derived the full benefit of the course, though an expenditure of Rs. 7.98 lakhs had been incurred on those centres.

(v) *Printing and supply of books to the learners.*—Under orders of Government, DNAE entrusted the work of printing and supply of books to the learners to the Tamil Nadu Text Book Society. Payments were made to the society by DNAE in advance on the basis of provision for books made in the prescribed pattern of assistance/norms for the centres, without obtaining from the society an estimate for the value of supplies to be effected. The department did not also ascertain from the society the cost of supplies made against each payment and require the society to refund the balance. Out of Rs. 1,14.23 lakhs paid to the society during the period January 1978 to March 1985 towards supply of books, the society had utilised an amount of Rs. 60.98 lakhs, leaving an unutilised balance of Rs. 53.25 lakhs as at end of July 1985. The unutilised amount included Rs. 41.82 lakhs drawn and paid in March 1985. Thus, neither the payments made to the society from time to time were linked to the value of supplies to be effected by them nor the utilisation of the funds placed at the disposal of the society watched systematically by the department.

In March 1985, the DNAE withdrew, with the permission of the State Government, an amount of Rs. 34.37 lakhs provided for in the budget towards supply of equipments and materials to the adult education centres started in March 1985 and deposited it in a current account with the State Bank of India, with a view to avoiding lapse of budget provision. The amount remained to be utilised (April 1985), though it had figured as expenditure on the programme for the year 1984-85.

Of the amounts Rs. 41.82 lakhs and Rs. 34.37 lakhs drawn in March 1985 and remaining unutilised with the Tamil Nadu Text Book Society and the DNAE respectively, Rs. 25.87 lakhs and Rs. 29.19 lakhs related to the Centrally sponsored scheme of RFLP.

3.3.7. *Shramik Vidyapeeth*—The scheme, fully assisted by Government of India, provided for education in occupational growth to urban industrial workers and their families so as to improve

their functional capabilities and at the same time enrich their personal life. In Tamil Nadu, the scheme was implemented from 1982-83 and one shramik vidhyapeeth was established in July 1982 in Madras city. In December 1984, the Government of India had sanctioned the establishment of another vidhyapeeth at Madurai and released to the State Government Rs. 2.10 lakhs as grant for the purpose. Only in September 1985, the State Government issued orders and the Vidyapeeth started functioning.

3.3.8. *Nehru Yuvak Kendras.*—These non-student youth organisations, functioning directly under Government of India were also involved in adult education programme. In Tamil Nadu, 8 Nehru Yuvak Kendras were running 80 adult education centres as on 31st March 1985.

In one Kendra, 30 centres started in 1979-80 were closed down after running them for 5 ½ monthsas against the prescribed ten months. The expenditure of Rs. 13,182 incurred on them was unfruitful. Reasons for their premature closure were awaited from the Kendra (November 1985).

3.3.9. *Adult education by voluntary agencies.*—Under this scheme, financial assistance is provided by Government of India direct to voluntary agencies for running adult education centres depending upon their capacity and experience. The State Government was to oversee the programme. In Tamil Nadu there were 51 voluntary agencies running 2,265 centres as on 31st March 1985.

Though the voluntary agencies were required to furnish the prescribed progress reports quarterly to the DAEO concerned/DNAE for monitoring implementation of the programme, 12 voluntary agencies during 1982-83 and 18 during 1983-84 did not furnish the quarterly progress reports, with the result the consolidated reports sent by the State Directorate to the Central Directorate were inclomplete. The department did not also take adequate steps to obtain the returns from the voluntary agencies.

A voluntary agency in Madurai which received the first instalement grant of Rs. 60,000 in January 1984 (Rs. 37,000) and December 1984

(Rs. 23,000) from the Government of India for starting 30 adult education centres did not run any centre. This came to the notice of the DAEO, Madurai during the inspection of the agency in August 1984; the State Government reported the matter to the Government of India in April 1985. Further development was awaited (September 1985).

Two voluntary agencies had retained unspent balances of grant amounting to Rs. 24,000 from January 1980 onwards and did not remit the amount to the Government of India, despite notice issued by the State Government in July 1984.

3.3.10. *Post-literacy and follow up programme*.—With a view to preventing the neo-literates who had acquired basic literacy skill in the adult education centres, from lapsing into illiteracy, making them self-reliant and inducting them into a process of continuing education, the post-literacy and follow up programme was to be implemented at places where the regular adult education programme had been completed. Under the programme, books, periodicals and news papers were to be supplied to the centres for the benefit of the neo-literates. In respect of centres to cover the learners under RFLP, financial assistance is provided by the Government of India to the State Government at 20 per cent of the expenditure incurred on the RFLP centres. In places where the SAEP is in operation, the State Government is implementing the scheme as a State Plan scheme.

The post-literacy and follow up programme in respect of RFLP centres was implemented in the State only from 1983-84 and 1,200 and 1,300 centres were started in August 1983 and February 1985 respectively, to cover the learners who had completed their course in August 1982 and August 1983 in the third and fourth phases of RFLP, with the result that the learners who had completed the course in April 1980 and August 1981 in the first and second phases were not covered at all and those who had completed the course in August 1984 and December 1984 in the fifth and sixth phases were yet to be covered. As regards SAEP, the post-literacy and follow up programme was implemented from 1981-82 and 100, 122, 426 and 1,000 centres were started in the month of July of 1981, 1982, 1983 and October 1984 respectively to cover the learners who had completed the course in October 1980, December of 1981, 1982 and 1983 in the first to fourth phases. The learners who had completed the course in December 1984 in the fifth phase were yet to be covered (September 1985).

Under both RFLP and SAEP, the coverage was also not complete in that, out of 2.55 lakh learners in the third and fourth phases of RFLP and 8.12 lakh learners in the first to fourth phases of SAEP, those covered by post-literacy and follow up programme were only 0.75 lakh and 0.49 lakh respectively. Thus, due to the delay in commencement of the post-literacy programme and also the time gap between the completion of adult education course and commencement of follow up programme, the object of inducting the learners into a process of continuing education had been achieved only partially.

3.3.11. *Non-utilisation of award money*.—Under the scheme of incentive grant for promotion of adult female literacy, the Government of India sanctioned and released to the State Government, as award money for 1983-84, an amount of Rs. 31.75 lakhs in March 1984 as shown below—

(i) State award	Rs. 25 lakhs	For opening multi-purpose hostel-*cum*-training institute.
(ii) Award for one district.	Rs. 3 lakhs	For purchase of van for multi-purpose use.
(iii) Award for 75 best centres at Rs. 5,000 per centre.	Rs. 3.75 lakhs	For provision of sewing machines, knitting machines, reading material, etc., to the centre.

In November 1984, DNAE sent to the State Government proposals for utilisation of these amounts; orders of Government were yet to be issued (September 1985). The entire amount of Rs. 31.75 lakhs released to the State Government in March 1984 remained unutilised (September 1985).

3.3.12. *Summing up* —The attendance of learners in adult education centres was poor; in 16,739 out of 55,347 centres, it was below 20 as against the prescribed minimum of 30. Out of 91,600

learners enrolled in the years 1979-80 to 1983-84 in 11 districts, 11,697 learners dropped out in the middle of the course.

Out of 1,09,404 learners enrolled in RFLP centres, the attainment of only 97,697 was evaluated. Of these, 5,854 were found to fall under the category 'to improve'.

In 736 RFLP centres which functioned after 6.00 P.M. in the first phase of the programme from July 1979 to April 1980, lanterns were not supplied during the entire course of ten months.

In 9 districts, 594 centres were closed prematurely before completion of the full course of 10 months and new centres in lieu of closed centres opened in other places for the unexpired period with new sets of learners and instructors, with the result neither set of learners was benefitted; the expenditure on such centres amounted to Rs. 7.98 lakhs.

There was an unutilised balance of Rs. 53.25 lakhs as at the end of March 1985 lying with the Tamil Nadu Text Book Society which was to supply the books required for the centres.

Rupees 41.82 lakhs and Rs. 34.37 lakhs were drawn in March 1985 and kept outside the Government account with a view to avoiding lapse of grant; though these amounts figured as expenditure they remained unutilised.

In one Nehru Yuvak Kendra, 30 centres started in 1979-80 were closed in the middle after incurring an expenditure of Rs. 13,182.

A voluntary agency in Madurai which received from Government of India Rs. 60,000 as the first instalment of grant in January 1984 and December 1984 for starting 30 adult education centres did not at all run any centre.

Post-literacy benefits were not extended to learners of the first and second phases of RFLP; coverage of learners in the third and fourth phases of RFLP and first to fourth phases of SAEP was also not complete.

Award money of Rs. 31.75 lakhs received from Government of India in March 1984 remained unutilised with the State Government.

While accepting the facts, Government stated (November 1985) that orders for utilisation of cash award of Rs. 6.75 lakhs had been issued in November 1985 and that orders for utilisation of the balance award of Rs. 25 lakhs would be issued shortly.

3.4. Expenditure on surplus staff

In June 1979, Government ordered the conversion of Government Technical High School, Nagapattinam, as Higher Secondary School (Vocational Stream) from the year 1979-80. Consequent on the conversion, only three of the nine vocational courses, conducted earlier, were continued in the school from 1981-82 rendering one instructor (mechanical), one foreman instructor, five workshop instructors, one junior assistant (store-kepper) and one school-assistant (Humanities) surplus. Though the school proposed in April 1981 to the Director of Technical Education that the surplus staff be transferred to other institutions, two workshop instructors were transferred from the school only in June 1984 and September 1984. Government stated in August 1985 that services of the staff were utilised to develop skills, in the associated trades, of the students and for attending to maintenance and supervision of workshop machinery etc. It was noticed in audit that five posts of workshop instructor and thirteen posts of instructor (mechanical) were vacant in Government Polytechnics at Vellore, Madurai, Coimbatore, Madras, Krishnagiri and Ettayapuram earliest from 15th July 1982 and 1st April 1983 respectively. Particulars of vacancies prior to July 1982 were not available with the Director of Technical Education. Retention of the surplus staff in the school without transferring them to polytechnics where their services could have been fully utilised against existing vacancies resulted in wasteful expenditure of Rs. 2.43 lakhs on their pay and allowances for the period from June 1981 to May 1985.

3.5. Inadmissible payment of Leave Travel Concession claims

In June 1981, Government introduced a scheme of Leave Travel Concession (LTC) to their employees. The scheme provided, *inter alia*, that Government would reimburse the cost of travel one way

by rail or bus between the employee's place of duty and place of visit, limited to the share of the fare by the shortest route on 'through' ticket basis, irrespective of the route taken or halts made on the way by the employees during the visit. In October 1982, Government clarified that travel might be by any conveyance, subject to the condition that the claim would be limited to the admissible rail or bus fare, as the case may be. A test check conducted by audit in July 1984 and December 1984 of the LTC claims paid in the offices of the District Educational Officers (DEOs), Thuckalay and Dharmapuri, disclosed that the claims for 1983-84 were not restricted to the fare by the shortest route on 'through' ticket basis, resulting in overpayment of Rs. 1.93 lakhs (Thuckalay: Rs. 1.10 lakhs; Dharmapuri: Rs.0.83 lakh). District Educational Officer, Thuckalay, reported in July 1985 that a sum of Rs. 1.07 lakhs had been recovered. In the office of the DEO, Dharmapuri, inadmissible claims such as half railway fare for children aged 5 and below (Rs. 0.14 lakh), fare for relatives other than family members such as widowed sister, parents-in-law, etc. (Rs. 0.01 lakh),had also been admitted, indicating that internal check of the claims was not adequate.

The matter was reported to Government in July 1985; their reply is awaited (November 1985).

ELECTRONICS, SCIENCE AND TECHNOLOGY DEPARTMENT

3.6. Idle equipment

The Service and Repair Cell for Electro Medical Equipments at Thanjavur was established in 1970 as a departmentally run unit. Expansion of the cell was approved by Government in July 1976 for attending to the service and repair of modern sophisticated electromedical equipments like E.C.Gs, pacemakers, muscle stimulators, etc. Electrical and electronic test equipments were acquired by the Cell, between August 1973 and December 1978 at a total cost of Rs. 2.24 lakhs. The staff available in the cell were neither qualified nor trained in operation of those equipments. Servicing and repairing of sophisticated equipments were carried out by the cell only during January to June 1978 by engaging, on daily wage basis, 2 degree and 2 diploma holders in Electronics. In May 1981, the work of

service and repair of special equipments was allotted by Government to Electronics Testing Laboratories at Madurai, Madras and Hosur and hence the cell did not attend to such service/repair. The test equipments (cost:Rs. 2.24 lakhs) remained idle with the cell for over 7 years and were yet (July 1985) to be transferred to other laboratories where they could be used.

The matter was reported to Government in August 1985; their reply is awaited (November 1985).

FOREST AND FISHERIES DEPARTMENT

3.7. Afforestation, Social and Farm Forestry including Rural Fuel Wood Plantations

3.7.1.1. *Introductory.*—Forests maintain the ecological balance, reduce soil erosion, supply raw materials to wood based industries and generate employment. Due to rapid growth of population, there had been gradual denudation of forests resulting in deficiencies and shortages creating distortion in community life and the environment.

The national forests policy formulated in 1952 has recommended that at least one third of the land should be under forests. Of the total geographical area of 130.02 lakh hectares in Tamil Nadu, forest area to end of March 1982 was 21.50 lakh hectares (16.5 per cent.)

Government took up from 1960 onwards the scheme of farm forestry which aimed at afforestation outside reserve forests, reafforestation of degraded forests, raising strip plantations along road avenues, canal banks and railway lines. In order to increase the forest area from the existing 16.84 per cent in 1972 to 18.2 per cent of the total geographical area during the respective plan period 1972 to 1984, several programmes such as extension forestry, mixed plantations and village forests were implemented. In 1980, the Centrally sponsored scheme of rural fuel wood plantations was launched. The social forestry programmes were included as an item in the new 20 point Economic Programme

from 1981-82 and are being implemented by the Government with the financial assistance of Swedish International Development Authority (SIDA).

3.7.1.2. The Centrally sponsored rural fuel wood scheme and the SIDA aided social forestry scheme, which, *inter alia*, include distribution of seedlings to the public as one of their components, are implemented by twenty-one forest divisions under a separate wing (Social Forestry) under the co-ordination of an Additional Chief Conservator of Forests. The remaining afforestation work is implemented by regular territorial forest divisions, Tamil Nadu Forest Plantation Corporation and some civil departments.

3.7.2. The targets and achievements under the twenty point programme for the period from 1981-82 to 1984-85 were as indicated below:

Serial number and name of the component	1981—82		1982—83		1983—84		1984—85	
	T	*A*	*T*	*A*	*T*	*A*	*T*	*A*
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1. Seedlings** planted under Afforestation (in lakhs)	*	746	883	989	1,000	1,192	1,050	1,107
2. Area planted under Social Forestry (in thousand hectares)	*	35	43	38	37	29	40	38
3. Seedlings supplied to public (in lakhs)	*	65	217	173	260	460	270	444

T: Target; A: Achievement

* No targets were fixed by Government of India for the year 1981-82.

** The figures reported under 'Afforestation' include seedlings planted under social forestry schemes and those supplied to the public under Farm Forestry Scheme (items 2 and 3 above).

The shortfall in respect of item 2 during the years 1982-83 and 1983-84 was attributed to severe drought in 1982-83 and unprecedented heavy rains in December 1983 and non-availability of encroachment-free waste lands.

3.7.3. A review of the implementation of the SIDA aided Social Forestry Scheme and the Centrally sponsored Rural Fuel Wood Scheme in eight Social Forestry divisions and four Social Forestry circles and two afforestation schemes in six territorial district forest offices conducted by Audit during November 1984—March 1985 disclosed the following points.

3.7.4. *SIDA aided Social Forestry*

3.7.4.1. Under an agreement (February 1982) between the Governments of Sweden and India, a project with an outlay of Rs. 108 crores over a period of ten years was formulated with the object of creating land based assets in the form of forests to fulfil the rural requirements of fuel wood, small timber, fodder, minor forest produce, etc. and for providing employment opportunities to the rural masses. The assistance received by the State Government from Government of India was in the form of 70 per cent loan and 30 per cent grant. The loan carried interest at the prescribed rates from time to time and was repayable in 15 annual equal instalments of principal together with the interest on the outstanding principal, commencing from the year subsequent to the year of release. The amount due each year was, however, payable in instalments on the first of July, October, January and March. The first phase of the project for the period from 1981-82 to 1985-86 at an estimated cost of Rs. 45 crores was sanctioned by Government in November 1981. The corresponding assistance to be made available by the Government of Sweden was Rs. 35 crores. Expenditure of Rs. 26.58 crores had been incurred till March 1985, against which Government of Sweden had released Rs. 18 crores to Government of India.

3.7.4.2. The project comprises of six components supported by research, training, publicity, monitoring and evaluation. The targets and achievements (physical and financial) in respect of the six components and the Central assistance received during the period from 1981-82 to 1984-85 were as given below:

(A) Physical

Serial number and component of the Scheme	1981—82		1982—83		1983-84		1984—85	
	T	A	T	A	T	A	T	A
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Farm Forestry								
1. Tree Cultivation Incentive Programme (TCIP) (in million seedlings)	2.52	1.25	2.52	3.77	2.52	7.07	2.52	7.21
2. Tree Cultivation Extension Programme (TECP) (in million seedlings).	7.50	1.88	7.50	7.42	7.50	20.95	7.50	24.07
Total ..	10.02	3.13	10.02	11.19	10.02	28.02	10.02	31.28
Community Forestry (in hectares)								
3. (i) Poramboke plains	2,940	619	2,940	2,188	2,940	1,686	2,940	824
(ii) Poramboke hills	4,900	3,685	4,900	3,346	4,900	2,977	4,900	2,999
4. Tank Foreshores	26,400	19,347	26,400	22,887	26,400	18,189	26,400	17,415
5. Fodder	1,050	37	1,050	361	1,050	428	1,050	417
Total	35,290	23,688	35,290	28,782	35,290	23,280	35,290	21,655
Community Forestry ..								
6. Strip plantations (in kilometres) ..	1,215	1,284	1,215	1,854	1,215	1,698	1,215	1,769

T: Target; A: Achievement.

Target is as per Appraised Project Document.

(B) Financial

Year	Amount required as per appraised project document	Provision	Actuals	Central assistance
(1)	(2)	(3)	(4)	(5)
			(in lakhs of rupees)	
1981—82	7,70.60	6,02.17	4,18.27	2,59.00
1982—83	8,27.60	7,94.31	6,99.56	1,81.31
1983—84	8,95.00	8,46.86	8,29.61	5,61.51
1984—85	9,69.10	9,83.48	7,10.80	2,72.88
Total ..	34,62.30	32,26.82	26,58.24	12,74.70

The shortfall in achievement in the case of poramboke plains (55 per cent) and poramboke hills (34 per cent) was due to non-availability of suitable areas. In the case of tank foreshore plantations the shortfall was 26 per cent, mainly due to late starting of the project in 1981-82, drought conditions in 1982-83 and unprecedented heavy rains during 1983-84 (December 1983 to March 1984). The progress under newly started Fodder Plantations Scheme was only 30 per cent.

3.7.4.3. *Raising of seedlings at the Nurseries.*—(a) Seedlings raised at the nurseries are pricked out into polythene containers and watered for not less than 100 days before being ready for planting in May or June every year. Proper account showing the number of seedlings raised, utilised, balance and conditions, etc, has not been maintained.

*(b) Seedlings raised in polythene containers could be preserved in good condition for an optimum period of 5 to 7 months before they are planted. Beyond this period, roots will begin to circle and result in stunted growth when planted.

According to the monthly progress reports of physical achievement of the Divisional Forest Officers, 1,256.84 lakh seedlings were raised and maintained during the period from April 1982 to March 1984. Only 9,88.78 lakhs of these seedlings were utilised. The remaining 2,68.06 lakh seedlings (cost: Rs. 58.60 lakhs) were not put to use within the optimum preservation period of 7 months and they remained unaccounted in the four Social Forestry Circles.

(c) In Tiruvallur division, the department noticed the following irregularities :

(i) 10.20 lakhs of polythene bags were issued to Forest Rangers for raising seedlings during the year 1983—84. But, labour charges for raising 12.37 lakh seedlings were stated to have been paid resulting in overcharging labour cost for 2.17 lakh seedlings in accounts ;

(ii) damage of 24,500 seedlings ;

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* Reference: Seedlings Physiology and Reforestation success by Mary L. Duryea and Gregory N. Brown

(iii) non-accountal of 2.22 lakh seedlings in 1983—84 ; and

(iv) expenditure on raising 66,000 seedlings (nursery at Tirupatchur : 30,000; Perambakkam nursery : 36,000) was shown to have been incurred without actually raising the seedlings.

(d) Shortage of 25.95* lakh seedlings valued at Rs. 4.91 lakhs was noticed by the Additional Chief Conservator of Forests in June 1984 in Social Forestry Division, Pudukkottai. The Divisional Forest Officer admitted shortages of 10.94 lakh seedlings (cost : Rs. 1.97 lakhs).

(e) Similarly, shortages of 16.59* lakh seedlings raised in 1982-83 and of 25.57* lakh seedlings raised in 1983-84 were noticed by the department in Tirunelveli Circle.

Disciplinary action against the officials had been initiated (September 1985) in Tiruvallur and Pudukkottai divisions and in all the four divisions of Tirunelveli Circle.

3.7.4.4. *Over payment of watering charges.*—According to the ceiling rates for 1983—84 fixed by the Chief Conservator of Forests (April 1983) watering of container seedlings should be done twice daily for the first 40 days, once daily for the next 30 days, once on alternate days for the subsequent 30 days and thereafter (for 20 days) once in 3 days. However, in Tirunelveli circle the schedule of rates for watering fixed by the Conservator of Forests during 1983-84 contemplated watering the container seedlings twice daily even beyond the first 40 days. The Divisional Forest Officers are required to adopt either the circle schedule of rates or the ceiling rates fixed by the Chief Conservator of Forests whichever is lower. Though watering was required to be done only once beyond 40 days, in Tirunelveli, Kovilpatti and Tiruchendur divisions the higher rate meant for watering twice daily was erroneously adopted for the period of watering done beyond the first 40 days during the year 1983-84. Similar over payment was noticed during 1984-85 also in Tirunelveli, Madurai and Sivaganga Social Forestry divisions, even though the relevant item in the circle schedule of rates clearly indicated that watering should be done only once beyound 40 days at half the rate meant for watering twice a day. Total over-payment due to

*Included in 268.06 lakh seedlings mentioned in para 3.7.4.3(b) above.

adoption of incorrect rates was Rs. 1.03 lakhs. The Additional Chief Conservator of Forests stated that the rates and watering regime were fixed by the circle Conservators taking into account the locality factors. Since the Chief Conservator also must have fixed the rates (April 1983) on the same considerations and as the rates and watering regime had been fixed by a higher authority, adoption of different rates at circle level without approvel of the Chief Conservator was not proper.

3.7.4.5. The schedule of rates for watering in Sivaganga and Madurai divisions provide separate rates for watering container seedlings by rose can and flood watering of seedlings in pots. However, for watering seedlings in polythene bags the rates applicable to flood watering of pots was adopted during 1984-85 incurring an extra expenditure of Rs. 0.58 lakh. The Additional Chief Conservator of Forests indicated in September 1985 that the matter was under examination.

3.7.4.6. *Weeding and soil working.*—(a) There was no uniformity in the adoption of rates for the first and second operations in the various circles. In Vellore and Tiruchirappalli circles in 1983-84 and 1984-85, the rate for the second operation was Rs. 5 less than the first, due to comparatively easier nature of work. However, in Madurai and Tirunelveli Circles no distinction was made between the first and second operations and a single rate as for the first operation was paid resulting in extra payment of Rs. 0.43 lakh. (b) (i) The Forest schedule of rates of Vellore circle provided different rates for the first and second weeding and soil working operations. In two Social Forestry divisions (Villupuram and Tiruvallur) the higher rate applicable for the first operation was paid for the second weeding and soil working operations in 1982-83 and 1983-84. The consequential excess payment was Rs. 0.23 lakh.

(ii) The ceiling rate for 1984—85 fixed by the Chief Conservator of Forests (June 1984) for weeding and soil working operations was Rs. 90 per 1,000 plants whereas the schedule of rate of Vellore Circle was Rs. 120 per 1,000 plants. Payments were erroneously made at rates higher than the ceiling rates in the Social Forestry Divisions (Tiruvallur, Tiruvannamalai and Vellore) resulting in an over payment of Rs. 1.11 lakhs.

(c) In Villupuram, Vellore and Thanjavur Social Forestry Divisions soil working and weeding was stated to have been done during December 1983 to March 1984 at a cost of Rs. 0.82 lakh which did not seem plausible

as the tanks were full during the period due to unseasonal rains. In reply, the Additional Chief Conservator of Forests stated (September 1985) that the operations had actually been carried out before December 1983. It was, however, noticed by audit from the Plantation Journals that the operations had been recorded as having been carried out during December 1983 to March 1984.

3.7.4.7. *Polythene bags.*—Annual physical verification of stock of polythene bags at divisions and at range offices was not done.

Two lakh bags (cost : Rs. 0.12 lakh) were found short (February 1984) in Tiruvallur range of Tiruvallur division and responsibility therefor had not been fixed (November 1985).

3.7.4.8. *Tree Cultivation Incentive Programmes (TCIP).*—Under this programme, an individual household is entitled, free of cost, to 500 seedlings of suitable fuel, small timber, fodder and fruit yielding species.

(i) The distribution registers maintained did not contain complete details of distribution of the total quantity of seedlings raised. In three divisions test checked, against 2.97 lakh seedlings shown as distributed, particulars were available only for 1.47 lakh seedlings, leaving a difference of 1.50 lakh seedlings (cost : Rs. 0.15 lakh).

(ii) As the number of seedlings survived had not been reported by Range Officers, the data regarding survivals/impact of the scheme was not available.

(iii) The sample survey done by the Statistical Inspectors indicated that in Tirunelveli Social Forestry Division, out of 52,155 seedlings supplied to 253 households in 1982—83, 26 households were reported to have not received 5,138 seedlings. In Villupuram Division in 1981—82, out of 2,695 seedlings distributed to 22 households, 1,695 seedlings were reported to have not been received by 9 households. Disciplinary action had been initiated against the persons concerned in Villupuram division and the report of action taken in the case of Tirunelveli division was awaited.

In Ulundurpet range, the extent of distribution of the seedlings among the households could not be checked as the relevant registers were stated to have been handed over to Vigilance Department in October 1984.

3.7.4.9. *Tree Cultivation Extension Programme (TCEP).*—Under this component, seedlings of suitable species including fruit bearing species are to be supplied to big land owners on no-profit no-loss basis.

(i) The cost of raising each seedling in polythene container was 20 paise in 1981—82, 15 paise in 1982—83, 13 paise in 1983—84 and estimated cost in 1984—85 was 25 paise. Despite the increase in cost, 5,43.20 lakh seedlings were sold during the years 1981—82 to 1984—85 at the rate of 10 paise each incurring a loss of about Rs. 39.50 lakhs.

(ii) Seedlings raised under the Programme were not completely sold out. Shortages of 6.76 lakh seedlings (cost : Rs. 1.17 lakhs) were noticed in four divisions (Tiruvallur, Tirunelveli, Thanjavur and Srivilliputhur). The Additional Chief Conservator of Forests stated (September 1985) that the left over had been brought to stock in the next financial year, which could not be corroborated by the Seedling Stock Register. The Additional Chief Conservator also stated that disciplinary action had been initiated against the rangers for failure to sell the seedlings in the year of raising.

3.7.4.10. *Monitoring and research.*—Apart from a review of monthly progress reports of achievements, the Project Report provided for monitoring by both internal and external agencies for a continuous improvement of performance.

External monitoring was entrusted to selected educational institutions and Rs. 9.16 lakhs spent to end of December 1984. The department stated that these monitoring institutions had no foresters on their rolls and the technical investigations of this nature were beyond their competence.

Under the research programme trials on bio-mass production in Babul stands, agroforestry experiments, trials with live hedges for fencing of avenue trees, identification of good quality seedlings, etc. were under taken. As against Rs. 40 lakhs allotted in the Appraised Project document for research to end of March 1985, the expenditure up to December 1984 was Rs. 18.47 lakhs.

The SIDA MidTerm Review Mission commented (December 1984) on the inadequacy and deficiency in monitoring procedures in providing vital feed-back and supporting functions. The value of research was also found to be low and lacking in scientific approach in the absence of adequate technical staff.

3.7.4.11. *Sale of Plantations.*—Babul is the main species raised in Social Forestry/Farm Forestry Plantations. They are harvested adopting a ten year period of rotation. Before selling the plantations in auction, fair price is fixed for each coupe taking into account the market price of firewood at the nearest market place and deducting therefrom production costs such as the cost of felling, transport charges to the market place and contractor's profit (10 per cent), etc. The fair price fixed departmentally serves as an index for confirming the sale price.

Test check in audit of the procedure followed for selling the older plantations raised prior to 1981 indicated varying methods of assessment of yield and fixation of fair price in different divisions resulting in less realisation of revenue.

Some of the points are indicated below: (a) The method of assessment of yield was not realistic. It was done by occular estimation in all circles upto 1980—81. Thereafter, the trees in each coupe were classified into different classes of girth ranges, i.e.,0-15 cm, 16-30 cm,etc., and the trees in each girth class enumerated. Ten trees in each girth class were felled and weighed and the average weight per tree was calculated to assess the yield. The Chief Conservator of Forests reported to Government (September 1983) that the yield of plantations would be assessed by the above method pending determination of yield more realistically under the point sampling method using wedge prisms altimeters. This procedure had not been given effect to in Salem circle so far. Sample felling done by the Divisional Forest Officer, Rural Fuelwood Division Krishnagiri (November 1984), however, indicated that the actual weight per tree for girth classes (average weight—62.80 kgs.) from 16-30 cm. onwards was more than the weight assumed (average weight : 47.91 kgs) by the Salem division. Assumption of less weight would result in understatement of the yield/fair price which in turn would reflect on the actual sale price. On a rough estimation, Rs. 3.92 lakhs had been computed as less realisation in the auction sale of 30 plantations in January 1984 in one division alone (Salem).

(*b*) The basis for the market rates adopted in the fair price statements was not on record in any forest division. The market rates adopted by the Divisional Forest Officers were far below the prevailing market prices/ State average price; the rates adopted in seven divisions during December 1983—January 1984 ranged from Rs. 200 to 320 as against the State average rate of Rs. 439 per tonne. Due to adoption of lower market

rates, the fair prices were underrated to the extent of Rs. 24.61 lakhs in four divisions of Salem circle during 1983—84.

(*c*) Overhead charges at Rs. 5 and Rs. 10 per tonne were taken into account as part of production cost in Salem circle though the element was not taken into account in other circles. Similarly, supervision charges ranging from Rs. 10 to Rs. 15 per tonne were reckoned as part of production cost in Tirunelveli and Madurai circles. The inclusion of these elements in the absence of a standard procedure also contributed to under-estimation of fair prices.

(*d*) While arriving at the fair price based on the assessed yield, Tiruchirapalli circle took into account, not only the firewood but also faggot wood and brushwood and adopted lower market rates for these categories. Such a procedure was not followed in the other three Social Forestry circles. The department stated that in Salem circle the faggot wood and brushwood were not taken into account in the fair price statements as there was no market for them. It was reported that the contractors left them in the coupes worked by them and the rural womenfolk were allowed to collect the wood free of cost. Adjudged from the quality of faggot wood obtained in Tiruchirappalli circle it was noticed that it constituted nearly 20 per cent of the quantity of fire wood and the fair price was also about 50 per cent of that of firewood. The revenue foregone in three divisions at Salem circle in the auction-sales of plantation conducted during 1983—84 due to not taking into account the faggot wood was approximately Rs. 1.30 lakhs. The department had not furnished any reply in respect of the remaining two circles (November 1985).

3.7.4.12. *Babul plantations.*—(i) Babul is the main species raised in tank foreshores from 1961, as this plant can withstand submersion when tanks overflow for two to three months in a year. Babul is continued to be a major plantation under SIDA Scheme also since 1981.

(ii) A sample study undertaken by the department (1983) in 73 farm forestry plantations in two ranges raised with Babul upto 1981 indicated that the percentage of survival was less than 22 in 16 plantations and between 22 and 50 in 10 plantations. According to the department, out of 1.33 lakh hectares planted up to 1981 with Babul, plantations on 70,000 hectares failed and needed replanting at an estimated cost of Rs.8.95 crores as in October 1984. The average out-turn of plantations in 542

heactares in 17 division which were harvested on a ten year rotation worked out to 12.10 tonnes against the anticipated yield of 50 tonnes per hectare. The revenue return per hectare after 10 years was Rs. 1,600 only compared to raising cost of Rs. 1,500 thus proving the venture uneconomical.

(iii) The biomass yield from Babul plantations varied from area to area and was the lowest in Tirunelveli circle as indicated below :

Girth Class	*Average weight per tree in kgs.*			
	Salem Circle	*Madurai Circle*	*Tiruchirappalli Circle*	*Tirunelveli Circle*
(1)	(2)	(3)	(4)	(5)
46—60 cm.	154.62	99.00	197.770	62.5
61—75 cm.	300.00	170.50	514.340	196.5
76—90 cm.	445.60	368.50	697.837	243.5

The low yield was attributed to preponderance of Neer Karuvel in that district. Even in determining the yield of Babul plantations different rates of dryage were adopted. While no allowance was made in Salem and Tiruchirappalli circles, 10 per cent in Madurai Circle and a much higher 25 per cent in Tirunelveli circle were allowed.

(iv) The department had not also so far studied the biomass yield in respect of Neer Karuvel plantations *vis-a-vis* the Nattu Karuvel.

(v) In 1983, the department realised that Babul planted under SIDA scheme was not suitable in tank beds in Chengalpattu and Pudukottai districts where the soil was either saline or alkaline.

The department had not, however, undertaken a detailed study of the reasons for the variations in growth of the plant over a period of ten years and analysed the causes for poor survival and bio-mass yield in water submersible area.

3.7.5.*Centrally sponsored Rural Fuelwood Plantations Scheme*

3.7.5.1. In order to cover the deficit between demand and supply of fuelwood in the country, a scheme of Rural Fuelwood plantations was introduced in Chengalpattu, Dharmapuri, Tiruchirappalli and Madurai districts In 1980—81. The scheme contemplated raising fuelwood plantations in the community waste lands, degraded forest areas, coastal waste lands and along the sides of roads, canals, ponds and railway tracks. Seedlings were also distributed to the public free of cost to enable them to plant trees in their private lands. The scheme was eligible for Central financial assistance in the form of grant to the extent of 50 per cent of the cost.

3.7.5.2. *Target and achievements.*—The targets and achievements (physical and financial) for the years 1980—81 to 1984—85 are furnished below :

PHYSICAL

	1980—81	1981-82		1982-83		1983-84		1984-85	
		T	A	T	A	T	A	T	A
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Community Forest Block Plantations (in hectares)	Only preparatory works—formation of four divisions and identifying the areas were done.	8,200	7,699	7,000	6,369	4,500	4,804	5,000	4,566.77
Community Forestry Strip Plantations. (in kilometres)		200	161	120	132	235	256	135	
Farm Forestry Sale of Seedlings (in lakhs)		12	12	40	34	120	109	120	132.86

T: Target. A: Achievement.

1980—81		1981—82		1982—83		1983—84		1984—85	
Budget provision	*Actual expenditure*	*Budget provision*	*Actual expenditure*	*Budget provision*	*Actual expenditure*	*Budget provision*	*Actual expenditure*	*Budget provision*	*Actual expenditure*
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
				(in lakhs of rupees)					
..	11.61	1,10.40	87.27	1,19.06	1,04.13	1,31.58	1,30.80	1,44.49	1,47.41

3.7.5.3. An expenditure of Rs. 4,81.22 lakhs was incurred to end of March 1985 and Central assistance of Rs. 2,57.10 lakhs obtained. The utilisation certificates from 1980—81 were yet to be furnished (December 1985).

3.7.5.4. Shortage of 7.84 lakh seedlings was noticed during 1982—83 in the seedlings account of nurseries in Krishnagiri division. No account was kept for 4 lakh seedlings raised in Dharmapuri range (Krishnagiri division). The cost of these seedlings amounted to Rs. 1.78 lakhs.

3.7.6. *Afforestation under soil conservation*

3.7.6.1. Afforestation, as a soil conservation measure, is undertaken in the Mettur Soil Conservation Scheme divisions at Salem and Dharmapuri and the Vaigai Soil Conservation Scheme Division at Periyakulam.

3.7.6.2. The targets and achievements of afforestation (both physical and financial) are given below :

Year	*Physical*		*Financial*	
	Target	*Achievement*	*Target*	*Achievement*
(1)	(2)	(3)	(4)	(5)
		(in hectares)	(in lakhs of rupees)	
Mettur Soil Conservation Scheme				
1981—82	4,800	4,855.35	41.20	36.06
1982—83	3,050	3,015.28	36.40	34.76
1983—84	3,000	3,387.90	50.24	43.33
1984—85	2,108	2,452.00	58.32	59.50
Vaigai Soil Conservation Scheme				
1981—82	2,210	2,210.00	16.00	16.00
1982—83	2,000	1,850.00	32.25	17.17
1983—84	1,000	9 75.00	20.00	18.64
1984—85	250	269.00	20.00	20.02

3.7.6.3. An area of 84,970 hectares was to be achieved under the Mettur Soil Conservation Scheme over a period of 18 years from 1980—81 at the rate of about 2,400 hectares per annum each by Salem and Dharmapuri divisions. The area actually tackled by both the divisions from 1980—81 to 1984—85 was 16,145 hectares against 24,000 hectares programmed to be covered. The shortfall of 7,855 hectares (33 per cent) was due to area not being available for afforestation on account of encroachments.

3.7.6.4. No silt sedimentation studies had been made by the department to evaluate the effectiveness of the soil conservation measures adopted.

3.7.6.5. (a) *Execution of work.*—(i) In Hosur range, out of 3.60 lakh seedlings raised, 3.07 lakh seedlings only were planted during 1981—82. The remaining quantity of 0.53 lakh seedlings costing Rs. 0.15 lakh has not been accounted for.

(ii) The rate for digging pits of size 30 cubic centimetres beyond rainy season was Rs. 80 per 1,000 numbers. The division, however, allowed a rate of Rs. 100 per 1,000 numbers, though the Chief Conservator of Forests refused to allow this higher rate. The unauthorised extra payment during June 1981 to March 1983 was Rs. 0.17 lakh.

(iii) Irregular expenditure of Rs. 3.27 lakhs was incurred in Dharmapuri division on inadmissible items of work and items of work not done (Rs. 0.76 lakh) and fictitious exhibition of larger areas as having been covered by plantation (Rs. 2.51 lakhs). The matter was pending (November 1985) with Vigilance Department from July 1982.

(b) *Shortage in wood-stock*—Annual returns of "Condition of Plantations" showing the number of plantations survived on 30th August each year are enumerated and their condition (height, etc.) are furnished by the Divisional Officers.

Between the annual returns of August 1979 and 1984, there was a shortage of 4.40 lakh trees of 2.5 metres to 7.5 metres height (Periakulam 2.31 lakhs; Salem : 2.09 lakhs) for which there were no recorded reasons. The Soil Conservation Officer, Salem, had called for explanation of department staff for illicit felling of 996 trees only. The value of trees not accounted for was Rs. 13.20 lakhs.

(c) Fruit bearing trees (Mango—150 numbers ; Tamarind—31,618 numbers) of 10 to 20 years standing had not so far been (March 1985) leased out.

Department's elucidation (March 1985) that the trees were not ripe for yielding though they were twenty years old did not seem tenable.

3.7.7. *Re-afforestation of degraded forests*

3.7.7.1. The objective of the scheme is to undertake afforestation of all the degraded forest areas in order to improve the productivity of scrub forests and to meet the increasing demand for fuel and small timber.

3.7.7.2. The physical and financial targets and achievements are as below :

Year	*Target*		*Achievements*	
	Physical	*Financial*	*Physical*	*Financial*
(1)	(2)	(3)	(4)	(5)
	(in hectares)	(in lakhs of rupees)	(in hectares)	(in lakhs of rupees)
1981—82	3,270	30.50	3,230.08	31.19
1982—83	2,795	34.07	3,081.14	35.78
1983—84	3,525	40.94	3,220.90	41.12
1984—85	2,927	52.97	3,117.00	57.33

3.7.7.3. The performance of the scheme in the two Crash Plantation divisions at Krishnagiri and Tiruchirappalli was reviewed and the following points were noticed.

(i) High percentage of replacements

As against 10 per cent provided for replacement of casualties, the actual replacements were as shown below :

Year of plantation	*Year of replacement*	*Numbers planted*	*Numbers replaced*	*Percentage of replacement*
(1)	(2)	(3)	(4)	(5)
	1. Krishnagiri division			
1978 and 1979	1980—81 to 1984—85	14,52,400	9,79,350	23 to 100
	2. Tiruchirappalli division			
1980—1983	1981—82 to 1983—84	34,13,600	9,10,070	14 to 76

The high incidence of casualty in Tiruchirappalli division was attributed to severe drought conditions during 1980—81 and 1981—82. In respect of Krishnagiri division, the reply of the department is awaited (November 1985).

(ii) *Seedlings account.*—Detailed account showing the particulars of total seedlings raised in the nurseries and their issue to the plantations and balance, if any, was not maintained since 1980—81.

(iii) *Evaluation.*—No evaluation had been conducted for the scheme so far and consequently the results of the scheme could not be assessed.

3.7.8. *Plantation in tribal areas*

3.7.8.1. To improve the living conditions and to help the economically weaker sections of the community living in the forest areas, raising of plantations under Social Forestry was also taken up in South Arcot, North Arcot, Salem, Tiruchirappalli and Dharmapuri districts. Five hundred seedlings of suitable fuel, small timber, fodder and fruit-bearing species were distributed free of cost, to each of the Scheduled Castes and Tribes families for planting in their own lands.

3.7.8.2. The physical and financial targets and achievements during the Sixth Plan period in respect of afforestation in tribal forest areas are given below :—

Year	Physical		Financial	
	Target	Achievement	Target	Achievements
(1)	(2)	(3)	(4)	(5)
	(in hectares)		(in lakhs of rupees)	
1980—81	2,605 (reduced to 955)	697.70	4.88	7.61
1981—82	3,100	1,696.00	15.00	11.16
1982—83	1,801	1,270.00	20.03	20.09
1983—84	1,645	1,314.63	31.36	32.47
1984—85	1,290	1,506.00	40.56	41.17
Total ..	8,791	6,484.33	1,11.83	1,12.5

During 1980—81 to 1983—84 the shortfall was due to lack of basic infrastructure, non-availability of tribal labour for planting operations, non-laying of approach roads for transport of seedlings, etc.

3.7.8.3. *Replacement of casualties.*—Out of 1,71,610 plants planted in 17 plantations during 1980 to 1982 in Kallakurichi division, 72,565 plants were replaced during 1981—82 to 1983—84 at a cost of Rs.0.58 lakh. The percentage of replacement of casualties ranged from 11 to 97 in these plantations against normal percentage of ten. Even after complete restocking of plants in the second year, the percentage of survival as on 31st August 1984 ranged between 10 and 75 only.

3.7.8.4. *Maintenance of seedlings.*—The target of 2,250 hectares fixed for 1980—81 in Kallakurichi division was reduced to 750 hectares and 435 hectares only were covered due to non-availability of areas for regeneration because of non--clearance of area by coupe contractors, lack of basic infrastructure, non-availability of tribal labour for planting operations, non-availability of approach roads for transport of seedlings etc. Based on the original target of 2,250 hectares, 11.33 lakh seedlings were raised during 1979—80 in nurseries. As the area finally covered was only 435 hectares, 8·88 lakh surplus seedlings were kept in nurseries and maintained for a period upto three years at a cost of Rs. 1.70 lakhs. 4.36 lakh seedlings were transferred in 1981—82 to larger containers (16 cm x 30 cm) incurring an expenditure of Rs. 1 lakh. Even at the end of March 1983, 2.24 lakh seedlings remained unplanted. Had the target been fixed realistically, the extra expenditure of Rs. 2.70 lakhs incurred on their maintenance for three years and transferring to bigger size bags could have been avoided.

3.7.9. *To sum up*—The Social Forestry Schemes formed an essential component to increase the forest area from 16.84 per cent of land in 1972 to 18.2 per cent by 1984. As at the end of March 1982, the forest area was only 16.5 per cent despite implementation of a number of allied schemes for re-afforestation and regeneration over a period of 20 years. The area covered by Social Forestry had been around 35,000 hectares on an average ranging between 29,000 and 38,000 hectares during the four years 1981—85. Apart from the seasonal aberrations, non-availability of suitable encroachment-free waste land had been one of the reasons for the slow take off of the scheme.

Even though the Government of Sweden had assured an assistance of Rs. 35 crores during 1981—86 against an estimated expenditure of Rs.45 crores, only Rs. 26.58 crores were spent upto March 1985 availing Rs. 18 crores of the assistance.

While monitoring and evaluation of the schemes were held to be unsatisfactory by the SIDA Mission (1984), even the basic records like plantation journals, nursery ledgers and seedling accounts were not maintained properly. Consequently, the reports rendered by the Circle Offices to the Chief Conservator and by the latter to the State Government and Government of India were found to be deficient and defective.

The other important points were : 2,68.06 lakh seedlings remained unaccounted out of 12,56.84 lakh seedlings as on 31st March 1984.

Shortages to the extent of 67.16 lakh seedlings (cost:about Rs. 12.62 lakhs) in four divisions which had occurred on account of the defective maintenance of the seedling account.

Shortages of 6.76 lakh seedlings (cost: Rs. 1.17 lakhs) under tree cultivation extension programme.

Shortages of 4.40 lakh trees in Soil Conservation Divisions at Salem and Periyakulam.

Fictitious payments were made for raising 2.83 lakh seedlings in Tiruvallur Social Forestry division, which case is under vigilance investigation.

Over payments amounting to Rs. 1.61 lakhs due to adoption of incorrect watering regime and flood watering the container plants in the nurseries.

Irregular expenditure during December 1983 to March 1984 reportedly incurred on weeding and soil working when there were heavy rains (Rs. 0.82 lakh).

Non-availability of details of distribution of 1.5 lakh seedlings under the tree cultivation incentive programme.

Under tree cultivation extension programme, during the years 1981-82 to 1984-85 seedlings were sold at price far less than the cost of production even though the scheme envisaged such sales to be on no profit—no loss basis. This resulted in extra expenditure of Rs. 39.50 lakhs to the department.

Due to the non-assessment of the yield from Babul plantations and non-fixing of fair price in a realistic manner taking the correct local market prices, the sale prices obtained during auctions were found to have been low.

In Dharmapuri Soil Conservation division, fictitious expenditure to the extent of Rs. 3.27 lakhs had come to the notice of the Department on account of claims on items of work not executed or the areas shown to have been covered being far more than the area actually covered.

The matter was reported to Government in July 1985; their reply is awaited (November 1985).

3.8. Formation of approach roads to fishing villages

3.8.1. In the Sixth Five Year Plan, a provision of Rs. 2,00 lakhs was made for improving communication facilities by laying 200 kilometres (Km.) of roads to the fishermen hamlets in the coastal districts of Tamil Nadu to provide improved facilities for marketing marine products. 92 roads for a total length of 127.35 Km. at a cost of Rs. 2,23 lakhs were sanctioned between 1979-80 and 1984-85. Rupees 1,35.05 lakhs were incurred (December 1984) against a budget provision of Rs. 1,58.76 lakhs during the Sixth Plan years 1980-81 to 1984-85. Of the 92 works sanctioned, 73 works had been completed, 3 works sanctioned in 1983-84 were in progress and 16 works sanctioned in 1984-85 were yet to be taken up (March 1985).

3.8.2. The following points were noticed during the review :

1. (a) The execution of feeder roads to fishing hamlets is carried out by Highways and Rural Works Department from 1981 onwards. No specific standard and specification of the road to be

formed were fixed till March 1982, when Chief Engineer (Highways and Rural Works) instructed to adopt a formation width of 7.5 metres (M) for these roads.

In 24 cases, roads (29.1 Km.) were formed for a width of 9 M against the standard specification of 7.5 M with provision for berms and the extra cost on this account was Rs. 5.08 lakhs. In 14 cases, the black topping was not executed, warranting frequent maintenance charges.

Government stated (October 1985) that wherever land was available without need for acquisition, roads had been formed to 9 M width and black topping was not done whenever there was paucity of funds.

(b) According to the standard specification submitted by the Superintendenting Engineer (Highways), Investigation, Tiruchirappalli, to Chief Engineer, the width of roadways was to be 7.5 M consisting of two layers of water bound macadam of 7.5 cm. thick each with bitumen for the riding surface.

As against this standard requirement, roads in 13 cases were formed with a single layer at a cost of Rs. 30.97 lakhs. These roads formed without conforming to prescribed standard were handed over to Panchayats for maintenance.

Failure to fix the standards in time had resulted in formation of substandard work (cost of Rs. 30.97 lakhs) and an avoidable extra cost of Rs. 5.08 lakhs.

2. The Work of improvements to Tirukadayur-Pudupettai road in Thanjavur District was sanctioned by Government in September 1982 at an estimated cost of Rs. 2.50 lakhs. Though the total length of the road was 8.2 Km., improvement work for a length of 5 Km. (0/0-5/0) only was taken up. While water bound macadam for the reaches Km. 0/0 to 4/0 was executed, for the reach Km.4/0 to 5/0, gravel soling only at a cost of Rs. 0.60 lakh was done in January 1983, as sufficient amount was not available in the sanctioned estimate.

In March 1984, while executing the second part of the work sanctioned by Government in July 1983, the department again provided sand gravel soling for the reach Km. 4/0 to 5/0 at a cost of Rs. 0.31 lakh over which water bound macadam was laid. Failure to co-ordinate the work had resulted in an avoidable expenditure of Rs. 0.31 lakh.

3.9. Construction of jetty at Kottaipattinam

The work of construction of 'T' jetty, on the northern side of Kottaipattinam sea coast in Pudukottai district for providing landing and berthing facilities for about 200 fishing launches, was sanctioned by Government in May 1983 at a cost of Rs. 22 lakhs. The work entrusted in October 1983 to the lowest tenderer for Rs. 24.54 lakhs, was to be completed in six months as per agreement.

There was strong protest from the local public, in August 1983, for the location of the jetty on the proposed site adjacent to a Dargha where people congregated in large numbers on several occasions and they wanted the location of the jetty on the southern side of the village. The Superintending Engineer, Fishing Harbour Projects Circle, Nagercoil, after joint inspection of the two sites, with the officials of the Fisheries Department, proposed, on 18th October 1983, the location of the jetty on the southern side which was considered technically better suited.

However, without awaiting the outcome of these proposals, the site was handed over by the division on 24th October 1983 to the contractor, who had driven 3 piles and conducted load test in March 1984. The contractor was paid Rs. 0.63 lakh. Further work was stopped fearing law and order situation, Government approved, in March 1984, the shifting of the location of the jetty to the southern side resulting in cancellation of the existing agreement in February 1985. Meanwhile, an expenditure of Rs. 6.60 lakhs was incurred on (i) piles (Rs. 0.63 lakh), (ii) miscellaneous contingencies from August 1983 to June 1984 (Rs. 0.47 lakh) and (iii) cost of materials required for the work (Rs. 5.50 lakhs).

Consequent on the shifting of the location of the jetty to southern side, there was an avoidable expenditure of Rs. 1.10 lakhs; the materials worth Rs. 5.50 lakhs purchased remain unutilised till date (November 1985).

Government stated (September 1985) that the pros and cons of having the jetty either at the northern side or southern side was still under consideration.

3.10. Installation of weigh bridge

To ensure effective control on the removal of forest produce and proper realisation of revenue, Government approved, in September 1979, placing of firm orders on 'A' for supply and installation of 25 tonne weigh bridge at Sathyamangalam. In view of the urgency, the codal provision for inviting tenders was also waived.

Against the orders placed by Forest Department in October 1979, advance payment of 95 per cent (Rs. 2.10 lakhs) was made and the balance 5 per cent was payable after installation when the department built the foundation structure. The machine was supplied in June 1980. The total expenditure incurred so far (September 1985) was Rs. 3.49 lakhs.

The site for the installation of weigh bridge was selected in September 1979 and foundation concrete was laid in September 1980. At that time the department noticed seepage and water logging in the pit dug for laying foundation for bridge, as the site for weigh bridge was located at a lower level near a channel. Further work was stopped till November 1984, when it was decided to undertake rectification work of improving and raising the level of platform for the weigh bridge. These were completed in June 1985 and the work on cabin room for the weigh bridge was yet to be taken up. The weigh bridge, purchased in June 1980 waiving the normal purchase procedure, had not so far been installed (November 1985).

The object of procurement of weigh bridge and also collection of weighment charges remained to be fulfilled (November 1985).

The matter was reported to Government in July 1985; their reply is awaited (November 1985).

3.11. Infructuous expenditure on Crane

The Marine Works Division, Cuddalore, purchased in July 1970 a crane for Rs. 9.16 lakhs for use in Cuddalore Port Development Scheme. Against the working life of 20,000 hours of the crane, it was used hardly for 408 hours during the period September 1970 to March 1972 after which it remained idle due to major repairs. On a requisition from the Superintending Engineer, Fishing Harbour Projects Circle, Nagercoil, the machinery was dismantled in November 1983 and transported in that dismantled condition to Chinna Muttom Harbour Project Division, Nagercoil, during November 1983 to May 1984, incurring an expenditure of Rs. 0.64 lakh. The transfer value of Rs. 9.50 lakhs (including spares valued at Rs. 0.52 lakh) was paid in March 1983. A 'Recon Engine' costing Rs. 1.80 lakhs was purchased in August 1983 by the Fishing Harbour Projects Circle, Nagercoil, for replacing the old engine in the crane which was found obsolete and unserviceable. The new engine was yet to be fitted (November 1985).

Even before assembling the crane for being put to use, the Chinna Muttom Harbour Project Division, Nagercoil, proposed in December 1984 to return the crane to the Public Works Department, as it was not required in the project. The project estimate also did not provide for procurement of crane.

Purchase of a crane for Rs. 9.50 lakhs without proper assessment of the requirement had proved nugatory. Expenditure of Rs. 1.80 lakhs on cost of new engine and infructuous expenditure of Rs. 0.64 lakh on transport were also avoidable.

The matter was reported to Government in July 1985; their reply is awaited (November 1985).

HEALTH AND FAMILY WELFARE DEPARTMENT

3.12. Cancer Control Programme of Arignar Anna Memorial Cancer Institute and Hospital, Kancheepuram

3.12.1. *Introductory*.—In December 1968, Government sanctioned a Cancer Control Project to be set up at Kancheepuram with Norwegian assistance through the World Health Organisation(WHO). The objectives of the project were (i) to organise cancer detection and treatment programme covering oropharyngeal and uterine cervical cancer, initially in Kancheepuram Municipal area, later to be extended to a part of the rural areas in Kancheepuram Panchayat Union, (ii) to work out means and methods for making efficacious and meaningful studies by adequate coverage and follow-up system and (iii) to train relevant personnel, where necessary.

The project was inaugurated in March 1969. The WHO supplied equipments valued Rs. 18.59 lakhs during the period 1969 to 1975. Upto 1983—84, Government had spent Rs. 1,92.89 lakhs on the programme as indicated below:

Purpose	*Non-recurring*	*Recurring*	*Total*
	(in lakhs of rupees)		
(1)	(2)	(3)	(4)
Research Institute (Cancer detection)	22.70	57.49	80.19
Hospital (Cancer treatment)	24.80	87.90	1,12.70
Total	47.50	1,45.39	1,92.89

3.12.2. *Area of study*.—Even 15 years after the project was set up, the area of study is mainly limited to Kancheepuram Municipality with a population of 1.10 lakhs as per 1971 census.

A proposal for extending the programme to the rural areas in Kancheepuram Panchayat Union, as contemplated in the plan of action was sent by the institute to the Director of Medical Education (DME) in July 1983.

Government stated (December 1985) that the DME did not take up the proposal for consideration in view of the ban imposed by them on creation of posts, etc.

3.12.3. *Screening.*—As per plan of action drawn up in 1968, the 'at risk' population in the project area was to be screened for two major cancers of the area, namely, cervical and oral and rescreening of the screened cases done at least once during the five years ending 1974. But the Institute had taken 12/15 years to complete cervical screening/rescreening and was yet to achieve (January 1985) the target in regard to the oral screening as brought out below:

(a) *Cervical screening.*—All married women irrespective of age, numbering 0.32 lakh in the project area, were the 'at risk' population to be screened for cervical cancer. The Social worker and Health Educator were to visit the houses, identify the 'at risk' population and motivate them to come to the nearest street clinics for a cervical smear test called 'pap' test. During 1969 to 1978, only 20,477 eligible persons were screened. Even after a modified strategy of providing a comprehensive clinical examination at the Institute was adopted from 1979, the Institute took four more years from 1979 to 1982 to complete screening of the entire 'at risk' population. Further time of two more years from 1982 to 1984 was also taken by the Institute to complete rescreening of the screened cases. The reason attributed by the Director of the Institute for the inordinate delay of 15 years for completing the work as against five years contemplated in the plan of action was shortage of doctors. As against four doctors contemplated in the plan of action, there were only two doctors from March 1969 to August 1979 except during July 1974 to May 1976 and November 1976 to December 1977 when there was only one doctor. But the available doctors (one/two) screened only 8 to 10 cases a day on an average in the period 1969 to 1978, as against 150 to 200 cases a day to be screened by four doctors, as envisaged in the plan of action. The reason for the low rate of coverage was stated by the Institute to be lack of response from the public.

(b) *Oral screening.*—All males and females above 20 years of age, numbering 0.64 lakh in the project area, were to be covered by oral screening and re-screening. Oral screening was, however,

commenced only in 1972. The reasons for the belated commencement of the programme were not available on record. During 1972 to 1977, 50,678 persons were screened once. From 1978 to 1983, no oral screening was done mainly due to diversion of oral pathologist to laboratory from April 1980 to December 1983 and the Dental Surgeon to hospital from March 1981 to August 1984. Only in 1984 oral screening was restarted, thrice a week from January to August 1984 and regularly from September 1984. As at the end of 1984, the eligible persons screened and rescreened were 51,600 and 24,509 respectively. Thus, even after expiry of 15 years, the Institute was yet to cover the 'at risk' population in full. The low coverage in respect of re-screening was attributed by the Institute to temporary absence and migration of screened persons, indicating lack of voluntary participation.

3.12.4. *Follow-up.*—As per plan of action, all those found to have cancerous and pre-cancerous condition had to be followed up. Of 4,549 cases of suspected infection of cervical cancer and 713 cases of oral lesion noticed during 1969 to 1984, follow up measures were not taken in 484 cases of cervical cancer and 504 cases of oral lesion. In 48 out of 331 cervical cancer cases detected, follow up was done only once instead of once in six months, as prescribed; in 31 cases, follow up visits were made only after the patients died. 58 cases, which were originally screened as normal and subsequently developed into cancer, were also not followed up. According to the Institute, the patients could not be followed up as they were not traceable or had emigrated or refused treatment.

3.12.5. *Lack of motivation.*—The inordinate delay in completing cervical screening, non-completion of oral screening even after 15 years and failure to follow up cases as prescribed were attributed by the Institute to lack of adequate response and co-operation from the persons concerned. The plan of action contemplated imparting social awareness among the public by communication and persuasion through mass media, public meetings, group meetings and meetings with influential leaders in the area. But, the post of Social Scientist, who had to organise and evolve the content and methodology of educating the community to participate in the programme, was kept vacant from September 1979 to November 1983 and the post of Health Educator was vacant from November 1983 to January 1985, resulting in lack of adequate motivational efforts on the part of the Institute.

3.12.6. *Diagnosis.*—The department of pathology consisted of one cyto-pathologist and five cyto-technicians and laboratory equipped with instruments (cost: Rs. 2.5 lakhs) supplied by WHO, capable of testing about 10,000 persons annually for detecting cancerous/ pre-cancerous condition. The cyto-pathologist resigned in April 1978 and the post had not been filled up so far (January 1985). Consequently, out of 2,996 biopsy slides due to be studied between May 1978 and December 1984, 2,671 slides were sent to Madras Medical College and 325 to Chengalpattu Medical College. There was a minimum time-lag of three weeks in getting the reports from those colleges during which period there was possibility of stage I cancer developing into stage II when the cure rate was very low. Thus, despite the existence of a well-equipped laboratory, the patients could not get the benefit of early diagnosis due to non-posting of the cyto-pathologist. Government stated (December 1985) that proposal for filling up the post of cyto-pathologist was under their consideration.

3.12.7. *Treatment.*—Though the cancer control project set up in 1969 envisaged both detection and treatment, only in September 1973, Government ordered segregation of a ward of 10 beds in the district headquarters hospital, Kancheepuram, for providing minimum radiotherapy facilities for cancer cases detected in the project area, pending construction of a separate 100 bedded hospital at Kancheepuram sanctioned in August 1973 at a cost of Rs. 33.92 lakhs. However, the radiotherapy treatment was not provided till April 1980 as the post of radio-therapist was not filled up, though the post was sanctioned by Government even in September 1973. Consequently, out of 270 cervical and 66 oral cancer cases detected during 1969 to 1980 at the institute, 140 cervical and 31 oral cases were referred to and treated at the Women and Children Hospital, Madras and Government Royapettah Hospital, Madras, respectively ; information in regard to the treatment of the remaining 130 cervical and 35 oral cases was not available.

The 100 bedded hospital constructed by the Public Works Department in January 1978 at a cost of Rs. 58.98 lakhs was taken over by the Medical Department in April 1980 and radio-therapy treatment commenced. The commissioning of cobalt therapy unit for providing radio-therapy, supplied by WHO in March 1979,

was permitted by Bhaba Atomic Research Centre (BARC) in January 1978, subject to appointment of qualified physicists. The unit was installed in January 1980 but the posts of physicists were vacant from March to July 1982 and from October 1983 to March 1984 and in the periods from September 1981 to February 1982 and August 1982 to September 1983, the posts were held by unqualified personnel.

On a check made by BARC in November 1982 of the quantum of dosage of radiation provided by the Cobalt therapy unit, it was found that the dosage was 17 per cent less than that assumed by the physicist. According to BARC, deviations in excess of 5 per cent are unacceptable in clinical work while deviations in excess of 10 per cent are considered very serious. Hence, in April 1983, BARC asked the hospital authorities to suspend the radio-therapy treatment of cancerous patients but the treatment was continued. The secondary standard dosimeter, an instrument to measure the exposure rate of radiation, had not been in working condition since March 1981 and the hospital had not got it repaired so far (January 1985). Thus, nearly 16,574 patients had been treated till January 1985 without the essential equipment for measuring radiation.

3.12.8. *Imported high dosage curietron equipment not put to use.*— For treatment of cervical cancer, a curietron equipment consisting of both high and medium dosage units was imported by the Institute in January 1983 at a cost of Rs. 8.83 lakhs.—Rs. 7.35 lakhs paid to the foreign manufacturer and Rs. 1.48 lakhs to his agent in India. There was no provision in the agreement executed with the Indian agent, to safeguard the interest of Government against defective supply, etc. The following points were noticed in audit.

(i) In May 1983, when the packages containing the equipment were opened by the India-based representative of the foreign manufacturer, it was found that the manufacturer's name noted in the equipment was different from that mentioned in the firm's quotation. However, he confirmed to the Director of Medical Education that the make supplied was the same as the one quoted and, in November 1983, offered to change the name plate accordingly.

(ii) Remote control provided for in the purchase order was supplied only in November 1983 and the invertor required for operating the battery system of the remote control only in September 1984. The battery system fitted in the remote control in October 1984 did not work satisfactorily.

(iii) The length of intra-uterine radio active source of high dosage equipment was not according to the requirement. Though the Institute requested the firm to effect necessary modification in 1983 itself, it had not yet been carried out (January 1985).

(iv) In July 1983, BARC Protection Wing advised the Institute to arrange for provision of necessary regulatory requirements against radiation hazards, as radiation effect was felt outside the room in which the equipment was used. These arrangements were yet to be provided (January 1985). In September 1984, the Institute put to use the medium dosage unit, with the approval of BARC which permitted only temporary use of medium dosage unit, pending compliance with the safety requirements.

(v) Though tenders were invited (October 1982) for purchase of medium dosage unit, the equipment consisting of both high and medium dosage units was purchased on the recommendation of the Purchase Committee that the high dosage unit would be useful for research purposes. However, the high dosage unit costing Rs. 5.53 lakhs received in January 1983, had not been commissioned and put to any beneficial use (January 1985) even 25 months after its purchase.

3.12.9. *Blood Bank.*—The cell processor used for separating platelets and white cells from the circulating blood of donors for transfusion to the patients had not been procured (January 1985) with the result the patients requiring blood transfusion were being transferred to other hospitals and cell centrifuge purchased in March 1982 for Rs. 0.35 lakh was not put to use.

3.12.10. *Training.*—One of the objectives of the project as envisaged in the plan of action was to train personnel for early detection of cancer. For imparting training, a cyto-pathologist and two graduate technicians were trained for six months between May and December 1971 and two more technicians for one year between February 1973 and

February 1974 in Western Australia in cervical cytology at the cost of WHO and posted to cytology and cyto-pathology laboratory set up in the Institute in February 1972. Though the trained pathologist was available in the Institute up to April 1978, no regular training was conducted in the Institute in the absence of an approved training programme. In April 1979, Government approved a programme to train laboratory technician in cyto-preparatory techniques and screening for abnormal smears. However, as the post of cyto-pathologist was vacant from April 1978 onwards—*Vide* para 3.12.6 above—the Institute could not conduct any training and the equipments costing Rs. 2.83 lakhs, supplied by WHO during February 1968 to February 1976 for training purposes, were lying unutilised. Thus, the objective of training the personnel for detection of cancer contemplated in the plan of action was not fulfilled.

3.12.11. *Summing up.*—Against the targeted period of 5 years, the Institute took 12/15 years to screen/rescreen the 'at risk' population of 0.32 lakh in the case of cervical cancer, while in the case of oral cancer, it was yet (January 1985) to complete the work, the number screened/rescreened in the 15 year period ending 1984 being 51,600/24,509 out of the 'at risk' population of 0.64 lakh.

Follow up visits contemplated under the plan of action were not made to the prescribed extent.

Detection of cervical cancer was adversely affected due to non-posting of cyto-pathologist for more than six years.

Treatment facilities at Kancheepuram were provided only 11 years after the detection programme was commenced. Due to non-availability of essential equipment to measure radiation dosage, there was abnormal variation beyond permissible limit between the dosage assumed and the dosage administered to the patients in the radio-therapy treatment.

Imported high dosage curietron equipment costing Rs. 5.53 lakhs procured in January 1983 for research in the treatment of cervical cancer was not commissioned even after 25 months, due to non-provision of protective measures against radiation hazards in compliance with the requirements of BARC.

Despite having a well-equipped laboratory for training personnel in the detection of cancer, no training was conducted due to the absence of programme till 1978 and non-availablity of cyto-pathologist thereafter.

3.13. Purchase of surgical equipments

At the instance of Government (October 1979), the Chief Auditor, State Trading Schemes, conducted a special audit during October 1979 to February 1981 and reported the following irregularities in the purchase of surgical equipments made by Government General Hospital, Madras, during October 1977 to March 1978.

(i) Against the requirement of surgical items for Rs. 2.03 lakhs, purchases were made for Rs. 12.65 lakhs.

(ii) Contrary to the stipulation in the tender notification that supplies would be delivered at the stores of the hospital without any delivery charges, extra payment amounting to Rs. 1.15 lakhs made to two firms 'A' and 'B' towards transit service at 10 per cent of the quoted rates resulted in unintended benefit and undue favouritism to the firms as it was not taken into account for tender tabulation and comparison of rates.

(iii) The reported usage of 975 metres of Silicon tubings, valued at Rs. 1.01 lakhs, in Nephrology Department was doubtful.

In August 1981, Government ordered the Director of Medical Education to conduct a detailed and thorough administrative investigation in the light of the report of the Chief Auditor and send a report to Government fixing responsibility on the persons concerned. Such an investigation had not yet been conducted and report not yet sent to Government (May 1985).

It was also noticed in audit that the offers of the lowest tenderers 'C'and 'D' for supply of Silicon tube 3/8" and sterile tube 3/8" and 1/2" during October 1977 to March 1978 were rejected, since they did not furnish samples along with their offers as required in the tender. However, opportunity was given, after opening of tenders, to firms 'A' and 'B' whose higher rate was accepted, to furnish income tax and sales tax clearance

certificates, though they were also required to be furnished along with the offer. This discriminatory action of the department was not only violative of the principles of open tender but also resulted in the department forgoing the financial advantage to Government, especially as there was no complaint against the supply of the items made by 'C' previously. The financial advantage forgone was Rs. 1.80 lakhs.

The matter was reported to Government in February 1985; their reply is awaited (November 1985).

3.14. Blood Gas Analyser lying idle

A blood gas analyser with print out recorder, air compressor and spare parts was imported at a cost of Rs. 1.92 lakhs in April 1980 for use in the Cardio Thoracic Surgery Department of Government General Hospital, Madras, for measuring gas para-meters of blood. The cost was paid in advance, at the time of placing the supply order by opening a letter of credit, in February 1980, in favour of the foreign manufacturer. There was no mention regarding warranty in the quotation of the Indian agent of the foreign supplier. The department did not enter into an agreement with the Indian agent to safeguard the interest of Government against defective supply. On installation (May 1980), the equipment was not in working condition and could not be commissioned by the Indian agent as the compressor was not working. Though the Dean of the hospital took up the matter with the agent in December 1980, he did not pursue it further. Thus, the equipment purchased at a cost of Rs. 1.92 lakhs five years back was yet to be commissioned and the intended facility yet to be provided.

The matter was reported to Government in June 1985; their reply is awaited (Novembr 1985).

3.15. Idle Echo-Cardiograph Unit

Order was placed on a foreign supplier through his Indian agent for the supply of Echo-Cardiograph Unit for the Government Royapettah Hospital, Madras. Out of the quoted price of Rs. 1.88 lakhs, Rs. 1.57 lakhs were paid in advance in June 1979. The equipment was received and installed in April 1980. The balance of Rs. 0.31 lakh

was paid in March 1981 on the expiry of the guarantee period. The operation manual, circuit diagram and service manual for the equipment were not obtained along with the equipment.

The recorder unit of the equipment, which went out of order in July 1980, was repaired by the firm, free of cost, in March 1981 and it again went out of order in October 1981. The engineers of the firm had taken two recorder boards of the unit for repairs in October 1981 and had not returned them yet (May 1985). The Cardiograph unit also failed in April 1983. The firm was unwilling to undertake the repairs, as its two supplemental claims—one for 978.35 US dollars (about Rs. 0.13 lakh) made in October 1980 towards increase in insurance and air freight charges and another for Rs. 0.80 lakh stated to have been made in December 1980 towards extra cost on account of change in the model of the equipment supplied were pending settlement. While a decision on the first claim for which there was no provision in the agreement was yet to be taken (September 1985) by the Director of Medical Education, the second claim was held (June 1985) by him as not acceptable since the model supplied was not different from the one quoted. The equipment continued to remain (September 1985) out of order.

The matter was reported to Government in August 1984 and again in May 1985 ; their reply is awaited (November 1985).

HOME DEPARTMENT

3.16. Upgradation of Standards of Home Guards' Organisation

3.16.1. During the period 1980—83, Government of India released to the State Government, as grant, Rs. 37.53 lakhs, out of the total allocation of Rs. 44.30 lakhs, recommended by Seventh Finance Commission for upgradation of the standards of Home Guards' Organisation in

the years 1979—84. The details of the amount sanctioned by the Sta Government and the expenditure incurred upto 1983—84 were as unde

Serial number and name of Scheme	*Amount sanctioned by State Government in April/May 1982*	*Expenditure incurred to end of 1983—84*
(1)	(2)	(3)
	(in lakhs of rupees)	
1. Setting up of a District Training Centre at Tiruchirapalli	4.27	2.84
2. Purchase of 11 rescue vehicles and cost of fabrication of bodies for vehicles, purchase of rescue equipments, salaries of 11 drivers, petrol, oil and maintenance charges	29.17	26.22
3. Training of 150 Home Guards in 'Watermanship'	1.15	0.40
4. Training of Home Guards in districts in 'watermanship' and purchase of training aids for 21 districts in the State	2.31	..
Total ..	36.90	29.46

Central assistance for upgradation was available only up to 31 March 1984. However, in February 1985, Government of Ind approved utilisation of the unspent balance of Rs. 8.07 lakhs alor with the unreleased amount of Rs. 6.77 lakhs totalling Rs. 14.84 lak for completing the approved schemes by end of March 1985. As th State Government felt that it would not be possible to complete th approved schemes for setting up the Training Centre, acquisition rescue equipments and training of personnel before March 1985, view of the short time available, 16 jeeps were acquired at a cost Rs. 13.32 lakhs in March 1985 for being stationed in district heac quarters for use of Home Guards. One driver had been appointed June 1985 ; drivers for the remaining 15 jeeps were yet to be appointe (September 1985).

3.16.2. A test check in audit of the implementation of the schem disclosed the following :—

(a) *Training Centre at Tiruchirapalli.*—Since a suitable buildi could not be secured, the District Trining Centre at Tiruchirapa was yet (September 1985) to be started. Utensils and furniture (Rs. 0.4 lakh) and a closed van (Rs. 2.39 lakhs) purchased during 1982—83 ar 1983—84 for the Centre remained unutilised and staff for the Cent and crew for the van were also yet to be appointed (September 198

(b) *Purchase of rescue vehicles and rescue equipments.*—Against the proposal to position four rescue parties, one rescue vehicle and rescue equipment in each of 11 district headquarters, only nine chassis were purchased in December 1982 for Rs. 15.88 lakhs and a sum of Rs. 10.34 lakhs was spent on building bodies on the chassis. The nine rescue vehicles, which were received in March 1984, after completion of body building from the builders (Pallavan Transport Corporation Limited) were sent back to carry out improvements suggested later and were ready in March 1985 after completion of modifications. But drivers for the vehicles were not employed (September 1985). The rescue parties were yet to be formed and the rescue equipment yet to be provided (September 1985).

(c) *Training of Home Guards in 'watermanship'*—Against the target of 150 Home Guards to be trained in 'watermanship' course at the Central Training Institute, Bangalore, 117 were trained during 1982—83 and 1983—84 incurring an expenditure of Rs. 0.40 lakh on their travelling expenses. Training aids, for which an expenditure of Rs. 2.31 lakhs was sanctioned in May 1982, were yet (September 1985) to be purchased for want of specification of the items of aids. The trained persons had not also been utilised for imparting training in 'watermanship' to other home guards, since the rescue parties had not been formed and the district training centre not established.

Thus, though an expenditure of Rs. 42.78 lakhs had been incurred during 1982—85, the objectives of the scheme, viz., training Home Guards in rescue operations and forming rescue parties in district headquarters had not been achieved so far (September 1985). Government accepted (December 1985) the facts.

3.17. Avoidable expenditure in Police Training College, Madras

In April 1979, Government sanctioned the creation of 20 additional temporary posts (8 Inspectors for 13 months ; 9 Havildars, 1 Reserve Sub-Inspector, 1 Junior Assistant and 1 Typist for 12 months) in the Police Training College, Ashok Nagar, Madras, for training 343 Sub-Inspectors (S.I.) (in 14 sections of 25 each for a period of one year), proposed to be appointed by direct recruitment and ordered that these additional posts should be disbanded as soon as the training was over. These posts were operated from September (8 Inspectors), October (9 Havildars) and November (3 others), 1979. Only one batch of 292

persons was directly recruited as S.Is. and trained from 2nd November 1979 to 1st November 1980. The posts were, however, being continued (August 1985) year to year, with the approval of Government, mainly on the ground that selection for recruitment to the posts of S.I. was in process. But there was no direct recruitment of S.I. after 1979. Training course was conducted for 78 women S.I. only from 2nd March 1981 to 1st March 1982 and no other course was conducted for S.I. recruits.

The Deputy Inspector-General of Police (Training), reported in August 1985 to the Director General of Police, in justification of the retention of the additional temporary posts, that short term training courses of durations ranging from 6 weeks to 1 year, were conducted in the college during the years 1982 to 1984, for probationary I.P.S. Officers and refresher and condensed courses for S.I. as shown below, without indicating whether the regualr staff of the college (4 Inspectors, 2 Reserve Sub-Inspectors and 3 Havildars) was not adequate for conducting these courses and whether the additional staff was utilised fully.

Serial number and nature of training course	*Period of course*	*Year*	*Number trained*
(1)	(2)	(3)	(4)
1. Probationary Deputy Superintendents of Police	1 year	1982	1
		1983	3
		1984	1
2. Institutional Training for I. P. S. Probationers	3 months	1982	4
		1983	4
		1984	4
3. Refresher Course for S.I.	6 weeks	1982	191
4. Condensed Course for S.I.	9 weeks	1982	37
		1983	63
		1984	9
5. Law Training for S.I.	6 months	1984	50

Further continuance of these posts from June 1985 to January 1986 was approved by Government specifically for training about 100 direct recruit S. I. of Central Industrial Security Force of Government of India on cost-recovery basis. The additional staff was obviously not required for the short term courses.

The continuance of the additional posts beyond 1st March 1982 had resulted in an avoidable expenditure of Rs. 7.51 lakhs (pay and allowances for 1982-83 to 1984-85). Since the complement of 20 additional temporary posts was orginally sanctioned for training 343 S.I. recruits, retention of all the posts from June 1985 to January 1986 for training 100 recruits of the Central Industrial Security Force was also not justified.

Government stated in October 1985 that the experience gained by the teaching staff by training one batch of S.Is. would be of use to the college and that they were retained in the interests of administration.

HANDLOOMS, TEXTILES AND KHADI DEPARTMENT

3.18. Additional commitment on payment of handloom rebate subsidy

The State Government had been subsidising the rebate allowed by the Tamil Nadu Handloom Weavers' Co-operative Society (Co-optex) on the sale of handloom cloth. From 1976-77, a lumpsum amount of Rs. 75 lakhs per year or 90 per cent of the actual rebate allowed, whichever was less, was being reimbursed to Co-optex by the State Government. With a view to liquidating the accumulated stock of handloom cloth, Government of India introduced from 1977—78, a special scheme of reimbursement of rebate up to 20 per cent, offered to customers, on retail sales, to be shared equally between the Central and State Governments. Under the scheme, Co-optex allowed 20 per cent rebate from 1977—78 onwards. In February 1981, the Director of Handlooms and Textiles (DHT) intimated the State Government that Co-optex had agreed to reduce its profit margin included in the sale price of handloom

cloth from 30 to 25 per cent. if the State Government agreed to bear its share of 10 per cent of the rebate subsidy in full, instead of limiting it to the lumpsum amount of Rs. 75 lakhs. In November 1982, the State Government issued orders extending to Co-optex its share of rebate subsidy of 10 per cent in full, with retrospective effect from 1978-79, to enable Co-optex to avail the maximum permissible rebate subsidy in full. However, in those orders they did not stipulate the reduction in the profit margin of Co-optex as a condition but decided to pursue the matter separately. Accordingly, in November 1982, they asked the Director of Handlooms and Textiles to take up the question of reduction of profit margin with Co-optex. In July 1984, they reiterated the need for reducing the profit margin by Co-optex. The matter was still under correspondence and the profit margin was yet (October 1985) to be reduced by Co- optex. Failure to have the profit margin of Co-optex reduced by 5 percent as agreed to by it in 1981 itself had resulted in an additional commitment of Rs. 55.99 lakhs to the State Government, computed on the basis of claims totalling Rs. 29,11.37 lakhs (of which Rs. 24,93.67 lakhs had already been paid by Government) preferred by Co-optex for reimbursement of rebate for the period from 1st November 1982 to 31st March 1985.

The matter was reported to Government in April 1985; their reply is awaited (November 1985).

3.19. **Inadmissible payment of retail rebate subsidy**

Under the scheme of special rebate on sale of handloom cloth, to be shared equally between the Central and State Governments, rebate up to 20 per cent was admissible on retail sales of handloom cloth, subject to a maximum of Rs. 100 in a single transaction at one time. Test check of rebate claims relating to six out of about 600 showrooms of Co-optex in the State indicated that sales ranging from Rs. 2,000 to Rs. 2 lakhs and more on the same day, had been made during the period 1982 -83 to 1984-85 to single customers such as Employees' Co-operative societies, private textile dealers, etc., hundreds of cash bills, each for an amount less than Rs. 500, made in the names of the same customers (*vide* instances given below) and special rebate at 20 per cent totalling Rs.6.17 lakhs allowed.

Serial number and customer	Date of sale	Gross value of the sale	Number of bills for less than Rs. 500 each	Rebate allowed after deducting discount at varying rates from gross amount
(1)	(2)	(3) Rs. P.	(4)	(5) Rs. P.
1. A	17—10—1984	1,71,370.00	358	27,596.00
	19—10—1984	3,30,156.60	692	53,195.20
	23—10—1984	2,82,038.80	593	45,498.23
2. B	23—10—1984	1,45,974.60	336	23,533.00
3. C	23—10—1984	16,690.50	41	2,693.73
4. D	23—10—1984	27,650.00	59	4,459.00
5. E	13—1—1985	11,993.20	33	2,205.80

These sales were apparently wholesale transactions, made out in the records to appear as retail sales with a view to attracting the special rebate of 20 per cent. The rebate allowed on these sales had, therefore, resulted in an unintended benefit to the purchasing dealers and reimbursement of Rs. 6. 17 lakhs as subsidy towards such irregular grant of rebate was, hence, not justified.

The matter was reported to Government in July 1985; their final reply is awaited (November 1985).

HOUSING AND URBAN DEVELOPMENT DEPARTMENT

3.20. Import of Reader printer

A Micro-film Reader Printer equipment was imported in February 1982 by the Directorate of Town and Country Planning (DTCP) at a cost of Rs. 2.61 lakhs inclusive of Customs Duty of

Rs. 1.06 lakhs. In June 1980, DTCP was classified by Government as a Research and Development Unit and was, therefore, eligible for duty-free import of the equipment under the notification issued by Government of India in March 1981. However, the DTCP did not claim Customs Duty exemption. Failure to avail of the exemption resulted in an avoidable expenditure of Rs.1.06 lakhs on Customs Duty.

The Reader was intended for scanning, reading and paper-printing the microfilmed records of the DTCP. DTCP proposed the purchase of the Reader in November 1978, after discussions with the Police Department, that microfilming of documents might be done using the equipment and expertise available with the Police Department. When approached by DTCP in February 1984, the Police Department stated in April 1984 that their equipment would not suit the needs of DTCP. The equipment available with the Archives Department could not also be spared for use by DTCP. Microfilming of the records of DTCP had not so far been done for want of a suitable camera and processor. Failure to assess, before purchasing the Reader, the feasibility of utilising the cameras available with other departments resulted in the Reader equipment, imported at a cost of Rs. 2.61 lakhs, remaining idle (November 1985) since its installation in March 1982.

INDUSTRIES DEPARTMENT

3.21. Mineral Treatment Laboratory, Salem

In February 1972, Government took over from the Tamil Nadu Small Industries Corporation Limited the defunct quartz crushing plant at Salem inclusive of land, buildings and machinery (valued at Rs. 1.97 lakhs) for implementing the scheme (sanctioned in May 1970 at a total cost of Rs. 15.70 lakhs—non-recurring: Rs. 15.00 lakhs and recurring : Rs. 0.70 lakh) of setting up a Mineral Treatment Laboratory for Pilot Tests for testing ores and minerals to determine their application in mineral based industries. The proposal to establish the laboratory, deferred in October 1972 pending a final decision to establish a similar laboratory at Madras by the National Metallurgical Laboratory, Jamshedpur, were revived by Government

in September 1976. Additional machinery and equipment valued at Rs. 11.46 lakhs, were acquired/purchased during March 1978-February 1981. Additions to existing building for office and laboratory were made during 1980-81 at a cost of Rs. 0.97 lakh. A new workshop building was also constructed in June 1981 at a cost of Rs. 3.32 lakhs for erecting the plant and machinery purchased for pilot plant tests, while the existing workshop was to be utilised for bench (laboratory) scale tests. A 250 KVA transformer was procured at a cost of Rs. 1.48 lakhs in October 1982 for meeting the electrical energy requirements of the laboratory. Power wiring and control room to house the connected electrical equipments were completed in 1982 at a total cost of Rs. 2.45 lakhs (including cost of transformer). Higher electrical load, applied for in March 1983, was not allowed by the Tamil Nadu Electricity Board (TNEB) due to power shortage. A fresh application for the higher load, made in June 1985, was under process by TNEB (September 1985).

Out of 21 items of machinery acquired/purchased at a total cost of Rs. 12.51 lakhs, only three (cost: Rs. 4.67 lakhs) had been erected in the new workshop. Erection of the remaining machinery at an estimated expenditure of Rs. 0.34 lakh was pending for want of funds (December 1985). Meanwhile, the guarantee period for the machinery, purchased and paid for fully, had expired.

Thus, though a total expenditure of Rs. 20.17 lakhs had been incurred from 1972-73 to 1983-84 on land, building, machinery and electrical equipment, major items of machinery were yet to be erected and the laboratory, sanctioned in 1970, remained to be commissioned (October 1985). Testing of ores and minerals expected to yield direct benefits to mineral based industries was yet to be taken up.

Government accepted (December 1985) the facts.

LABOUR DEPARTMENT

3.22. Rehabilitation of bonded labour

3.22.1. *Introductory*

3.22.1.1. Under the Bonded Labour System (Abolition) Act, 1976, which came into effect from 25th October 1975, identification and release of bonded labourers and rahabilitation of freed bonded labourers are direct responsibilities of the State Government concerned. For the purpose of identification and release of bonded labourers, powers have been conferred on the District Magistrate of every district in the country. Vigilance Committees (VC) were required to be constituted by the State Government at the District and sub-divisional levels to assist him in discharge of his statutory functions and are to be closely associated with the process of identification and release of bonded labourers and their rehabilitation. With a view to supplementing the efforts of the State Governments, Government of India launched in May 1978 the Centrally Sponsored scheme for rehabilitation of bonded labourers, under which the State Governments were provided with financial assistance, on matching grant basis, at 50 per cent of the rehabilitation grant up to a ceiling limit of Rs. 4,000 per bonded labourer. Assistance was provided for (i) land based schemes, such as allotment of land, provision of back up services and facilities—ploughs, bullocks, fertilisers, seeds, inputs, etc. (ii) non-land based schemes involving supply of productive assets—milch animals and other animal husbandry components and linkage with market and (iii) skill/craft based schemes involving identification of skill/craft, supply of raw materials, working capital, workshed, implements and linkage with market for sale of finished products. According to the orders of Government of India, subsistance allowance, *in kind*, at the rate of Rs. 500 out of the grant of Rs. 4,000 per bonded labourer is to be released prior to rehabilitation as immediate relief from June 1983.

3.22.1.2. The schemes were implemented in Tamil Nadu by the Director of Adi Dravidar and Tribal Welfare. They were reviewed by Audit, during October 1984-April 1985 at Government Secretariat, Directorate of Adi Dravidar and Tribal Welfare, Collectorates of Dharmapuri, Madurai, Pudukottai, Salem, South Arcot and

Tiruchirapalli districts and certain other departmental offices. The points noticed during test check are mentioned in the succeeding paragraphs.

3.22.2. *Identification and release of bonded labourers*

3.22.2.1. Identification of 27,874 bonded labourers was first done in 1976. In 1982, with the approval of Government of India, 5,262 labourers belonging to Tamil Nadu, working in stone quarries, etc. in Andhra Pradesh, Karnataka and Madhya Pradesh were rescued from debt bondage and brought to Tamil Nadu for rehabilitation. Fresh efforts had not been made for identification of bonded labour, if any, in the districts test checked.

3.22.2.2. As on 31st March 1985, 33,076 bonded labourers were identified and freed in Tamil Nadu; of which, 32,930 were rehabilitated. Of these, 24,945 (over 75 per cent) who belonged to Hill tribes in Kalrayan Hills of South Arcot district were rehabilitated under the Integrated Tribal Development Project (ITDP) of the Tribal sub-plan (*vide* paragraph 3.22.4). Yearwise particulars of labourers identified, rehabilitated and yet to be rehabilitated were awaited from Government (September 1985).

3.22.2.3. *Vigilance Committees (VCs).*—The VCs set up to have a constant vigil to detect the incidence of bonded labour in the District/subdivisions were to meet regularly and at least twice a year. In Dharmapuri and Tiruchirapalli districts, the district VCs did not meet during 1982-1984. In South Arcot and Salem districts, they did not meet during 1982. In Madurai it met only once a year. Out of 19 divisions (sub-district level) test checked, the committees (i) did not meet in 2 divisions and (ii) met only once a year in 6 divisions. Particulars of meetings held by the VCs in 6 other divisions were not furnished by the Department (September 1985).

3.22.2.4. *Maintenance of Statutory Registers.*—Under Rule 7 of the Bonded Labour System (Abolition) Rules, 1976, Statutory Registers are to be maintained by the District Vigilance Committees, containing names, addresses, statistics relating to

vocation, occupation and income of freed bonded labourers and details of benefits extended to them to provide a correct and up-to-date indication about the number of persons identified as bonded labourers and released, the number of persons for whom rehabilitation schemes have been formulated, number of persons who have been physically rehabilitated, number awaiting such rehabilitation, etc. The Registers maintained in the 6 districts test-checked were incomplete and not up-to-date. The District Vigilance Committees could not, therefore, have a total and integrated approach to complete the process of identification, release and rehabilitation of bonded labourers.

3.22.3. *Rehabilitation of freed bonded labourers*

3.22.3.1. *Outlay.*—The State Government received Central assistance of Rs. 10.04 lakhs during the period 1978-79 to 1983-84. The total expenditure incurred on the Centrally Sponsored scheme was Rs. 32.76 lakhs during the period 1978-79 to 1984-85 (up to August 1984). The table below indicates yearwise details of total expenditure incurred, Central assistance admissible and excess/shortfall of Central assistance.

Year	*Total expenditure incurred by State Government*	*Central assistance received*	*Central assistance admisstble (50% of total expenditure)*	*Excess(+) Shortfall (—) of Central assistance*
		(in lakhs of rupees)		
(1)	(2)	(3)	(4)	(5)
1978—79	0.92	5.32	0.46	(+) 4.86
1979—80	4.14	Nil	2.07	(—) 2.07
1980—81	13.34	1.70	6.67	(—) 4.97
1981—82	0.74	1.00	0.37	(+) 0.63
1982—83	3.76	1.72	1.88	(—) 0.16
1983—84	8.91	0.30	4.45	(—) 4.15
1984—85 (up to August 1984)	0.95	NA	0.48	(—) 0.48
	32.76	10.04	16.38	(—) 6.34

NA : Not available

Reasons for the shortfall in Central assistance to be received were awaited from the Government (September 1985).

3.22.3.2. *Non-utilisation of funds.*—(i) In the 6 districts test checked, out of Rs. 26.70 lakhs sanctioned during 1976-77 to 1984-85 for rehabilitation of bonded labourers, Rs. 3.68 lakhs were surrendered and Rs. 17.04 lakhs remained unutilised. More important of these cases are mentioned below.

(ii) Rs. 3.41 lakhs drawn in March 1981 in Madurai district for grant of subsidy to freed labourers were lying (February 1985) in deposit with the State Bank of India, Madurai, as banks did not sanction loans due to defaults in repayment by certain freed bonded labourers to whom loans were disbursed earlier.

(iii) Rs. 1.49 lakhs (Rs. 1.32 lakhs—South Arcot District; Rs.0·17 lakh Dharmapuri district) were surrendered, as grant of Rs. 1,000 per house for housing was found insufficient. Proof regarding completion of construction of houses was not on record for Rs. 0.96 lakh disbursed to the Block Development Officer, Ulundurpet, in South Arcot District in August 1984.

(iv) Salem district: (a) Rs. 3.86 lakhs drawn during December 1983 to August 1984 were lying unutilised (December 1984) with 7 Tahsildars; (b) proposals for Rs. 3.78 lakhs, of the Collector sent to Government during August 1983—September 1984 to cover 180 families were pending (January 1985) sanction by Government, though the State Government were empowered to sanction the schemes.

3.22.3.3. According to the progress report of the Government to end of 31st March 1985, 7,985 (excluding 24,945 rehabilitated under ITDP) out of 8,131 freed bonded labourers, had been rehabilitated under various schemes as indicated below:

	Number of freed bonded labourers rehabilitated under			
	Land based schemes	*Non-land based schemes*	*Skill/craft based and other Schemes*	*Total*
(1)	(2)	(3)	(4)	(5)
1. Rehabilitation under Centrally Sponsored Scheme	177	411	2,077	2,665
2. Rehabilitated under State ongoing schemes/special schemes	840	995	3,485	5,320
Total ..	1,017	1,406	5,562	7,985

3.22.3.4. The bonded labourers were to be rehabilitated immediately after their release from bondage so that the freed persons did not slide back to bondage during the interval between release and rehabilitation. Out of 2,309 freed bonded labourers rehabilitated in 6 districts test checked, 660 were rehabilitated within a year, 546 between 1 and 2 years, 127 between 2 and 4 years and 6 between 4 and 8 years after their release from bondage. Information for the remaining 970 bonded labourers was not available with the Department.

3.22.3.5. *Non-payment of subsistence allowance.*—Immediate relief as subsistence allowance admissible at Rs. 500 *in kind* per labourer was not provided (April 1985) to 299 families in Salem district. Rupees 0.91 lakh, sanctioned in February 1984, were disbursed in cash, instead of in kind, to 182 families in Salem and South Arcot districts.

3.22.3.6. *Land based schemes.*—(1) 779.22 acres of cultivable lands were assigned to 526 freed labourers in Dharmapuri, Madurai, Pudukkottai, South Arcot and Tiruchirapalli districts ; details for the assignment of 18.74 acres of land in Salem district were not available with the Collector.

(2) The Tahsildar, Kodaikanal in Madurai district reported in November 1983 that (i) only 15 of the 232 persons to whom lands were assigned had brought them to cultivation, (ii) 67 persons who received loan assistance of Rs. 2.10 lakhs from the State Bank of India could not cultivate the lands due to climatic conditions, encroachment by private persons of assigned lands and improper demarcation and allotment and (iii) the remaining 150 persons could not cultivate the land assigned to them as they had no means to cultivate nor was assistance provided to them either by Government or by bank. The loan, provided by the State Bank of India, was not repaid and the Block Development Officer, Kodaikanal recommended (January 1982) to State Bank of India that it might be written off. Most of them were reported to have gone back to their original places to work as coolies.

(3) Details of assigned lands which were cultivated by the freed bonded labourers and income realised by them were not ascertained and kept on record by the Collectorates in the other 5 districts.

3.22.3.7. *Skill/craft based schemes.*—(*a*) According to the Statutory Register of bonded labourers in Tiruchirapalli Collectorate, 200 freed bonded labourers were rehabilated in the Industrial Gem-cutting Co-operative Society in Tirupanjuli village (formed in August 1976). However, its membership ranged from 51 to 60 only and the members employed ranged from 15 to 17. The Secretary of the society stated in February 1985 that members who were not employed by the Society had gone back to work under their old masters. Rupees 2.16 lakhs drawn from treasury in March 1981 to meet cost of land, building machinery, etc., of the Society and deposited in June 1981 in the State Bank of India remained unutilised (January 1985) as the ownership of the land proposed to house society was under dispute. Revised proposals changing the pattern of financial assistance made by the Collector in March 1982 remained (February 1985) to be approved by Government.

(*b*) Vadasseri Gem Cutters Co-operative Society, in Tiruchirapalli district, in which 69 freed bonded labourers were employed in 1976—77, was wound up in October 1984 due to continued loss in working. The object of employing them in the society was not achieved.

(*c*) The Jelli Workers Co-operative Society, started at Omalur (in Salem district) in December 1982 with a total assistance of Rs. 4 lakhs from Government for rehabilitating the bonded labourers rescued from Andhra Pradesh, commenced production in May 1984. Only 24 members upto November 1984 and 39 members in January 1985 were working in the society, out of the total 171 members of the society. Members belonging to Mettur, Salem and Sankari taluks did not work in the society's quarry due to its long distance from their residences. Out of 424 lorry loads of jelly produced by the society till January 1985, 367 lorry loads had not been sold (December 1984) on account of high price quoted by it.

3.22.3.8. *Housing Schemes.*—6.66 acres of land were provided as house-sites (area of each site ranged from 2 to 5 cents) to 271 families of freed bonded labourers in Dharmapuri, Madurai, Pudukottai, South Arcot and Tiruchirapalli districts. In Madurai district, houses were constructed only on 67 out of 170 sites allotted. These houses constructed during 1976—77 were damaged by cyclone in November 1978. Rs. 1.83 lakhs sanctioned for construction of houses during

1976—77 and 1978—79 were surrendered in South Arcot (1976—77 : Rs. 1.32 lakhs), Pudukottai (1976—77 : Rs. 0.34 lakh) and Dharmapuri (1978—79 : Rs. 0.17 lakh) districts, as the grant of Rs. 1,000 per house was found insufficient. The Collectorates did not have information whether houses were constructed in other cases.

3.22.3.9. *Follow up.*—Follow up action had not been taken by the Department in the districts test checked to see whether the rehabilitated bonded labourers remained in their areas, continued their profession and were living above the poverty line, without sliding back to bondage.

3.22.4. *Rehablitation of freed bonded tribals of Kalrayan hills in South Arcot District*

3.22.4.1. The programme for the welfare and development of 24,945 freed bonded labourers (forming part of the tribal population of 28,798) of Kalrayan hills were implemented in the State from 1976—77 under the Integrated Tribal Development Project (ITDP) of the Tribal Sub-Plan, which focussed attention on the specific problem of each identifiable group and area. As they were not rehabilitated under the Centrally sponsored scheme, no immediate relief for sustenance was given to them. The Statutory Registers prescribed under the Bonded Labour System (Abolition) Rules, 1976 were not also maintained for these tribal bonded labourers. Rupees 3,75.73 lakhs were spent under ITDP to end of 1983—84 under 12 sectoral programmes. Implementation of schemes under 6 of the sectoral programmes on which Rs. 2,63.17 lakhs were spent, as indicated below, were reviewed.

Serial number and Sector (1)	*Expenditure* (2) (in lakhs of rupees)
1. Agriculture	24.05
2. Animal Husbandry	30.24
3. Communications	1,86.62
4. Co-operation	19.43
5. Sericulture	1.77
6. Village Industries	1.06
(Source : Project Report) Total ..	2,63.17

3.22.4.2. *Agriculture including Horticulture.*—Improved seeds, chemical fertilisers and plant protection chemicals were distributed to 10,056 persons upto 1983—84. Programmes for tour and training were also implemented during 1977—78 to 1983—84 (expenditure : Rs. 1.63 lakhs). As per the reports of the Collector of South Arcot, the horticultural schemes implemented had failed and no orchard was successful. There was no follow up, such as, verification of plants distributed, orchards set up and assessment of success or otherwise of the schemes.

3.22.4.3. *Animal Husbandry.*—Test check in respect of 35 out of 105 villges where the schemes were implemented disclosed the following :

(i) 3,170 animals/birds (cost : Rs. 7.98 lakhs) were distributed to 606 beneficiaries during 1976—77 to 1983—84. Verification by officials between September 1982 and November 1984 in respect of 2,105 animals (cost : Rs. 5.66 lakhs), distributed to 408 beneficiaries, showed that 1,041 were sold away and 267 animals were dead ; 110 animals could not be verified due to absence of the beneficiaries.

(ii) Animals were distributed more than once in 111 cases to the same beneficiaries.

(iii) Collection of milk for sale was not linked with large sized multi-purpose co-operative societies in respect of milch animals distributed.

3.22.4.4. *Village Industries.*—(i) *Bee-Keeping.*—Beehives at 10 each were distributed to 60 beneficiaries during 1976—77 and 1977—78. Further distribution was discontinued from 1978—79, as those already distributed had not been fully colonised. According to the project report, an annual income between Rs. 2,000 and Rs. 4,000 to each beneficiary was anticipated through sale of honey produced. There was, however, no production of honey during the first three years and the value of honey procured by the department in the subsequent years averaged only Rs. 84 per annum per beneficiary.

Duties of bee fieldman include mainly colonisation of bees in the area, selection of beneficiaries for distribution of more beehives and follow up action. In view of the discontinuance of distribution of beehives from 1978—79, non-colonisation of bees and low production of honey, continued employment of 3 bee fieldmen from 1979—80 to 1984—85 was not justified. The expenditure on their pay and allowances was Rs. 1.49 lakhs.

(ii) *Training in cane and bamboo industries.*—165 persons were trained during the period 1977—78 to 1983—84 ; expenditure incurred was Rs. 1.42 lakhs. The department did not, however, have information whether the trained persons were engaged in the trained trades and production, if any, of cane and bamboo articles.

(iii) *Supply of blacksmithy tools.*—Blacksmithy tools were distributed to 40 beneficiaries during 1978—79 to 1983—84 and emery chakkies were distributed to 25 beneficiaries during 1978—79 and 1979—80. Their continued retention and utilisation were not verified by the department for want of adequate staff.

3.22.4.5. *Sericulture.*—(i) 186 acres of land were allotted to tribals at the rate of one acre each for cultivation of mulberry and rearing of cocoons during the period 1979—80 to 1983—84. Details of areas actually cultivated, cocoons produced and income earned are indicated below :

Year of cultivation	*Total area allotted for cultivation*	*Actual area cultivated*	*Year of harvest*	*Quantity of cocoons produced*	*Income earned*
(1)	(2)	(3)	(4)	(5)	(6)
	(in acres)			(Kgs.)	(Rs.)
1979—80 ..	18	..	1980—81	..	..
1980—81 ..	36	5	1981—82	64	1,821
1981—82 ..	86	21	1982—83	653	19,924
1982—83 ..	136	36	1983—84	696	20,502
1983—84 ..	186	47	1984—85	749	20,901

(ii) The average production *per* acre *per year* ranged from 12.8 to 31.1 Kgs. only, against 100 to 150 Kgs. per acre *per crop* estimated by the department.

(iii) The average annual income per acre ranged from Rs. 364 to Rs. 949 only, against Rs. 2,500 to Rs. 5,000 per acre per crop estimated by the department. The low production was attributed by the Department (July 1985) to poor harvest due to inadequate rains during the several years.

3.22.4.6. *Co-operation.*—(i) Three hill tribes Large-sized Multi-purpose Co-operative Societies (LAMP) were formed in January 1981 in Kalrayan hills for providing credit facilities for production and consumption, marketing support for minor forest produce, farm inputs and consumer necessities to the tribal members. Government assistance of Rs. 23.76 lakhs (loan : Rs. 2.02 lakhs ; subsidy : Rs. 21.74 lakhs) was provided to them during 1980—81 to 1984—85.

(ii) Medium term loans disbursed to end of 1982—83 by these Societies in 476 cases totalled Rs. 9.73 lakhs and short term loans amounted to only Rs. 0.44 lakh in 85 cases. Consumption loan to meet day to day personal needs of tribals had not been disbursed. Loans for urgent agricultural/trade purposes had been disbursed after delays ranging from 2 to 3 months in 85 cases during 1981—82.

(iii) In one Society, irregularities in the distribution of agricultural inputs, misutilisation of subsidy and alleged misappropriation of Rs. 0.90 lakh were reported in March 1983. Three officials had been suspended. Further action was pending (May 1985).

(iv) It was reported in November 1984 by the Deputy Registrar of Co-operative Societies, Vridhachalam, that the services rendered by these societies to the tribal people were minimal due to lack of trained personnel, inadequate infrastructural facilities like housing, transportation, storage and insufficient working capital.

3.22.4.7. *Roads.*—(i) With reference to the proposals of the Chief Engineer (Highways and Rural Works) (CE), Tamil Nadu, made in 1980, for the formation of 2 roads, considered necessary for the normal administration and developmental programmes for the welfare of the tribal people in Kalrayan hills, at a total cost of Rs. 5.08 lakhs, Government decided in July 1981 that the first phase of the road works, excepting metalling and black topping, might be taken up under the Tribal Sub-Plan and administratively sanctioned the works for a total expenditure of Rs. 3.21 lakhs (from Vellimalai to Kilakadu—Rs. 2.06 lakhs ; from Vellimalai to Parigam—Rs. 1.15 lakhs). These works were technically sanctioned by the CE respectively for Rs. 2.20 lakhs in October 1981 and Rs. 1,23.50 lakhs in February 1982. Due to dearth of contractors in hill terrains to undertake such huge works and for speedy execution,

tender formalities were waived and the works were split up and executed through selected piece workers on nomination basis. The two roads on which Rs. 3,20.95 lakhs (Vellimalai to Kilakadu ; Rs. 1,92.01 lakhs ; Vellimalai to Parigam : Rs. 1,28.94 lakhs) had been spent (till April 1985) remained (April 1985) to be completed as detailed in the succeeding paragraphs.

(ii) *Vellimalai - Kilakadu Road* (39 *Kms.*).—Formation of the road from Vellimalai to Kilakadu had been completed for 28.6 Km. only (March 1985). Construction of a minor bridge including formation of approaches at Km. 23/6 was in progress. 110 culverts had been completed ; 13 culverts were in progress ; 6 pipe culverts were to be taken up for execution.

(iii) *Vellimalai—Parigam Road including cross drainage works* (22.6 *Km.*).—(a) The work was commenced in December 1981. Formation of the road and 84 culverts had been completed. Traffic island and pylon at the junction points had not been taken up. Construction of two major bridges across Gomuki and Perugatti rivers including formation of approaches was to be completed (March 1985) *Ivide* sub paragraphs (b) and (c)]. Meanwhile, the estimate, revised from Rs. 1.15 lakhs to Rs. 1.65 lakhs and submitted by CE in November 1984, was to be approved administratively by Government.

(b) *Bridge across Gomuki river.*—The work, which was to have been completed by the contractor by 8th March 1984 (within 10 months from date of handing over site) as per the agreement, had not been completed, even after extensions had been granted upto 8th May 1985. Even 25 per cent of the work had not been completed by March 1985.

(c) *Bridge across Perugatti river.*—According to the agreement executed in April 1983, the work was to have been completed by the contractor by 1st March 1984. Extensions of time had been granted upto 1st May 1985. By March 1985, abutments and piers had been raised upto bottom of bed block. Fabrication of steel for bed block and formation of approaches were in progress.

(iv) *Unauthorised diversion of funds.*—Rupees 63.46 lakhs, out of the funds provided for the first phase of the works, which excluded metalling and black topping and, therefore, did not require bitumen, were unauthorisedly paid as advance to the Indian Oil Corporation Limited (IOC) for supply of 2,300 tonnes of bitumen, of which Rs. 20.75 lakhs

vere refunded by IOC due to non-supply of 8,07.08 tonnes of bitumen. ,492.92 tonnes of bitumen received from IOC were later transferred o other works.

3.22.4.8. *Assignment of land.*—Out of 5,828 families (24,945 tribals) eleased from bondage in 1976 from Jagirdars, as in March 1985, assignnent of land had been made only to 181 and pattas had not been issued o another 422, whose claims for assignment had been accepted by the lepartment, as a result of survey and settlement operations of the -ands taken over from the Jagirdars under the Tamil Nadu Enam Estates Abolition and Conversion into Ryotwari) Act, 1963. In view of large -cale complaints from tribals about improper enquiry and lack of ɔublicity resulting in incorrect settlement of lands enjoyed by them, Jovernment directed the Collector in January 1985 to examine the ıeed for a resurvey. Further developments were awaited (Septemɔer 1985).

3.22.4.9. The Collector of South Arcot district reported in December 1977 that all the 24,945 freed tribals in Kalrayan hills were rehabilitated. However, during the period from 1976—77 to 1983—84, the number of persons who availed assistance under the several schemes was 18,372 only. In the absence of the statutory registers prescribed under the Bonded Labour System (Abolition) Rules, 1976, to show the details of rehabilitation in respect of each freed bonded labourer in Kalrayan hills, the extent of rehabilitation could not be ascertained in audit to see whether all the freed persons were completely rehabilitated and were lifted above the poverty line.

3.22.5. *Summing up—*

Centrally sponsored scheme of rehabilitation.—As on 31st March 1985, out of 33,076 bonded labourers identified and freed, 7,985 were rehabilitated under the Centrally sponsored scheme and other ongoing schemes, while 24,945 freed tribals of Kalrayan hills in South Arcot district were rehabilitated under ITDP.

VCs are required to meet at least twice a year to review the identification, release and rehabilitation of bonded labourers. District VCs did not meet during 1982—84 in 2 districts and in 1982 in 2 other districts and only once in another district. Divisional level VCs did not meet in 2 divisions and met only once in 6 divisions.

Statutory Registers showing all particulars in respect of each bonded labourer identified, freed and rehabilitated were incomplete and not up-to-date in the districts test checked.

Rupees 32.76 lakhs were spent by the State Government during 1978—79 to 1984—85 (up to August 1984) on the Centrally Sponsored Scheme for rehabilitation of bonded labourers against Rs. 10.04 lakhs received as Central assistance up to 1983—84.

Out of Rs. 26.70 lakhs sanctioned during 1976—77 to 1984—85 for rehabilitation of freed bonded labourers in the 6 districts test checked, Rs. 3.68 lakhs were surrendered and Rs. 17.04 lakhs drawn from treasuries remained unutilised.

Whereas it was envisaged that the bonded labourers should be rehabilitated immediately after release, out of 2,309 freed bonded labourers rehabilitated, 660 were rehabilitated within one year, 546 between 1 and 2 years, 127 between 2 and 4 years and 6 between 4 and 8 years after their release from bondage.

Cultivable lands measuring 779.22 acres were assigned to 526 freed bonded labourers in 5 districts. Details of lands which were cultivated by the freed bonded labourers and income earned by them were not kept on record by the Collectorates in 5 districts.

Rehabilitation of freed bonded labourers in 2 Gem cutting Co-operative Societies and 1 Jelli Workers Co-operative Society was not successful.

House sites measuring 6.66 acres were allotted to 271 families of freed bonded labourers in 5 districts. In Madurai district, houses were constructed only on 67 out of 170 sites allotted. Even these houses were damaged by cyclone in November 1978. Rs. 1.83 lakhs sanctioned for housing in 3 other districts were surrendered, as the assistance of Rs. 1,000 per house was found insufficient.

There was no follow up to assess the extent of rehabilitation of the freed bonded labourers.

Rehabilitation in Kalrayan hills under ITDP.—Rupees 3,75.73 lakhs ere spent during 1976—77 to 1983—84 under ITDP for the welfare nd development of 24,945 freed tribal labourers in Kalrayan hills under arious sectoral programmes. Immediate relief for sustenance was ot given to these tribals.

Verification by officials in respect of 2,105 animals, distributed to 08 beneficiaries, showed that 1,041 were sold away and 267 were dead.

Under 'Bee Keeping' there was no production of honey during ıe first three years and the value of production was poor in subsequent ears.

Average annual production of cocoons per acre during 1980—81 ɔ 1983—84 ranged from 12.8 to 13.1 Kgs. only, against 100 to 150 Kgs. er acre per crop estimated by the department. The average annual ıcome per acre also ranged from Rs. 364 to Rs. 949 only against .s. 2,500 to Rs. 5,000 per crop estimated by the department.

Two arterial roads essential for the administration and implementaon of developmental programmes of the area commenced in November 981 were yet (April 1985) to be completed. Expenditure incurred on ıem was Rs. 3,20.95 lakhs (April 1985).

The matter was reported to Government in June 1985; their reply s awaited (November 1985).

RURAL DEVELOPMENT DEPARTMENT

.23. National Project on Biogas Development

.23.1.1. *Introductory.*—Biogas, a clean and cheap fuel in the form of gas, s produced from cattle dung in a biogas plant, without losing the manrial value of the dung. Biogas plant helps in obtaining both fuel and ıanure from the same quantity of cattle dung. With a view to tapping his alternative source of energy, Government of India launched, in

November 1981, the Centrally sponsored scheme in the Sixth Plan, calle the National Project on Biogas Development (NPBD). The mai objectives of the Project are to—

(i) provide energy in a clean unpolluting form;

(ii) make available enriched fertilizer as a by-product for suppl menting and optimising the use of chemical fertilizers;

(iii) reduce pressure on the dwindling fuelwood supplies entailir check on indiscriminate felling of trees and consequent deforestation;

(iv) assist rural women through elimination of smokefilled cookir methods and reducing the drudgery, eye diseases, etc.; and

(v) bring improvement in rural sanitation. Under the schem rural people owning cattle are motivated to instal biogas plants wit loan initially obtained from nationalised banks/from their own sourc with the following facilities, provided by Government, for promotio construction, after installation service, etc.

(i) Government subsidy to every family installing a biogas plar depending on the number of animals owned, the quantum of subsid varying according to size of the plants, category of beneficiaries an areas.

(ii) Government grant of Rs. 300 (Rs. 200 up to March 1984) fc biogas plant installed on turnkey basis to State Corporate bodie registered societies, selected voluntary organisations, trained privat entrepreneurs, and self employed supervisors selected by Khadi an Village Industries Commission (KVIC) who assist the beneficiaries i all possible ways and provide at least two years' (one year up to 31s March 1984) guarantee for the trouble-free functioning of the plant

(iii) Government grant of Rs. 30 per biogas plant promoted an supervised by selected village functionaries [Rural Welfare Officer (RWOs) in Tamil Nadu] who help beneficiaries in preparation of ban loan applications, arranging bank loans, trained masons,contacting appro ved fabricators, getting cement permits, supervise construction work a important stages expediting release of subsidy, etc.

(iv) For organisational infrastructure (Biogas cells) (*a*) cent per cent grant to State Government of expenditure on staff employed (at the prescribed pattern) at State level and district levels in the selected intensive districts and (*b*) 2.5 per cent grant of the estimated cost of construction of biogas plants from 1984-85 in lieu of staff support in respect of non-intensive districts.

(v) Assistance for organising training courses, practical courses in the construction, installation and maintenance/repairs of biogas plants at aproved patterns.

(vi) Non-recurring payment to the State Government of Rs. 30,000 for purchase of equipment/tools for each repairing unit to be set up for detection of defects and repairs to plants.

(vii) Rs. 1 lakh for every 1,000 biogas plants installed which are not covered by warranty period for their repairs.

3.23.1.2. The village level functionary (Rural Welfare Officers in Tamil Nadu) promotes the installation of biogas plants and collects applications for loans from the intending beneficiaries and forwards them through the Block Development Officer (BDO) to the financing bank. The loan sanctioned by the bank after processing is recoverable over a period ranging from 5 to 7 years. On completion of construction of the biogas plant and production of completion certificate duly signed by the BDO, the subsidy is released to be adjusted against the loan due of the beneficiary. The subsidy is released directly to beneficiaries constructing the plant without loan assistance.

3.23.1.3. The scheme was implemented by the State Government in Tamil Nadu in Chengalpattu, Coimbatore, Madurai, North Arcot, Periyar, South Arcot, Thanjavur and Tiruchirapalli districts selected by the Government of India as "intensive districts" and in the remaining districts (except Madras City) on "a non-intensive basis". It was implemented also by KVIC, which received the financial assistance directly from Government of India, in Kanyakumari, Ramanathapuram and Tirunelveli districts and selected blocks in Madurai district from August 1983. The Director of Rural Development (DRD), Tamil Nadu, implemented it through the Collectors and BDOs.

3.23.1.4. The implementation of the scheme was reviewed in audit during October 1984 to March 1985 in the Secretariat, the Directorate of Rural Development, 5 intensive districts (Chengalpattu, Coimbatore, Madurai, North Arcot and Periyar) and 2 non-intensive districts (Ramanathapuram and Salem). Important points noticed are mentioned in the succeeding paragraphs.

3.23.2. *Release of funds and expenditure*

3.23.2.1. Government of India released Rs. 5,22.18 lakhs and the State Government incurred expenditure totalling Rs. 4,97.77 lakhs on the scheme during the period 1981—82 to 1984—85. Year-wise particulars under the various components ofthe scheme are indicated below—

Name of Component	1981—82		1982—83		1983—1984		1984—85		Total	
	Assistance received	Expenditure	Assistance received	Expenditure	Assistance received	Expenditure	Assistance received	Expenditure	Assistance received	Expenditure
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
					(in lakhs of rupees)					
1. Subsidy (including turnkey fees and promotional incentives)	27.30	10.92	37.75	46.13	1,79.46	1,42.46	2,42.09	2,70.00	4,86.60	4,69.51
2. Organisational suport (State and District level Biogas cells)	1.04	..	..	3.14	5.17	5.68	3.00	4.32	9.21	13.14
3. Training	..	..	1.13	1.13	3.08	3.08	18.76	7.51	22.97	11.72
4. Post-installation maintenance and repairs.	..	..	..	..	..	..	3.40	3.40	3.40	3.40
Total ..	28.34	10.92	38.88	50.40	1,87.71	1,51.22	2,67.25	2,85.23	5,22.18	4,97.77

3.23.2.2. *Provision of funds.*—The department was to ensure speedy disbursement of subsidy to the beneficiaries to avoid undue interest on loans advanced to them by the Banks. The State Government, however, issued orders of allotment of funds during 1981—82 to 1984—85 after a lapse of two months on 7 occasions, 5 months on one occasion and 6 months on another occasion from the dates of release of funds by the Government of India. There were further delays ranging from 2 to 5 months in providing funds to the implementing departmental officers, resulting in belated release of subsidy to beneficiaries in a large of number cases.

3.23.3. *Targets and achievements*

3.23.3.1. The targets fixed by Government of India for installation of biogas plants and achievements reported by the State Government for the years 1981—82 to 1984—85 are indicated below—

Year	Targets	Achievement
(1)	(2)	(3)
	(Number of biogas plants)	
1981—82	3,500	962
1982—83	3,000	4,644
1983—84	5,000	6,750
1984—85	10,000	7,046
		(up to December 1984)
Total ..	21,500	19,402

3.23.3.2. The number of biogas plants actually installed in six districts test checked was less than the number reported to have been achieved. The percentage of plants reported in excess of actual installation ranged from 21 to 255 as shown below :—

Year	*Reported achievement*	*Actuals*	*Difference (number not installed)*	*Percentage*
(1)	(2)	(3)	(4)	(5)
1981—82	709	287	422	147
1982—83	2,972	2,440	532	22
1983—84	5,151	4,267	884	21
1984—85 .. .. .. (Up to December 1984)	5,826	1,640	4,186	255
Total ..	14,658	8,634	6,024	70

3.23.3.3. The achievement reported, however, included besides the plants actually installed, those for which works were in progress. In Yercaud block (Salem district), though no work had been taken up till March 1985, 27 plants were reported to have been completed during 1984—85, leaving the subsidy of Rs. 15,000 unutilised. In Madurai district, 201 plants reported to have been installed during 1982—83 to 1984—85, were not actually installed as the subsidy therefor totalling Rs. 3.99 lakhs advanced to the banks was refunded since the beneficiaries were not interested in installing the plants. In Chengalpattu district, the number of plants constructed during 1982—83 in 4 blocks was only 33 against the reported achievement of 106 and during 1983—84, in 5 blocks it was only 42 against the reported achievement of 125 plants.

3.23.3.4. *Coverage of Scheduled Caste/Scheduled Tribes, small and marginal farmers.*—(*a*) Government of India specified in October 1983 that at least 10 to 15 per cent of allotted targets of biogas plants might be earmarked for SC/ST beneficiaries. However, of the 7 districts test checked, there were no SC/ST beneficiaries in 3 districts and in 2 districts they were 1 and 6 per cent of the total beneficiaries during 1983—84 and 1 and 3 per cent in 2 districts during 1984—85.

Information on the coverage for the whole State is awaited from the Department (November 1985). (*b*) Though higher rates of subsidy were allowed to members of the weaker sections of the society, viz., SC/ST, small and marginal farmers, their percentage to the total beneficiaries during 1981—82 to 1984—1985 ranged from 4 to 19 in 4 districts test checked.

Government stated in September 1985 that benefits of the scheme had not reached the weaker sections as the S.C. beneficiaries did not have sufficient number of cattle to erect biogas plants and the banking institutions insisted on the financial soundness of the party to repay the cost of the plant.

3.23.4. *Selection of beneficiaries and processing of applications*

3.23.4.1. The scheme was to be implemented on the basis of a benchmark survey of the districts of farmers/individuals, the number of cattle possessed, area of land owned, space available for outlet of slurry from the plant, number of Scheduled Castes (SCs) and Tribes (STs) small and marginal farmers. Such a survey had not been undertaken.

3.23.4.2. Loan applications for construction of biogas plants processed and forwarded by the BDOs were to be disposed of by the banks within 15 days from date of receipt. Out of 35,005 applications forwarded during 1981—82 to 1984—85 (up to 31st December 1984) to the Banks in the districts test checked, 13,740 were pending sanction on 31st December 1984 as detailed below :—

Year in which forwarded	*Number of application pending*
(1)	(2)
1981—82	218
1982—83	2,038
1983—84	4,018
1984—85 (up to December 1984)	7,466
Total ..	13,740

6,274 of the pending applications were over 9 to 30 months old (over 30 months : 218; over 18 months : 2,038 and over 9 months : 4,018).

The BDOs did not follow up the applications to ascertain their pendency or otherwise, the specific reasons for the pendency, etc.

3.23.4.3. Estimated costs of construction of biogas plants (as accepted by National Bank for Agriculture and Rural Development) were to be given as loan to the beneficiary by the bank, subject to adjustment of the subsidy against the loan amount after installation of the plant. It was noticed in audit that (i) unit cost of construction had not been approved for Dome-type plants of 8, 10, 15 cubic metre sizes; (ii) for the same type plants amounts of loan sanctioned were different and (iii) the amounts of loan sanctioned were far less than the actual reported cost of the plants (51 cases in 8 blocks). This indicated that the beneficiaries were not assisted by the banks to meet the entire capital cost through the loan and Government subsidy and they might have resorted to borrowing from other sources to meet the shortage in the loan assistance for completing the works.

3.23.5. *Execution of works*

3.23.5.1. The approximate size of the biogas plant is to be selected on the basis of gas production with reference to the number of cattle owned, requirement of dung and number of persons for whose cooking the gas is required. The size of biogas plants installed in four districts was larger than those approved by Government of India on the basis of the number of animals owned by the beneficiaries. This had resulted in increased cost of construction of the plants and consequential increased loan liability to the beneficiaries and higher subsidies from Government. The size of domestic plant approved by Government of India, for a family of 15 to 20 members owning 6 to 12 animals is 6 cubic metres, which carried a subsidy of Rs. 1,940 up to 1983—84 and Rs. 2,610 from 1984-85. However, 1,762 domestic plants of larger sizes (from 8 to 25 cubic metres) had been installed for families of less than 20 members in 106 blocks in 6 districts;subsidy paid in these cases ranged from Rs.2,600 to Rs. 8,190. Had the size of the plants been restricted to the approved pattern, viz., 6 cubic metres, payment of additional subsidies totalling Rs. 24.47 lakhs could have been avoided. Loan liability of the

beneficiaries could have been reduced considerably and banks/Government could have assisted larger number of beneficiaries. The beneficiaries were not therefore motivated by the department and the banks did not restrict the assistance, to the appropriate types of gas plants.

3.23.5.2. *Completion reports.*—The BDOs, who were authorised to sign the completion reports, were to ensure actual installation of biogas plants and disbursement of subsidy to beneficiaries in all cases for which subsidy was given. He or his nominee should conduct random checks to see that the completion certificates had been issued correctly and the plants had actually been installed. There were no records to indicate physical verification, if any, conducted by BDOs.

3.23.5.3. The Union Engineer (UE) of the Block who certified the completion report had not assessed the value of work done, adequacy or otherwise of cement issued and its actual utilisation on the work. Though the works of construction had to be executed as per approved designs and estimates, there were no recorded measurements and accounts of work executed. Completion reports were not available with the department for 154 plants stated to have been installed in 25 blocks in 5 districts; subsidy released in these cases was Rs. 2.63 lakhs. Out of 3,111 plants installed in 37 blocks in Chengalpattu, North Arcot and Salem districts, 328 completion reports were not certified by any technical officer, 155 reports were not signed by either UE or BDO or both and 104 reports did not contain the dates of completion of the plants.

3.23.5.4. The duties of the Assistant Engineer and Technician (Biogas Cell) attached to the Collectorate were not defined. Only in June 1984, the State Government prescribed that the biogas plants should be physically verified by them in a phased manner. In the districts test checked, the physical verification had not been done by them. Details of technical supervision, if any, conducted by them were not on record, except in Madurai Collectorate. Verification by the Technical staff of Madurai Collectorate, conducted during April and May 1983, disclosed that the dimensions of 65 plants constructed were less than those for which loans/subsidies were released, entitling only lower rates of subsidy. Consequently subsidy overpaid was Rs. 0.33 lakh, of which Rs. 0.22 lakh remained (March 1985) to be recovered. Cement issued

in excess and its cost had not also been assessed for recovery. Similar verification had not been done in other districts. In August 1984, the DRD ordered that physical verification of plants should be conducted by National Service Scheme Volunteers from four Universities. Such a verification commenced in October 1984 had not yet (March 1985) been completed. The reports relating to Salem district showed that 8 biogas plants, for which subsidy of Rs. 0.26 lakh was paid, had not been verified by these volunteers in two blocks.

3.23.5.5. The construction of biogas plants has to be undertaken by the beneficiaries according to the types approved by Government of India as per the drawings and estimates published by KVIC (in respect of conventional types) and Tamil Nadu Agricultural University, Coimbatore (in respect of fixed dome types). Test check indicated that 1,092 biogas plants for which there were no approved type designs and estimates were constructed in 75 blocks during the period 1981—82 to 1984—85 and subsidies totalling Rs. 34.24 lakhs were paid as indicated below :—

Serial number	*Type/size (in cubic metres)*	*Number of plants (blocks)*	*Period*	*Amount of subsidy*
				(in lakhs of rupees)
(1)	(2)	(3)	(4)	(5)
1.	Fixed dome and KVIC (7) ..	27 (11)	1982—83 to 1983—84	0.70
2.	Fixed dome (8 to 25)	1,065 (64)	1981—82 to 1984—85	33.54

3.23.5.6. Works for constructing 402 biogas plants commenced (71 during 1982—83 and 331 during 1983—84) in 69 blocks were either abandoned or incomplete. The total assistance involved in these cases was Rs. 19.61 lakhs (loan : Rs. 11.25 lakhs; subsidy : Rs. 2.20 lakhs and cost of cement : Rs. 6.16 lakhs).

3.23.5.7. In 6 districts test-checked, 70 biogas plants installed during 1981—82 to 1983—84, for which subsidy paid was Rs. 1.24 lakhs, were not functioning for periods ranging from 3 to 25 months due to defects like cracks in the domes/side walls, etc.

3.23.5.8. *Issue of cement.*—With a view to minimising cost of construction of biogas plants and speedy implementation of the scheme, levy cement allotted by Government of India was lifted by BDOs and quantities as prescribed by DRD were to be issued to beneficiaries, depending on the type and size of the plants. However, cement weighing 326.5 tonnes valued Rs. 3.01 lakhs had been issued in excess by the BDOs due to incorrect application of the rates prescribed by DRD during 1982-83 to 1984-85 to 702 works in 74 blocks in seven districts; the amounts due for such excess issues at double the issue rate remained to be recovered. 1,440 tonnes of cement issued (value : Rs. 14.40 lakhs) were lying unutilised on 31st December 1984 in 38 blocks (over 10 to 20 tonnes each in 12 blocks, over 25 to 50 tonnes each in 16 blocks and over 50 tonnes each in 10 blocks) in Periyar and Salem districts.

The adequacy or otherwise of the cement issued with reference to the sizes of the plants constructed and its actual utilisation on the works had not been checked by the department.

3.23.6. *Payment of subsidy*

3.23.6.1. Seventy five per cent up to1983—84 and 50 per cent from 1984—85 of the subsidy on the basis of approved targets of biogas plants was released by Government of India in advance and the balance was to be released on production, by the State Government, of certificates of utilisation and completion of plants showing details and amounts of subsidy disbursed to the beneficiaries. Out of Rs. 4,69.51 lakhs released by Government of India to Tamil Nadu during 1981—82 to 1984—85, certificates of utilisation and completion of biogas plants had been furnished to Government of India only for Rs. 1,67.01 lakhs as on 31st March 1985. Details of number of biogas plants actually completed, amount of subsidy finally paid to the beneficiaries and additional amount of subsidy due from, or the amount to be refunded to, Government of India were not available for the years 1981—82 to 1984—85 either at the Directorate of Rural Development or with the State Government.

3.23.6.2. Funds for payment of subsidy released by the DRD to district collectors were drawn from the treasury and deposited initially in a nationalised bank and advanced to banks in Madurai district; in Chengalpattu and Salem districts, they were

credited to the General Fund of the panchayat unions. In Coimbatore, North Arcot and Periyar (from October 1984) districts, the amounts drawn from the treasury, were deposited in nationalised banks by Collectors and released as and when subsidy was sanctioned on the basis of completion reports. As on 31st October/December 1984, Rs. 75.62 lakhs were lying unutilised with banks/departmental officers in Chengalpattu, Coimbatore, Madurai, North Arcot, Periyar and Salem districts. Interest of Rs. 0.53 lakh accrued on the amounts deposited in banks up to October 1984/December 1984 had not been remitted to Government; Rs. 4,000 of this interest had been utilised unauthorisedly for payment of subsidy in Coimbatore district.

3.23.6.3. In Madurai district, advances totalling Rs. 3.99 lakhs, made to banks during 1982—83 to 1984—85 in respect of 201 beneficiaries, were refunded by them later (after 6 to 12 months) as the intended beneficiaries were not interested in installing biogas plants.

3.23.6.4. There was delay in releasing/adjusting subsidy to the beneficiaries after the work was completed due to delay in processing the completion reports. Belated release/adjustment of subsidy to the beneficiaries' loan account increased their interest liability. Out of 7,793 cases reviewed in 5 districts, the delay ranged from 2 months to over a year in 3,926 cases as indicated below :—

Period of delay	*Number of cases*
(1)	(2)
(i) exceeding 2 months up to 3 months	599
(ii) exceeding 3 months up to 6 months	1,712
(iii) exceeding 6 months up to 1 year	1,393
(iv) exceeding 1 year ..	222

3.23.6.5. *Inadmissible payment.*—(i) Subsidy at enhanced rates admissible to small and marginal farmers had been disbursed to 320 beneficiaries (during 1981—82 to 1984—85) in 7 districts test checked without supporting data on record that they were small or marginal farmers. Inadmissible payments of subsidies in these cases, in excess of the prescribed normal rates, totalled Rs. 3.10 lakhs.

(ii) Subsidy was admissible only to plants erected on or after 1st April 1981. However, subsidy of Rs. 0.11 lakh was paid to 9 plants constructed prior to that date in 4 districts.

3.23.6.6. *Overpayment of subsidy.*—Scheduled Caste beneficiaries were eligible to subsidy only at ordinary rates for installation of biogas plants during the period 1st April 1981 to 31st March 1984. Subsidies at enhanced rates were, however, disbursed during this period to 124 SC beneficiaries in 36 blocks in 5 districts; the total subsidy overpaid was Rs. 1.30 lakhs (1981—82 : Rs. 0.04 lakh; 1982—83 : Rs. 0.30 lakh and 1983—84 : Rs. 0.96 lakh).

3.23.6.7. Construction of biogas plant should be completed in 45 days. In 85 cases, construction, commenced between November 1982 and February 1984, was completed only between June and November 1984. Meanwhile the rates of subsidy were increased from 1st April 1984. Delayed completion of these plants had resulted in extra payment of Rs. 0.62 lakh.

3.23.6.8. In Salem district, in 11 cases of plants completed prior to 1st April 1984, subsidy claims were settled at enhanced rates after 1st April 1984; the excess payment of subsidy in these cases was Rs. 0.09 lakh.

3.23.6.9. *Assistance to landless agricultural labourers.*—Subsidies totalling Rs. 1.36 lakhs had been disbursed to 50 landless agricultural labourers in 5 districts during 1982—83 to 1984—85 without data on record that they possessed the required number of cattle and minimum land for installation of biogas plants and manure pits.

3.23.6.10. Neither the Collectors nor the BDOs had obtained from banks certificates of utilisation of the subsidy released by credit to the loan accounts of the beneficiaries. In North Arcot district, subsidy had been released to the same seven cases both by the Collector and a BDO ; the subsidy of Rs. 0.16 lakh in these cases released by the Collector was lying in suspense account with the banks, as it had already been disbursed to the beneficiaries by the BDO. In another case, a cheque for Rs. 3,000 issued by the Collector in September in 1983 had not yet (March 1985) been encashed. In another block, subsidy of Rs. 5,000 for two cases released by the Collector, on the basis of completion certificates, was lying in suspense account with the bank as the beneficiaries were not willing to execute the works.

3.23.6.11. Subsidy totalling Rs. 4.57 lakhs to 157 biogas plants in Periyar district was released by the Collector directly to the turnkey agent, who had constructed the plants accepting their certificates of completion, for disbursement to beneficiaries instead of through the BDOs. These works were not supervised by any Government agency. Certificates of utilisation had not also been obtained from the banks for the subsidy released.

3.23.7. *Turnkey agents and payment of incentive to village level functionaries (RWOs)*

3.23.7.1. Only in December 1982, Government of India permitted the appointment of trained private entrepreneurs as turnkey agents for installation of biogas plants. However, the DRD appointed in July/ September 1982 A and B, who were trained private entrepreneurs, as turnkey agents. They did not possess workshop facilities; caution money or surety bonds had not also been obtained from them.

3.23.7.2. The areas of operation of turnkey agents were to be clearly demarcated to avoid duplication of efforts. However, 'A', who was appointed as turnkey agent initially for Thanjavur district, was permitted in November 1983 to operate throughout the State. The BDOs were also permitted to implement the scheme in the 9 blocks, which were earmarked to 'B'. This resulted in duplication of efforts.

3.23.8. *After-installation servicing/maintenance of plants*

3.23.8.1. Rupees 2.80 lakhs released by Government of India to the State Government in August 1984 for proper maintenance and service of biogas plants after their installation which were not covered by warranty periods (due either to their construction by agencies other than on turnkey basis or the expiry of warranty periods of their construction on turnkey basis), were drawn in March 1985 and distributed to the Collectors through demand drafts in April 1985. Quarterly reports due (since November 1983) to the Government of India showing number of plants surveyed, number found to be defective and number repaired had not so far (March 1985) been forwarded by the State Government due to non-receipt of particulars from some Collectors.

3.23.8.2. Rupees 60,000 were released by Government of India in August 1984 for purchase of equipment/tools for two repair units to be set up for detection of defects and repairs to biogas plants. The units, ordered by the State Government in December 1984 to be located at Coimbatore (Agro Energy Unit, Tamil Nadu Agricultural University) and Pattukottai (Rural Extension Training Centre), had not yet (March 1985) been set up and brought to use.

3.23.9. *Project for community/institutional biogas plants*

3.23.9.1. Community Biogas plant is a plant, situated in village, having a capacity of 45 cubic metres and above per day and meeting the fuel needs of at least 25 families. One type, Institutional Biogas plant (IBP),relates to large size plants which cater mainly to the cooking and lighting energy needs in institutions like Universities, Hostels, etc., and the other type, Community Biogas Plant (CBP), is set up for the benefit of village communities.

3.23.9.2. Three Institutional Biogas plants and 3 Community Biogas plants were sanctioned for installation in Tamil Nadu; of which, 4 plants, (1 IBP and 3 CBPs) were under execution by KVIC. The other two IBPs proposed at Vedaranyam and Salem had not yet been installed. Assistance from Government of India had not yet (March 1985) been released in respect of Vedaranyam plant (sanctioned cost: Rs. 1.25 lakhs) as bonds had not been executed by the Institution. The capacity of the Plant proposed at Salem had not yet (March 1985) been determined.

3.23.10. *Training Programme*

3.23.10.1. With a view to creating a cadre of trained masons and technicians for succesful implementation of the scheme, practical courses of training to village masons and technicians in the construction, installation as well as maintenance/repairs of biogas plants and in training of trainers course for professional masons and field supervisory staff were contemplated in the scheme.

3.23.10.2. *Construction and maintenance training.*—The Government of Tamil Nadu ordered in May 1982 that at least one mason should be trained in each block so that he could, in turn, train other masons. Government of India released Rs. 8.28 lakhs for conducting 55 courses of training. Yearwise details of persons trained are detailed below:—

Year	*Number of courses*	*Number of masons trained*	*Assistance released by Government of India*	*Actual expenditure*
(1)	(2)	(3)	(4)	(5)
		(In lakhs of rupees)		
1982-83	5	107	0.90	**0.87**
1983-84	16	148	2.88	1.19
1984-85	34	N.A.	4.50	N.A.
Total	55	255	8.28	2.06

N. A. : Not available.

Five courses of training, required to be completed by July 1982 were completed only by March 1984, due to belated release of funds. By March 1984, only 255 masons had been trained.

3.23.10.3. Trainers Training Programme.—Under the programme, 20 field supervisors and 17 masons were trained during 1983-84 (expenditure: Rs. 0.17 lakh).

3.23.10.4. There were no feed-back arrangements to see whether (i) the trained trainers had imparted training to other masons and (ii) the trained masons were engaged in construction of biogas plants.

3.23.11. *Review and monitoring.*—Co-ordination committees at State and district levels were ordered to be constituted in April 1982 in Tamil Nadu to review and monitor the scheme. They were to be convened as often as practicable and at least once in three months. The State level committee met only thrice during 1982-83 to 1984-85 (July 1982, August 1983 and July 1984). These Committees were not formed in the districts. The scheme was discussed during the plan review meetings or the managing committee meetings of the District Rural Development Agency.

3.23.12. *Evaluation.*—The programme had not been evaluated (September 1985) by the State Government to assess its impact on the rural population, efficacy and utilisation of the plants installed and the extent of reduction in demand of fuel wood and utilisation of slurry (by product) reducing the offtake of chemical fertilisers.

The report of the private consultants appointed by Government of India in July 1984 to conduct an evaluation and survey of domestic biogas plants on 2,000 households in Tamil Nadu, Kerala and Orissa States was awaited (March 1985).

3.23.13. *Summing up –*

The Government of Tamil Nadu reported an achievement of 19,402 biogas plants up to December 1984, against the target of 21,500 plants during 1981-82 to 1984-85 fixed by Government of India. However, according to test check by Audit, the number of plants actually completed during the period was 8,634 only against the reported achievement of 14,658 in 6 districts.

There were no SC/ST beneficiaries in 3 districts.

13,740 loan applications (39 per cent) were pending sanction by financing banks on 31st December 1984, of which 6,274 related to the year 1981-82 to 1983-84.

Avoidable payment of subsidy to 1,762 domestic biogas plants of sizes larger than the approved appropriate size amounted to Rs. 24.47 lakhs.

Completion reports were not available for 154 plants. 587 completion reports were defective.

One thousand ninety two biogas plants (subsidy paid: Rs. 34.24 lakhs) were constructed in 75 blocks without approved designs and estimates.

Four hundred and two biogas plants involving a total assistance of Rs. 19.61 lakhs were either abandoned or incomplete in 69 blocks. 70 plants (subsidy paid: Rs. 1.24 lakhs) were not functioning from 3 to 25 months due to defective construction.

Adequacy or otherwise of levy cement issued and its actual utilisation on works had not been checked by the Department. Excess issues of cement totalled 326.5 tonnes (value Rs: 3.01 lakhs). 1,440 tonnes (value Rs. 14.40 lakhs) were lying unutilised in 38 blocks on 31st December 1984.

Certificates of utilisation were furnished (till 31st March 1985) to Government of India only for Rs. 1,67.01 lakhs, out of Rs. 4,69.51 lakhs of subsidy released in advance. Rs. 75.62 lakhs were lying unutilised with banks/departmental officers on 31st October/December 1984 in 6 districts.

Three thousand nine hundred and twenty six claims for subsidy were settled in 5 districts, after delays of 2 to 12 months, resulting in increased interest liability of the beneficiaries on loans. Belated settlement of 11 claims resulted in excess payment, at enhanced rates, of subsidy of Rs. 0.09 lakh.

Inadmissible payments, overpayments and avoidable payments of subsidy amounted to Rs. 5.13 lakhs in 538 cases. Payments of subsidy without supporting data on record in 50 cases totalled Rs. 1.36 lakhs.

Certificates of utilisation of subsidy by credit to beneficiaries, loan accounts had not been obtained by the Department from the financing banks.

Assistance of Rs. 2.80 lakhs released by Government of India for maintenance and repairs of biogas plants had not been utilised. Repair units at Coimbatore and Pattukottai had not been brought to use.

Only 255 masons were trained by March 1984.

The State Level Co-ordination Committee constituted to review and monitor the scheme met only thrice during 1982-83 to 1984-85.

The impact of the scheme on the rural population had not been evaluated by the Government.

The matter was reported to Government in June 1985; their final reply is awaited (November 1985).

SOCIAL WELFARE DEPARTMENT

3.24. Delay in installation of power laundry

In June 1981, Government approved the proposal of the Director of Approved Schools and Vigilance Service for starting a power laundry in the Government Vigilance Home and Stri Sadana, Madras, to give training to the inmates in washing and dry cleaning through power machines. The object was to provide the inmates with not only some wages while at the home but also training, which would be useful for their easy rehabilitation after discharge from the home. Government directed that the scheme should be implemented on a time bound programme to be commissioned before December 1981 and that the unit should be worked on a self-supporting basis by obtaining necessary job orders from hospitals, etc. The cost of the scheme, which was Rs. 5.02 lakhs in July 1981, was increased to Rs. 7.48 lakhs in September 1982 due to increase in the cost of machinery, provision of additional machinery and civil works, etc. Upto March 1985, an expenditure of Rs. 2.53 lakhs had been incurred on civil works (Rs. 0.38 lakh), purchase and maintenance of delivery van (Rs. 1.10 lakhs) and machinery (Rs. 1.05 lakhs).

In July 1984, the department recommended to Government dropping of the scheme as (i) there would not be appreciable demand for washing of clothes in the unit since there were similar units in all city hospitals, hostels, etc., (ii) being a residential unit, general public could not be permitted inside the home for getting their clothes washed in the unit and (iii) fresh water to the extent of 7,000 litres per day required for the unit would be a problem in view of the scarcity of water supply in the city off and on. However, in September 1984, the department decided to revive the scheme hoping to get water from Metrowaters and requested the Superintending Engineer, Public Works Workshop and Stores Circle, to procure and supply the boiler for the unit. Orders for the supply of a boiler were placed in May 1985 and the supply was expected during September 1985.

Thus, due to lack of adequate planning and proper investigation regarding the viability of the unit, the power laundry to be commissioned before December 1981 had not yet been installed (July 1985). The object of the scheme, viz. providing useful training to the inmates was also yet to be achieved, though an expenditure of Rs. 2.53 lakhs had been incurred upto March 1985.

Government stated (July 1985) that the Director of Approved Schools and Vigilance Service had been instructed to make the laundry operative during 1985-86.

TRANSPORT DEPARTMENT

3.25. Development of Intermediate and Minor ports

3.25.1.1. *Introductory.*—In Tamil Nadu, there are two intermediate ports at Cuddalore and Nagapattinam and five minor ports at Rameswaram, Colachel, Pamban, Kilakarai and Kanyakumari, administered by Government. Bulk of the cargo pass through Cuddalore, Nagapattinam and Colachel Ports. Rameswaram and Nagapattinam ports cater to the passenger ferry service to SriLanka and Malaysia respectively. Pamban and Kilakarai are only pilotage ports while Kanyakumari port is running a tourist ferry service to Vivekananda Rock Memorial. Besides these, a new minor port is being developed at Valinokkam.

3.25.1.2. *Organisation.*—The conservancy of all the minor ports is vested in the Tamil Nadu Port Department headed by the State Port Officer (SPO). Each port is in the charge of a Port Officer/Port Conservator. A Marine Investigation Division under an Executive Engineer is implementing the development schemes at minor ports. An Inspecting Dredging Engineer (IDE) attached to the department supervises the dredging operations and the maintenance of dredgers and other floating crafts.

3.25.1.3. *Function.*—The department has to provide facilities to ship and other crafts for safe entry and berthing, for loading and unloading of cargo and for the embarkation and disembarkation of passengers by constructing and maintaining harbours, by dredging the channels within the port limits to navigable depths and by maintaining lights, light-houses and other navigational aids. Besides, the port officers exercise powers conferred under the Indian Ports Act, 1958 and Merchant Shipping Act, 1958 and perform various duties to regulate shipping.

3.25.1.4. *Finance and outlay.*—Prior to August 1975, these ports were maintained by the landing and shipping funds and minor port funds administered by Port Committees. In August 1975, these funds were merged with the Consolidated Fund of the State and Government assumed full control of minor ports administration. During the years 1974-75 to 1984-85, expenditure incurred on the development of these ports amounted to Rs. 2,34.01 lakhs.

A review of the programme for development of these ports as well as their working was conducted in audit during October 1984—March 1985 in the State Secretariat, State Port Office and in four port offices (Cuddalore, Nagapattinam, Rameswaram and Pamban). Important points noticed are given below:

3.25.2 *Uneconomical working*

3.25.2.1. In the years 1974-75 to 1984-85, the revenue receipts earned by the minor ports amounted to Rs. 3,17.62 lakhs, while the expenditure incurred on their maintenance was Rs. 4,42.40 lakhs, resulting in a cumulative deficit of Rs. 1,24.78 lakhs as at the end of 1984-85.

Out of the seven ports, only two ports had shown surplus (Rameswaram: Rs. 50.14 lakhs; Colachel: Rs. 3.62 lakhs). Of the other five which showed deficit, Cuddalore and Nagapattinam alone accounted for Rs. 84.41 lakhs and Rs. 13.46 lakhs. The SPO attributed the deficit to the generally declining trend in trade during the years 1974-84. Figures of cargo handled by all these ports during 1974-75 to 1984-85 indicated below, would, however, show that the declining trend in the cargo traffic was arrested in 1980-81 and there was a revival of trade from then on.

Year	*Total cargo handled* (in lakhs of tonnes)
(1)	(2)
1974-75	3.91
1975-76	3.12
1976-77	1.78
1977-78	0.86
1978-79	1.36
1979-80	1.21
1980-81	1.93
1981-82	2.50
1982-83	3.40
1983-84	3.02
1984-85	5.89

3.25.2.2. Records in the department indicated the following causes for the deficit:—

(*a*) *Under-utilisation of capacity.*—In 1980, the annual total cargo handling capacity of Cuddalore and Nagapattinam ports was assessed at 6 lakh tonnes. It was visualised that by the end of Sixth Five Year Plan (1980-85) the two ports would handle a total cargo of 12 lakhs tonnes per annum and that the other ports would handle 0.60 lakh tonnes per annum. But the actual cargo handled in the years 1980-85 by the two intermediate ports ranged from 1.80 to 5.49 lakh tonnes only and by the other ports from 0.11 to 0.59 lakh tonnes.

The composition of the cargo handled in the ports during the Sixth Plan period showed that 52 to 81 per cent of the total cargo consisted of imported fertilisers, food grains and coal carried by ships nominated by departments/agencies of Government of India. The Sixth Plan expectations of exporting items like Barytes (3.6 lakh tonnes), granite stones (0.6 lakh tonnes), salt (0.12 lakh tonnes) and coastal trade in coal (2.2 lakh tonnes) did not materialise, due to non-availability of high freight earning cargo to go with cheap cargo like Barytes and granite stones to meet the increased cost of shipping, non-import of coal through minor ports by Railways and non-development of Vedaranyam Canal resulting in non-realisation of anticipated production of salt. Thus, underutilisation of the existing capacity to handle cargo was mainly the reason for the poor working results. Government stated in December 1985 that the anticipated trade increase had not materialised as the works connected with improving the infrastructure could be completed only in 1982-83 and that the trade was likely to go up in the coming years.

(b) *Non-revision of land and shipping fees.*—Minor ports derive most of their revenue from the Landing and Shipping Fees (LS fees) on cargo (imported and exported) levied under the Madras Outports Landing and Shipping Fees Act, 1885. The Act stipulated that the rates of LS fees were to be fixed from time to time but did not specify at what intervals such revision should be made. In July 1982, Government indicated to the port department that the rates be reviewed once in three years.

Though the fees for most of the items of cargo in three ports remained unchanged for 18 to 24 years, as indicated below, they have not yet been revised (June 1985).

Name of the Port	*Total number of items*	*Number of items for which the rates were not revised after*				
		1961	1967	1968	1978	1981
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Cuddalore .. ..,	72	60	..	..	5	7
Nagapattinam	28	..	..	22	5	1
Rameswaram	125	..	121	..	4	..

The proposals submitted to Government by the State Port Officer in November 1984 for a comprehensive revision of all the rates involved an annual revenue increase of about Rs. 12 lakhs at the existing volume of trade. According to the Port Officers and the SPO, the existing rates were too meagre to meet the rising cost of maintenance and administrative expenses and an increase in rates would not affect or drive away the trade from the minor ports. Orders of Government on the proposals were still awaited (November 1985). Non-revision of rates for long periods was another reason for the cumulative deficit.

(c) *Excessive staff.*—Three old floating crafts in the department ceased working and were condemned/awaiting condemnation as indicated below :

Name of craft	*Port to which attached*	*Month of cessation of work*	*Month in which condemned by Government*	*Remarks*
(1)	(2)	(3)	(4)	(5)
Dredger 'Naga' ..	Nagapattinam	August 1980	July 1983	..
Dredger 'Erskine'	Cuddalore	August1981	May 1985	..
Motor Tug 'Pamban'	Nagapattinam	May 1982	..	Proposals for condemnation submitted to Government in February 1983.

However, 36 out of the 45 members of staff attached to them were continued (March 1985) and only 9 were retrenched—that too 19 to 36 months after the respective crafts stopped working.

Expenditure incurred in retaining the surplus staff and the work assigned to them were as follows :—

Name of the craft		*Number of staff employed*	*Period*	*Cost of establishment (in lakhs of rupees)*	*Nature of work assigned to them*
1. Dredger "Naga"	(i)	11	August 1980—July 1983	1.81	Maintenance of 'Naga' and dismantling of sand pump
	(ii)	5	August 1983—December 1984	0.39	Day and night watch of dismantled pantoon of 'Naga'.
2. Dredger "Erskine"	(i)	28	August 1981—March 1983	2.90	Day and night watch and maintenance work
	(ii)	25	April 1983—December 1984	3.20	Engaged in second shift on dredger 'Cuddalore' from November 1982
3. M. T. "Pamban"		6	May 1982—December 1984	1.01	Cleaning and day and night watch on M.T. Pamban

Though the staff of dredger 'Erskine' were reportedly used on second shift (2 pm to 10 pm) on dredger 'Cuddalore' from November 1982, test check of the log-book of the latter for the year 1983-84 showed that out of 140 days, it worked beyond 5 pm only on 22 days. While the dredger worked, on an average, for 3.7 hours per day on a single shift during 1981-82, it worked for 4.3 hours and 3.9 hours per day only in two shifts during 1983-84 and 1984-85 respectively indicating that commensurate benefit did not accrue from the second shift. The need for deployment of separate staff on day and night watch and cleaning of the condemend pantoon and the tug was also not apparent. Thus, retention of a major portion of surplus staff without diversion to other departments where their services could be used more usefully had resulted in avoidable increase in maintenance expenditure contributing to deficit.

3.25.2.3. Though the activities of the port department are of a commercial nature, it did not maintain any commercial/proforma accounts. Hence, it was not possible to ascertain the loss incurred in the working of the ports; however, the cumulative deficit of of Rs. 1,24.78 lakhs as at the end of 1984-85 computed without taking into account interest and return on capital and depreciation would indicate that their working was uneconomical. Government stated (January 1985) that they were contemplating the constitution of a Maritime Board for administering minor ports.

3.25.3. *Non-provision of dredgers/inadequate dredging*

3.25.3.1. Cuddalore and Nagapattinam ports are situated at the mouths of rivers Uppanar and Kaduvaiyar respectively. Ships calling at these ports anchor in midstream and the cargo/passengers transported by lighters between ship and the wharves constructed on the banks of the river channels. The northward movement of the littoral drift formed sand bars at the river mouth in both the ports and silted up the channel and sides of wharves also. This severely restricted the cargo handling operations. In an effort to stabilise the sand bars and to maintain depth in the entrance channels, sand pumps were installed in Nagapattinam and Cuddalore ports during 1965 and 1972 at a cost of Rs. 5.50 lakhs and Rs. 33.89 lakhs respectively. Mention was made in paragraph 3.21 of the Audit Report for the year 1983-84 (CIVIL) of the failure of the sand pumps from October 1981/November 1976 respectively.

3.25.3.2. The sand pumps having failed, the ports had to depend entirely on their dredgers to keep the channels navigable. Of the 3 dredgers—two in Cuddalore and one in Nagapattinam, two (one in each port) ceased working from August 1980/August 1981 as they were old and fell under heavy repairs with the result that Cuddalore was left with only one dredger purchased in 1976 and Nagapattinam with none. The quantity of silt dredged in the two ports during the years 1980-81 to 1984-85 was very meagre (viz. 4.77 lakh tonnes at Cuddalore during 1980-81 to 1984-85 (upto January 1985) and 0.09 lakh tonnes at Nagapattinam during 1980-81 to 1981-82), mainly due to non-availability of sufficient dredgers and under utilisation of the dredger at Cuddalore when compared to the extent of accumulated silt estimated by the respective port officers at 20 lakh tonnes (November 1983) in Cuddalore and 2.46 lakh tonnes (January 1985) in Nagapattinam.

No information was available in Cuddalore regarding the number of days/hours during which cargo boats were not able to use the channel due to insufficient depth owing to inadequte dredging. In Nagapattinam, bar plans prepared in 1982—84 showed that on all the occasions, the river mouth was either completely closed or was not safely navigable for loaded boats during low tide. No information was available regarding the extent of navigability during high-tide.

3.25.3.3. The main task of Inspecting Dredging Engineer was to arrange annual dredging programme in consultation with the respective port officers and to supervise the dredging operations to ensure that maximum output was maintained by the more economical methods. However, in the years 1980—85, no such annual programme was prepared and no targets were fixed for dredging, indicating that dredging operations did not receive the attention and supervision at the appropriate level.

3.25.3.4. In March 1984, Government accepted a proposal of Poompuhar Shipping Corporation (a wholly Government owned Company) for formation of a dredging division and Research and Development work in order to take up dredging of all minor ports in the State on commercial footing. Though Rs. 40 lakhs had been paid (Rs. 20 lakhs each in March 1984 and March 1985) to the Corporation as share capital contribution for formation of dredging division and acquisition of dredgers, it had not so far (June 1985) acquired any dredger nor commenced dredging the ports, pending Government orders on the pattern of the division.

3.25.3.5. In December 1980, a working group constituted by Government of India for development of traffic in Cuddalore and Nagapattinam ports recommended that a techincal consultant might be approached for finding a permanent solution to the sand bar problem in consultation with Government of India. However, the department took 2 years to initiate action in January 1983; due to consultations with Government of India and State Government, two more years elapsed before the department could send final proposals to State Government in May 1985. Orders of Government were awaited (November 1985).

3.25.3.6. The problem of sand bars thus remained unsolved, temporary removal being unsatisfactory due to inadequate dredging and a permanent solution yet to be decided. Government stated (December 1985) that no planning could be done on dredging due to the dilapidated condition of machinery and that the required spare parts for the machinery would be imported.

3.25.4. *Jetty not put to use*

The wharves in Cuddalore port were small in area and had no godowns nearby to stock the cargo; the area available for stacking in the open was also inadequate. Hence, to expand the port, an extent of 60 acres of land adjoining the western bank of Uppanar was reclaimed at a cost of Rs. 16.74 lakhs during 1974-76. Construction of new wharf (Rs. 15 lakhs), conversion of 2,45 lakh square metres of adjoining land into stacking area (Rs. 7.25 lakhs) and extension of railway line (Rs. 8 lakhs) in the reclaimed area were sanctioned during 1975-77 but the works were not taken up for the reason that the iron ore export for which they were primarily meant had stopped. However, various civil works (compound wall: Rs. 11.43 lakhs; 2 godowns: Rs. 10.49 lakhs; office building: Rs. 2.86 lakhs) were executed in the reclaimed area at a total cost of Rs. 24.78 lakhs during the years 1974-85. As the newly reclaimed area was closer to the seaward entrance to port and to the road system, the proposal for construction of the wharf in the reclaimed area was revived and sanctioned by Government in December 1984 at a cost of Rs. 30 lakhs, so as to shorten the distance between the ship and shore and avoid transport of cargo loaded at old wharf to the godowns in the reclaimed area. Pending construction of the wharf, a wooden finger jetty was constructed as a temporary measure in the reclaimed area near the new godowns at a cost of Rs 1.01 lakhs in July 1984. However, this jetty had not been used so far (April 1985). The reasons for the non-use of the jetty were awaited from the department (June 1985).

3.25.5. *Under-utilisation of facilities created*

3.25.5.1. 10 *Tonne Mobile Crane.*—Cuddalore port had a serviceable mobile crane of 4 tonne capacity. To improve facilities at the port, another mobile crane of 10 tonne capacity was purchased in May 1982 at a cost of Rs. 11.32 lakhs and put into use from November 1982. During the two years November 1982 to October 1984, the new crane was engaged in handling cargo of 1,135 tonnes in April 1984 only and in all other months, it was hired out totally for 109.5 hours for non-cargo work like lifting of engines from fishing launches. The revenue earned by it was Rs. 15,725 per annum which was less than its running expenses estimated at Rs. 18,750 per annum.

While sanctioning the purchase of the crane in July 1981, Government stated that the capacity of the existing crane was not enough as heavy cargoes, hitherto refused for want of crane capacity, were likely to be handled by this port. It was, however, seen in audit that the cargo handled in the port was mostly bagged cargo such as fertilisers, rice bran, etc., which were manually loaded/unloaded at the wharf. There was no evidence on record to indicate that heavy cargoes were refused at the port for want of crane facility. Another reason given by Government for the purchase of the new crane was that one crane was not sufficient to meet the simultaneous demand in more than one area. However, after the new crane was acquired, the old crane was transferred in June 1983 to Fisheries Department. The Port Officer stated to audit in November 1984 that the crane was purchased on the recommendation of the port development committee and on the expectation of export of heavy stones and import of machinery through the port but, due to non-arrival of ships with heavy cargo, the higher capacity crane could not be utilised. The basis on which movement of large stones and machinery through the port was foreseen was also not on record. Thus the investment of Rs. 11.32 lakhs was not fruitful and had resulted in the creation of an under-utilised facility for the port.

3.25.5.2. *Steel barges.*—For improving the handling capacity of the port, two barges were purchased in March—June 1983 and another one in April 1984 at a total cost of Rs. 8.10 lakhs on the plea that the cargo traffic was being handled by 60 private wooden cargo boats most of which were unseaworthy and, even if properly maintained, they could handle on an average only 800 tonnes of cargo per day. They were put into operation from August 1983/ September 1983/April 1984. Test check of records relating to the working of the three barges disclosed the following:

(a) During April to October 1984, when all the three barges were in position, the Port handled shipping cargo on 163 days and the barges made only 258 trips as against 978 trips, at 2 trips per day per barge, envisaged by the department, in their sanction proposals submitted to Government. The barges made more than one trip only on two to three occasions.

(b) The port handled 3,17,372 tonnes of cargo during the period October 1983—October 1984. Of these, the cargo handled by the 3 barges was only 11,813 tonnes as against 42,885 tonnes as per the projection made in the sanction proposals of the department.

(c) The barges earned revenue far less than the expected minimum of Rs. 60,000 per annum as indicated below:—

	Period of working	*Revenue earned*	*Revenue per annum*
		(in rupees)	
(1)	(2)	(3)	(4)
Barge I	.. September 1983 to January 1985	34,851	24,600
Barge II	.. August 1983 to January 1985	31,585	21,057
Barge III	.. April 1984 to January 1985	20,287	24,344

According to the port officer, the poor performance of the departmental barges was due to the local practice under which the barges were to be hired out to the clearing agents as per turn only and effort to change the practice created resentment of local boat owners. The department also admitted that there were 120 private cargo boats in the port. It was also noticed in audit that, immediately after acquiring the first two barges, the port officer, Cuddalore, reported to the SPO in July 1983 that in view of the availability of adequate number of private boats with carrying capacity of 1,800—1,900 tonnes and paucity of traffic, the construction of the third barge might be kept in abeyance. However, in December 1983, the SPO ordered for the supply of the third barge (cost: Rs. 2.71 lakhs) for the reason that Government had already sanctioned it. Evidently, the proposal to operate departmental barges was based on an under-estimation of the number of serviceable private boats available in the port with the result that the facility provided at a cost of Rs. 8.10 lakhs remained grossly under-utilised.

3.25.6. *Delay in execution of Valinokkam Port Scheme.*—To facilitate export of salt produced at the Valinokkam salt complex to Calcutta at economical rates, Government approved in July 1983 the proposals of the SPO for development of Valinokkam as a minor port at a cost of Rs. 75 lakhs. During the years 1983-85, Government sanctioned Rs. 30 lakhs (1983-84: Rs. 10 lakhs; 1984-85: Rs. 20 lakhs) out of which, Rs.24.06 lakhs had been spent up to February 1985 on port complex works (Rs. 19.28 lakhs) and procurement of steel for jetty work (Rs. 4.78 lakhs). The critical component of the project, viz. RCC jetty estimated to cost Rs. 29.60 lakhs had not been commenced; even the design for the jetty and detailed estimates therefor were yet to be finalised (March 1985). The project had been sanctioned based on department's approximate estimate without any detailed project report and no time schedule was prepared for completion of the whole project as well as individual components to monitor the progress. The delay of nearly 22 months in finalising even the design and estimate for the jetty had resulted in cost overrun to the extent of Rs. 35 lakhs even at this stage as indicated by the department in its proposal sent to Government in April 1985, for the revised administrative approval, besides postponement of the benefit expected to accrue from export of salt through this port. Government stated (December 1985) that as there was no likelihood of the permanent RCC Jetty being fully utilised due to inability of salt complex to produce adequate quantity of salt for export, construction of a temporary Jetty at a cost of Rs. 8 lakhs was being thought of. Evidently the scheme was proposed and expenditure of Rs. 24.06 lakhs incurred on port complex works and procurement of steel for Jetty without a proper assessment of the traffic potential of the port.

3.25.7. *Suspension of a Scheme.*—In Kanyakumari, Vivekananda Kendra (a public charitable Trust) was running a ferry service from the shore to the Vivekananda Rock Memorial upto 1st October 1981. The periodical dredging operations carried out in the boat basin by the Vivekananda Kendra led to disputes between the local fishermen and the Kendra on account of reported erosion near fishermen's hamlets due to dredging operations. To find a permanent solution to this problem, Government constituted in January 1981 a technical committee which recommended construction of a foot bridge from the main land to the rock memorial. In July 1981,

Government accepted the suggestion, entrusted the work to the Tamil Nadu State Construction Corporation Limited (TANSCCO), Madurai at an estimated cost of Rs. 70 lakhs and released in October 1982 the first instalment of Rs. 10 lakhs, out of which Rs. 4 lakhs were reportedly spent on consultancy services, preliminary works, plant and equipments and materials by TANSCCO till January 1984. The Vivekananda Kendra urged Government to give up the construction of the foot bridge as it was likely to lead to encroachment of the rock and endanger the memorial itself. In March 1984, TANSCCO also reported to Government that further work was not feasible as there were lot of objections by the Vivekananda Kendra. The Collector, Kanyakumari district who was asked to sort out the problem, reported (July 1984) to Government that in view of the deliciate communal situation prevailing in the district, there might be law and order problem, if the foot bridge work was then taken up. A final decision was yet to be taken by Goverment (November 1985), pending receipt of details of expenditure incurred on the scheme by TANSCCO. The result was the work on which Rs. 4 lakhs had been spent remained suspended for over a year and the unspent balance of Rs. 6 lakhs locked up with TANSCCO for over two years.

3.25.8. Summing up

The working of the minor ports resulted in a cumulative deficit of Rs. 1,24.78 lakhs at the end of 1984-85 due mainly to under-utilisation of capacity, non-revision of landing and shipping fees 18 to 2 4 years and avoidable expenditure on surplus staff.

In Cuddalore and Nagapattinam ports which handled bulk of the cargo, the dredging was very meagre; there were neither targets nor annual programmes for dredging. A decision to engage a consultant for finding a permanent solution to the sand bar problem in those ports was yet to be taken though proposals were initiated as early as January 1983.

In Cuddalore Port, a temporary wooden jetty constructed at a cost of Rs. 1.01 lakhs in the reclaimed area nearer the new godown was yet to be used, the reasons for which were not on record. A 10 tonne mobile crane and 3 steel barges purchased at a cost of Rs. 19.42 lakhs remained grossly underutilised and yielded poor return; the purchases had not been made based on felt-needs or economic viability.

Though development of Valinokkam as a minor port was sanctioned in July 1983 at a cost of Rs. 75 lakhs, the design and the detailed estimates for the jetty were yet to be finalised (March 1985), the delay of nearly 22 months entailing cost overrun to the extent of Rs. 35 lakhs even at this stage.

Construction of a foot bridge to Vivekananda Rock Memorial on which Rs. 4 lakhs were spent on preliminary expenses remained suspended for over a year pending final decision by Government; unutilised balance of Rs. 6 lakhs was blocked up for over 2 years with TANSCCO which was entrusted with the execution of the work.

GENERAL

3.26. Miscellaneous Irregularities

3.26.1. A review (July 1985) of the outstanding audit inspection reports pertaining to the period between 1974—75 and 1984—85 in respect of five departments *viz.*, Animal Husbandry, Fire Service, Motor Vehicle Maintenance, Police and Social Welfare (Adi-Dravidar and Tribal Welfare and Backward Classes Welfare) Departments disclosed typical irregularities as narrated below.

3.26.2. *Omission to obtain security deposit from Government servants handling cash/stores.*—Under the rules, Government servants entrusted with the custody of cash/stores are required to furnish the prescribed security. However, the required/adequate security had not been obtained/collected from 220 Government servants in 31 offices (Animal Husbandry : 6 in 6 offices; Fire Service : 5 in 5 offices; Motor Vehicle Maintenance : 1 in 1 office; Police : 4 in 3 offices and Social Welfare : 204 in 16 offices).

3.26.3. *Physical verification of stores.*—Under the rules, physical verification of all stores has to be carried out periodically (at least once a year) by the head of office or by an officer nominated by him for the purpose and the discrepancies noticed during such verification have to be regularised by adjustment/recovery of cost from persons held responsible. It was noticed that in 29 offices (Animal Husbandry : 3 offices ; Fire Service : 1 office; Motor Vehicle Maintenance : 2 offices; Police : 6 offices; Social Welfare : 17 offices) physical verification of stores had not been conducted between the years 1971—72 and 1983—84.

In 16 offices, cost of various stores and articles valued at Rs. 1.00 lakh, which were found short during physical verification between 1971—72 and 1983—84, remained to be recovered (July 1985) from the persons responsible for periods ranging from one to thirteen years (Motor Vehicle Maintenance : 3 offices, Rs. 0.30 lakh; Social Welfare : 13 offices, Rs. 0.70 lakh).

3.26.4. *Plant, machinery equipment and stores lying unused.*—In 32 offices, plant, machinery, equipments and other stores valued at Rs. 18 lakhs remained idle/unused for periods ranging from one to ten years

due mainly to procurement in excess of requirement and delay in carrying out repairs (Animal Husbandry : 7 offices, Rs. 1.26 lakhs from 1978—79; Motor Vehicles Maintenance : 8 offices, Rs. 3.75 lakhs from 1970—71; Police : 4 offices, Rs. 0.24 lakh from 1974—75; Social Welfare : 13 offices, Rs. 12.75 lakhs from 1978—79).

3.26.5. *Delay in the disposal of unserviceable articles.*—In 24 offices, unserviceable articles consisting of mostly empty cement bags, tools, equipments and vehicles valued at Rs. 3.43 lakhs pertaining to the period from 1973—74 to 1983—84 were awaiting disposal (July 1985) for periods ranging from one to eleven years (Animal Husbandry : 11 offices, Rs. 1.60 lakhs from 1973—74 to 1983—84; Fire Service : 3 offices, Rs. 0.36 lakh from 1980—81 to 1983—84; Motor Vehicle Maintenance : 1 office, Rs. 0.08 lakh from 1983—84; Police: 1 office, Rs. 0.45 lakh from 1977—78; Social Welfare : 8 offices, Rs. 0.94 lakh from 1974—75 to 1983—84).

3.26.6. *Non-recovery of electricity charges.*—According to the instructions issued (May 1969/April 1972) by Government, charges for electricity consumed in excess of 20 units per month are recoverable from certain categories of Police personnel occupying police quarters. In January 1977, Government directed that a fixed rate per mensem is also reeoverable from them for using special gadgets like fan, radio, heater, etc. It was noticed in audit that in 12 offices, electricity consumption charges amounting to Rs. 7.79 lakhs, relating to the period from 1972—73 to 1984—85 remained unrecovered for periods ranging from one to twelve years.

3.26.7. *Non-recovery of food charges from Scheduled Caste and Scheduled Tribe students in receipt of Government of India Scholarship.*—According to instructions issued (November 1977) by Government, Scheduled Caste and Scheduled Tribe students in receipt of Government of India Scholarship and residing in Government hostels are to be treated as paying boarders and the amount of food charges fixed from time to time per boarder per month are to be recovered out of the scholarship amounts payable to the students. In ten offices, of the Social Welfare Department, it was noticed that food charges amounting to Rs. 1.55 lakhs (Adi-Dravidar and Tribal Welfare : 8 offices, Rs. 1.02 lakhs; Backward Classes Welfare : 2 Offices, Rs. 0.53 lakh) pertaining to the period from 1976—77 to 1984—85 were not recovered from the scholarships.

3.26.8. *Delay in the recovery of cost for supplies made.*—In 17 offices, a total sum of Rs. 16.50 lakhs being the cost of farm produce supplied to State Undertakings (Rs. 5.06 lakhs), service charges and cost of fuel supplied to motor vehicles belonging to local bodies, commercial departments, Central Government departments, etc. (Rs. 11.10 lakhs) and hire charges (including standby charges) for fire service vehicles requisitioned by Government undertakings, local bodies, private organisations, etc., (Rs. 0.34 lakh), pertaining to the period 1970—71 to 1983—84 remained unrecovered for periods ranging from one to fourteen years (Animal Husbandry : 10 offices, Rs. 5.06 lakhs from 1973—74 to 1982—83; Fire Services: 2 offices, Rs.0.34 lakh from 1978—79 to 1983—84; Motor Vehicle Maintenence : 5 offices, Rs. 11.10 lakhs from 1970—71 to 1983—84).

The matter was reported to Government in September 1985; their reply is awaited (October 1985).

3.27. Misappropriation, losses, etc.

Cases of misappropriation of Government money reported to Audit to end of March 1985 and on which final action was pending at the end of September 1985 were as follows :—

	Number of cases	*Amount* (in lakhs of rupees)
(1)	(2)	(3)
Cases reported to end of March 1984 and outstanding at the end of September 1984	405	62.08
Cases reported during the period from April 1984 to March 1985	44	5.85
	449	67.93
Cases closed during the period from October 1984 to September 1985	8	0.18
Cases outstanding at the end of September 1985 ..	441	67.75

Department-wise and year-wise analysis of the pending cases is given Appendix VI. These cases were awaiting departmental action, criminal prosecution, recovery, etc.

In addition, 1,035 cases (Rs. 2,97.36 lakhs) of shortages and theft/loss of stores, damages to vehicles, properties, etc., reported to Audit upto March 1985 were pending finalisation as on 30th September 1985.

Of these, 365 cases (Rs.35.27 lakhs) related to the Agriculture Department and 542 cases (Rs. 1,55.22 lakhs) to the Public Works Department Department-wise and year-wise analysis of these cases is given in Appendix VII.

3.28. Other miscellaneous irregularities, writes-off of losses, etc.

In 189 cases, Rs. 30.06 lakhs representing mainly losses due to theft, fire, etc., irrecoverable advances, etc., were written off/waived during 1984-85 by competent authorities. The details are given in Appendix VIII.

CHAPTER IV

WORKS EXPENDITURE

PUBLIC WORKS DEPARTMENT

4.1. Uppar Reservoir project

4.1.1. The scheme of "Formation of reservoir across Uppar river" in Tiruchirappalli district was sanctioned by Government in July 1980 for Rs. 90 lakhs. Technical sanction of the Chief Engineer (Irrigation) was accorded (May 1981) for Rs. 99 lakhs. The scheme envisaged construction of a reservoir of 80 mcft. of water in two fillings to irrigate a new ayacut of 1,785 acres (722.67 hectares) of irrigated single dry ayacut through two canals and one distributory.

4.1.2. A division was formed in April 1981 for execution. The cost of the project was revised to Rs. 1,40 lakhs and approved by Government in June 1984.

4.1.3. The head works, canal works and cross drainage works had been completed except a few works estimated to cost Rs. 2.92 lakhs (December 1984). The reservoir had not yet been opened for irrigation due to failure of monsoon; the expenditure incurred was Rs. 1,34.62 lakhs (December 1984).

4.1.4. The following points were noticed in the execution of the project :—

(a) The revision of estimate from Rs. 90 lakhs to Rs. 1,40 lakhs was mainly due to new items not originally contemplated (Rs. 17.36 lakhs), change in design (Rs. 13.04 lakhs) and revision of schedule of rate etc. (Rs. 18.45 lakhs).

(b) Only 23 cross drainage works costing Rs. 1.16 lakhs were provided for initially against the actual requirement of 48 works costing Rs. 10.35 lakhs at the time of execution. The original estimates did not provide for a causeway costing Rs. 4 lakhs. The omission of these essential items at the initial stage indicates defective investigation.

(c) Though the project was sanctioned in July 1980, the division was formed only in April 1981 and investigation completed in April 1982. Consequently, the project programmed to be completed by March 1983 still remained incomplete (September 1985).

These delays had contributed to the escalation in cost of work by Rs. 18.45 lakhs and a major portion of it was avoidable.

(d) The cost per tonne of food production and the cost benefit ratio had increased from Rs. 5,223 and 1 : 1.35 to Rs. 8,125 and 1:0.87 respectively. Thus a project, commenced with prospects of good return, had turned out to be uneconomical due to abnormal delay in completion.

(e) The expenditure of Rs. 31.56 lakhs on establishment and tools and plant worked out to 24 per cent of cost of scheme (Rs. 1,31 lakhs excluding cost of land) against the norm of 12 per cent.

(f) 324.20 acres of land were required for the project and proposal for acquisition initiated by Public Works Department in August 1981 was yet to be finalised. Only 194.20 acres were handed over so far (March 1985) and the expenditure on establishment charges on land acquisition was Rs. 3.55 lakhs (February 1985) against the provision of Rs. 0.21 lakh.

(g) A quantity of 10,000 cubic metres (Cu. m.) of earth available in the foreshore area of the dam site involving a lead of 0-1 Km. was located after laboratory test by Soil Mechanics and Research Division (October 1979) for use in the project. The earth available was, however, not utilised; instead, earth was taken from areas with 2-3 km. lead involving payment of additional charges on conveyance amounting to Rs. 0.65 lakh, which was avoidable.

(h) A quantity of 2,233 Cu.m. of earth removed from the side slopes of the formed bund in a sub-reach could be used for forming earth-dam in the finishing stages. Failure to do so had resulted in an avoidable extra expenditure of Rs. 0.22 lakh.

The matter was reported to Government in August 1985; their reply is awaited (November 1985).

4.2. Vaniar Reservoir Scheme

4.2.1. The construction of a reservoir across river Vaniar in the drought prone Harur taluk of Dharmapuri district was sanctioned by Government in February 1979 at a cost of Rs. 5,60 lakhs and technically approved by Chief Engineer, (Irrigation) in June 1979 for Rs. 6,16 lakhs. The scheme contemplated provision of additional irrigation facilities for 8,500 acres of new dry ayacuts besides stabilisation in 1,852 acres of existing ayacuts. The scheme, commenced in June 1979 with a programme of completion in 4 years, was actually completed in March 1985. The estimated cost of the scheme was revised (September 1984) to Rs. 12,03.10 lakhs against which an expenditure of Rs. 10,54.00 lakhs was incurred (March 1985).

4.2.2. The increase in cost and delay in completion were mainly attributed to delay in finalisation of designs of important components such as earth dam (September 1981), canal sluice (July 1981), surplus course (March 1981), surplus regulator (November 1981) and drops in surplus course (March 1982). Though the scheme estimate was sanctioned on the basis of design furnished earlier by the department after detailed investigation for four years, these were revised at the time of execution resulting in upward revision of estimate by over 114.8 per cent. The excess was due to—

	(in lakhs of rupees)
(1)	(2)
(a) Schedule of rates	4,29.52
(b) Change in design	38.31
(c) Provision of new item	68.97
(d) Inadequate provision	54.98
(e) Establishment	51.32
Total ..	6,43.10

4.2.3. Though the benefits remained the same, the revision of estimate had pushed up the cost of food production and cost per acre to Rs. 12,276 per tonne and Rs. 11,633 from Rs. 5,664 and Rs. 5,384 respectively, originally envisaged.

4.2.4. The following points were noticed in audit:—

(a) The sanctioned estimate provided for the construction of 2 canal sluices with R.R. masonry (barrel) and, based on the design, the excavation for foundation was done in December 1980. The design was, however, changed by Chief Engineer in March 1979 but finalised design communicated to the Division in July 1981. According to the revised design, the barrel of the sluice was to be constructed in reinforced cement concrete. The work already done was stopped and the width and sides of the foundation which were found in excess of the requirement was filled at an extra cost of Rs. 1.37 lakhs which had to be incurred due to the belated change in design.

(b) The design approved by the Chief Engineer (March 1981) for the formation of surplus course provided for construction of 10 drops of 2 metres each. The work was split up and tenders for the construction of 10 drops were accepted in May 1981 and 20 agreements were concluded in September 1981. In five cases, works were also commenced in October/November 1981.

The Chief Engineer referred (August 1981) the approved designs to Institute of Hydraulics and Hydrology, Poondi, for conducting model studies and to finalise the energy dissipation arrangements. Normally, such tests were required to be completed before finalisation of designs for the projects, before inviting tenders and conclusion of agreements. The reasons for not completing this technical study before commencement of work were not on record. The final report from the institute received in March 1982 did not contain much change between the original and final design. On account of this delay in getting the model studies report, the works already commenced in 5 cases were stopped and, except one, all the contractors expressed their unwillingness to execute the work at the quoted rates and the agreements had to be cancelled. Fresh tenders were invited in April 1982 and work executed between May 1982 and December 1983. As a result of the delay in finalising the model studies and also failure to co-ordinate the studies well in advance of the approval of design, the cost of construction of 10 drops had escalated resulting in extra cost of Rs. 5.52 lakhs.

(c) A stone crusher (cost : Rs. 1.11 lakhs) from Kalavarapalli Project (wound up in February 1981) was diverted to this Project in March 1981. The crusher was installed in October 1982 at a cost of Rs. 0.30 lakh. It was used for 500 hours only during the period from November 1982 to June 1983 for crushing 1,044 cubic metres of metal. The crusher was not put to optimum use and remained unused (March 1985) since June 1983 in Vaniar Project.

The matter was reported to Government in September 1985 ; their reply is awaited (November 1985).

4.3. Sulagiri Chinnar Reservoir Project—Avoidable expenditure

A test check of Sulagiri Chinnar Reservoir Project accounts disclosed an avoidable expenditure of Rs. 4.37 lakhs as detailed below.

4.3.1. According to sanctioned estimate, the earth required for the bund was to be obtained from 3 tank beds and dumped directly on the earth dam. In April 1982, the Chief Engineer, however, instructed that earth for the bund might be removed from tank beds and dumped at a site near the bund, since rains in that region would start after May and it might not be possible to obtain soil from these tanks for another year. The requirement of earth for the work was 25,285 cubic metres (cu. m.) . 1,113 cu.m. of earth only was collected from the tank beds as per these orders. Another 24,172 cu.m. of earth was collected and kept near the bund between June 1982 and November 1982 and subsequently used for the formation during the same period for which additional lead, lift and filling charges were paid separately. The earth conveyed could have been directly used for bund formation, since the rains did not in any way obstruct the execution of work. The avoidable expenditure on additional lead, lift and filling charges paid separately amounted to Rs. 2.62 lakhs.

4.3.2. In the course of excavation for forming key trenches and cut off trenches for the dam, a quantity of 7,462 cu.m. of earth was excavated with the soil classified as "hard stiff clay, stiff black cotton soil, hard red earth, etc." Hard stiff clay can be utilised for impervious (IPZ) and semipervious (SPZ) zones of earth-dam unless it was found unsuitable. It was, however, seen that only 1,116.23 cu.m. of earth was actually utilised for filling cut off trenches. There is no record to show that the balance quantity of 6,345.77 cu.m. of earth was either found unsuitable or was used on other works. The department incurred an extra expenditure of Rs. 1.60 lakhs on excavation and conveyance of earth from borrow area to the dam-site due to non-utilisation of earth excavated from key trenches and cut off trenches.

4.3.3. The Chief Engineer instructed, in August 1982, that bouldery mounds and high contour in the approach to the weir, which are likely to affect the discharging capacity of the weir, might be cleared of obstructions for about 15 metres upstream of weir face without resorting to any other costly arrangements. He also observed that no elaborate arrangements need be made in the surplus course in the downstream as there was a rock wedge 50 metres downstream of the weir leading to a natural drain. Despite the Chief Engineer's instructions, rock blasting was done downstream of the weir between August 1982 and November 1982 and an avoidable expenditure of Rs. 0.15 lakh incurred.

The matter was reported to Government in July 1985 ; their reply is awaited (November 1985).

4.4. Lining of Amaravathi Canal

4.4.1. Amaravathi Reservoir Project, completed in 1957, has been providing irrigation to nearly 54,000 acres. In December 1971, Government approved a scheme to line Amaravathi Main Canal (64 Kms. long) in a phased manner with a view to improving the discharge of the water from 290 cusecs to 480 cusecs and lessening the losses on account of percolation. It was expected that this would facilitate extension of irrigation to 3,752 acres of new ayacut, besides improving the existing ayacut of 6,622 acres from dry to wet. The anticipated additional food production resulting therefrom was 8,290 tonnes per annum. On the basis of the expenditure incurred and the additional anticipated expenditure for completing the scheme, it was estimated that the entire scheme would cost Rs. 4,39.70 lakhs. Till March 1985, an expenditure of Rs. 2,79.03 lakhs had been incurred on completion of 50 Kms. of lining. No scheduled date for completion of the works had been prescribed.

4.4.2. *Entrustment of works on nomination basis.*—The work of lining of Amaravathi Main canal was entrusted to contractors on nomination basis till December 1983. The payments were regulated on the basis of ceiling rates fixed by the Superintending Engineer with reference to the schedule of rates approved for that year. As the schedule of rates was revised annually for each financial year, it was seen that agreements, even in cases where the work had been entrusted to and commenced by the contractors in the previous financial year, were executed in the subsequent year, with the result that the increased rates applicable from 1st April of that year were extended to the works entrusted and started during the previous financial year. During a test check, it was noticed that in cases of 11 works commenced in March 1981 and 4 works commenced in March 1982, the agreements were taken as executed during the subsequent year namely 1981-82 and 1982-83 respectively and enhanced rates applicable for the agreement year were paid, resulting in an excess payment of Rs. 0.27 lakh.

4.4.3. *Irregular payments.*—Some instances involving irregular and unjustified payments had come to notice of audit ; some of the more important ones are detailed below:

(a) Works involving excavation, trimming, filling etc.,were allotted on nomination basis both by the Sub-Divisional Officers and the Executive Engineers. During a test check in November 1984 of the works executed in the stretch mile 0/0 to 8/0, instances of contiguous stretches having been included twice—once in the work order issued in 1973-74 (2 cases) and in 1977-78 (2 cases) by the Sub-Divisional Officer and again a second time in 1977-78 (all 4 cases) by the Executive Engineer had come to notice. This had resulted in double payments amounting to Rs. 0.13 lakh. The circumstances under which the measurements had been recorded in both the cases resulting in double payments had not so far been investigated.

The Chief Engineer (Minor Irrigation) confirming the findings of audit regarding the double payments resulting from the overlapping in the chainages, informed (July 1985) that action was being taken to obtain the explanations of the officers concerned.

(b) (i) The work of lining of the canal, *inter alia*, provided for excavation in hard strata for trimming the bed. Such excavations for depths ranging from 0.20 metre to 1.70 metres for the full width of the canal bed were recorded. The Division stated that such excavation was necessary as hard strata had actually been met with requiring the removal to bring the bed to the designed level to receive the concrete for lining. Since the discharge through the canal was, according to the departmental data, 346 cusecs as against the designed discharge of 290 cusecs, the possibility of existence of humps and elevated obstructions in the bed of the canal would require investigation. During a test check in the reach mile 30/4—30/5 where the full supply depth itself was one metre, the depth of cutting was shown as 1.5 metres (i.e., 0.5 metre above the full supply level). This would indicate that the bed level of the existing canal was at a higher elevation than the full supply level itself. This should have resulted in blockage of flow of water through the canal beyond this reach. But as the canal flow was normal till the tail end, it can only mean that the measurements were wrongly recorded which had been accepted by the department. The value of such excavation from 0.20 metre to 1.70 metres was Rs. 2,817.

(ii) Another instance of incorrect recording of measurements had also been noticed in audit. In reach mile 19/1/440 to 19/2/00, the depth of cutting ranged between 0.80 metre to 2.10 metres as against the full supply depth of 1.27 metres, involving excess payment of Rs. 3,976.

(iii) In certain stretches of the canal between reach mile 27/0 and 30/0 the existing level of the canal bed was found to be lower than the designed level. Consequently, no further deepening of the canal was required. Even in such cases, excavation was shown to have been done in hard strata and the excess payment resulting from such incorrect measurements amounted to Rs. 0.80 lakh.

Similar instances of excavation in hard strata for a depth exceeding 0.20 metre was shown to have been made in other reaches of the canal also. The department agreed that,apart from removal of silt and widening the canal, the only excavation required on the bed of the canal was to accommodate concrete lining, the thickness of which was 0.075 metre and these instances were under departmental investigation.

(c) Non-recovery of Rs. 0.39 lakh towards transport charges for 8,068 square metres of precast slabs (Rs. 0.18 lakh) and the short recovery made in respect of the issue of angle iron templates, where the recovery had been made at 50 paise per square metre as against 77 paise per square metre (Rs. 0.21 lakh), had been pointed out in audit. In both the cases, the Chief Engineer informed (July 1985) that the recoveries had since been effected.

The points mentioned above were reported to Government in September 1985. Government accepted (October 1985) the facts and stated that the departmental officers had been instructed to recover the excess payment and fix responsibility for the lapses.

4.5. Excess payment

According to orders of Government, while supplemental agreement is to be entered into during the period, when the schedule of rates has not changed from the date of execution of original agreement, the supplemental rates may be the prevailing schedule of rates plus or minus tender premium in case the rates cannot be derived from the items in

original agreement. In other cases, where the schedule of rates has changed in the intervening period, the rates prevailing as per schedule of rates at the time of execution of supplemental items will be adopted with no tender premium over this rate.

The agreement executed in 1983-84 for the work of excavation and lining of canal under Krishna Water Supply Project provided for a rate for manufacturing of precast cement concrete slabs with C.C. 1 : 2 : 4 in which 20 per cent of cement by weight was to be replaced by fly ash.

But while actually executing the work in five reaches, one in 1983-84 and four in 1984-85, fly ash was not used to the extent originally contemplated, since POSZALONA cement was used fully. Consequently, the original rate of Rs. 400.00 per 10 square metres (sq.m.) in the original agreement for CC 1 : 2 : 4 (in which 20 per cent cement by weight was replaced by fly ash) was revised upward to Rs. 482 per 10 sq. m. as against the correct derived rate of Rs. 436.94 per 10 sq.m. in respect of 4,562.05 sq. m. of CC 1 : 2 : 4 executed in 1983-84, resulting in an overpayment of Rs. 0.21 lakh. Similarly in respect of works executed during 1984-85, payment was made on the basis of derived rates with tender premium instead of the rates prescribed in the revised schedule of rates for 1984-85 which had come into force in the meantime, thus entailing further overpayment aggregating in all to Rs. 1.50 lakhs.

Chief Engineer accepted the mistake and stated (September 1985) that it was an oversight and recovery had been ordered.

The matter was reported to Government in September 1985 ; their reply is awaited (November 1985).

4.6. Construction of Paediatric Ward in Rajah Mirasdar Hospital, Thanjavur

The work of construction of a paediatric ward in Government Rajah Mirasdar Hospital, Thanjavur, at a cost of Rs. 5 lakhs was awarded to a successful tenderer 'A' in October 1973 for completion in June 1974. The progress of work was tardy and the contractor could not complete the work even after extension of time given up to December 1975. Consequently, the contract was absolutely determined in January 1976 and

the remaining work (value : Rs. 1.96 lakhs) got completed in August 1976 through another agency at the risk and cost of the original contractor. The following observations are made.

(a) As per rules, tenders should be accepted only from persons approved by the department for this purpose. However, the tender of contractor ' A ' was accepted though his name was deleted from approved list.

(b) The contractor ' A ' had furnished a bank guarantee for Rs.0.19 lakh towards earnest money deposit. On the eve of the expiry of the period of bank guarantee, the department withheld Rs. 0.19 lakh from the dues payable to the contractor (January 1975) which was subsequently released on production of a fresh bank guarantee from another nationalised bank from 13th February 1975. When the contract was finally terminated in January 1976 and the department approached the bank for invoking the guarantee for the dues recoverable from the contractor, the bank rejected the claim of the department on the ground that in terms of their letter dated 13th February 1975 forwarding the guarantee to the department, the withheld amount should have been remitted to the Bank by the Department as a cover for their guarantee for the security deposit. A suit filed against the bank in April 1983 after a lapse of eight years for the recovery of the amount guaranteed by them is pending in the court.

Rupees 0.63 lakh were due from the contractor comprising of cost (Rs. 0.51 lakh) of excess issue of materials not returned and difference in cost on balance work completed in August 1976 by other agencies (Rs. 0.12 lakh).

No concerted action was taken for over nine years to recover the dues to Government.

Government accepted the facts and stated (September 1985) that disciplinary action against officials responsible for the excess issue of material was under consideration and recovery from the contractor under the Revenue Recovery Act was under correspondence with the Revenue Department.

4.7. Construction of Commercial Tax Office Building at Nungambakkam

The work of " Construction of Commercial Tax Buildings at Nungambakkam " (administratively approved in March 1980 for Rs. 94 lakhs and technically sanctioned for Rs.1,03.40 lakhs) was completed in July 1983 and final bill of the contractor settled in July 1983.

The theoretical requirement of cement for certain items covered by agreement was 325.13 tonnes. However, department issued 208.23 tonnes of cement in excess of this requirement as detailed below :

Nature of work	*Quantity required for item covered by agreement and based on data*	*Extra quantity allowed over and above the requirement*	*Extra quantity allowed over and above Column (2) and (3) for mirror finishing*
(1)	(2)	(3)	(4)
		(in tonnes)	
Plastering exposed surfaces of the ceiling, beams and columns (10 mm thick)	121.47	48.59*	37.96
Plastering in CM 1 : 5 (12 mm thick)	58.69	16.64**	21.67
Flooring in Ellis pattern in CM 1 : 3 (20 mm thick)	92.12	46.00***	11.80
Flooring in CC 1 : 5 : 10 (10 mm thick) ..	29.76	3.29	..
Plastering in CM 1 : 3 (20 mm thick) ..	23.09	3.28	..
Construction of store shed ..	..	14.00	..
Water tubs ..	..	5.00	..
	325.13	136.80	71.43
			208.23

There was no provision in sanctioned estimate for extra thickness in plastering exposed surfaces of ceiling, beams and columns. There was also no supporting recorded measurement for the extra thickness for which cement was issued as shown in columns 3 and 4.

In addition to the excess issue of 208.23 tonnes of cement, the department also allowed 10.45 tonnes towards 5 per cent wastage. According to agreement recovery at double the issue rate should be made for the quantity of cement used in excess of theoretical requirement with an allowance up to 5 per cent for wastage.

* Stated to be for extra 2 mm thickness.
** Stated to be for plastering uneven surface 8 mm thick.
*** Stated to be for an extra thickness of 10 mm.

Department had, however, effected recovery at the single issue rate. The short recovery, being the difference between double the issue rate and the recovery already effected, amounted to Rs. 1.26 lakhs.

The matter was reported to Government in May 1985 ; Government accepted the facts (June 1985) and stated that recovery action was being initiated.

4.8. Government Regional Press, Madurai

The construction of Regional Press at Madurai was administratively sanctioned by Government in September 1972 at a cost of Rs. 27.20 lakhs and the technical sanction was accorded by Chief Engineer (Buildings) for Rs. 29.45 lakhs in March 1973. The work, commenced in August 1973, was completed and the building handed over to the Press in November 1976.

The building was provided with "north light folded plate roof", a new type of roofing. During execution, with a view to having permanent treatment, finishing with pressed tiles (additional expenditure—Rs. 0. 63 lakh), which was not originally contemplated, was executed. Leakages were noticed during the rains in 1977-78 and subsequent seasons causing damage to costly printing machines, fans and stores. Inspite of special repairs carried out during the years 1978 to 1985 at a cost of Rs. 0.51 lakh, the leakages persisted.

Government stated in July 1985 that the leakages were due to inadequate slope in the valley portion for the drainage of water in the roof and due to heading of rain water which had to pass through the narrow trough portion which was causing some damage to roof structure.

The expenditure on the defective roof was Rs. 3.21 lakhs and except temporary periodical remedies for the leakage, a permanent solution is not in sight.

4.9. Excess issue of cement

Masonry walls are constructed using either machine made bricks or country bricks. Machine made bricks are of standard size 19 x 9x9cms. Country Bricks are 22.25 x 11.4 x 5 cms. (8 3/4"x 4 1/2" x 2"). The

walls are constructed either using a single brick breadthwise with 4 1/2" thickness or lengthwise using 9" thickness. 4 1/2" thickness walls are generally used for non-load bearing partition purposes. The department data provides for the quantities of cement mortar to be used for 9" and 4 1/2" brick walls, using machine bricks of one size and country bricks of one size as shown below :

(1)	*Machine bricks* (19 x 9x9 cm.) (2)	*Country bricks* (8 3/4x4 1/2 x 2") (22.25 x11.4x 5 cm.) (3)
	(Mortar requirement for 10 cubic metres) (in cubic metres)	
*9" brick wall	2.2	3.0
4 1/2" brick wall	1.4	1.9

The mortar requirement for 4 1/2" wall is less than that for 9" wall.

However, no such data has been derived by the department for brick walls using country bricks of other sizes, stock bricks and Class II metric bricks. In 45 cases of brick partition walls constructed between 1979-80 and 1983-84 using country bricks of different sizes, stock bricks and Class II bricks, the department issued cement to contractors adopting the higher quantum prescribed for brick walls of 9" thickness as against lower quantum permissible for partition walls of 4 1/2" thickness.

Computed on the analogy of the variation in quantity of cement mortar for construction of brick wall and partition wall with I Class Metric bricks and country bricks of 8 3/4" x 4 1/2" x 2", the avoidable extra expenditure towards cost of excess quantity of cement issued in these cases amounted to Rs. 0.62 lakh.

Government stated (June 1985) that when country/stock bricks are used, it is necessary to make provision for extra joints or thickness of

*See drawing on page 185.

mortar for adjustment in length and heights of these walls to suit the metric dimensions. Hence more mortar was used. The comment, however, is about the lesser requirement of mortar as between a brick wall and a partition wall using bricks of different sizes not covered by approved data. The views of the department are also not supported by any approved/standard data fixed based on observation. The cost factor in using the country/stock bricks/II class Metric bricks has not been studied and suitable standard fixed.

4.10. Avoidable expenditure

For the formation of the left main canal and the right main canal of Ponniar Anicut Scheme near Ichambadi, the Superintending Engineer, Special Project Circle, Krishnagiri, instructed in March 1980 that longitudinal lugs * of 20 x 10 cms. should be used on either side in the bed of canal concreting. Taking into account the extension of the bed concrete to the side slopes, the Chief Engineer (Irrigation) advised, in August 1982, that the lugs of 10 x 10 cms. on both sides of the canal should be provided. However, no laboratory test was conducted to arrive at the suitability/ necessity of 10 x 10 cms. lugs.

Lugs of 20 x 10 cms. were laid in all the works executed till 9th November 1982 and thereafter lugs of 10 x 10 cms. thickness were adopted till 19th December 1983. The provision of 10 x 10 cms. lugs was also discontinued from 19th December 1983 as the digging of such a small trench to a regular size was found practically difficult at site of work depending on the nature of the soil met with at bed level of canal. Considering the *in situ* concrete laid on slopes to 7.5. cms. thick in association with the bed concrete, the field engineers of the project deleted the laying of longitudinal lugs. Out of 120 works, provision in the estimates was made for construction of lugs only in 71 works and even in these cases while executing the work, lugs were not constructed in 24 cases.

The fact that majority of works were executed without longitudinal lugs showed that it was not a technical necessity. In 29 works test checked in Audit, the avoidable expenditure on provision of lugs was **Rs. 0.63 lakh.**

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* See drawing on page 187.

The matter was reported to Government in June 1985; their reply is awaited (November 1985).

4.11. Unprofitable outlay

In March 1966 the Chief Engineer (Irrigation) sanctioned the work of "Harnessing the drain SF 311 of Agraharam Kanndipudur village of Udumalpet Taluk" at a cost of Rs. 0.93 lakh. The scheme envisaged cultivation of 155.81 acres transferred from the tail end area of Amaravathi Canals ayacut and cultivation of new area of 75.57 acres. Consequently, the Amaravathi system was to cater irrigation to an additional new area of 112.92 acres. The anticipated additional food production on implementation of the scheme was 94 tonnes.

The work consisting of construction of diversion weir, head sluice and leading channel and cross masonry works was commenced in August 1966 and by 1976 except excavation of supply channel of 1.6 kms. out of 2.8 kms. contemplated, most of the work was completed at a cost of Rs. 0.45 lakh. Further work could not be proceeded with, as the land required for the remaining stretch of supply channel (about 5 acres) had not been acquired by the Revenue Department (March 1985).

The Public Works Department was aware of the requirements of the 5 acres of land in August 1966 itself, but proposals for acquiring the land were sent to the Revenue Department only in November 1969. The matter was not also effectively pursued. In November 1975, when the Revenue Department stated that proposals were not received by them, a copy was furnished and the matter was under further correspondence. In February 1984, the Revenue Department again sought for a copy of the proposals and in March 1985 it was informed that in part of the land proposed for acquisition a Harijan Colony had come up and hence, alternate alignment excluding the land, was required to be suggested.

Consequent on the delay in acquisition of lands and lack of effective pursuance and co-ordination by the two departments, the scheme has not been completed even after 18 years. Consequently, the cost of the scheme had escalated from Rs. 0.93 lakh to Rs. 2.20 lakhs. This cost will further go up if the alignment is changed or alternate arrangements for siphoning water through the Harijan Colony is taken up by the department. The outlay of Rs. 0.45 lakh also remains unfruitful (May

1985) and the condition and usefulness of the structure and supply channel constructed a decade ago remain to be assessed.

The matter was reported to Government in June 1985; their reply is awaited (November 1985).

4.12 Financial results of irrigation projects

The financial results of irrigation projects of Palar—Porandalar Reservoir and Parappalar Reservoir are detailed below:—

(a) Palar—Porandalar Reservoir

The construction of a reservoir across the rivers Palar and Porandalar in Palani Taluk, Madurai district sanctioned by Government in October 1970 for Rs. 2,56 lakhs was completed in 1978. The estimate was revised to Rs. 5,65 lakhs (June 1979) and the expenditure incurred was Rs. 5,90.64 lakhs (November 1984). The scheme attracts betterment levy. The project completion report is yet to be finalised.

According to project estimate, the yield of water at dam site was assessed as 3,319 mcft. The capacity of the reservoir constructed was 1,524 mcft. The scheme envisaged irrigation of (i) 9,772 acres of existing wet ayacut, (ii) filling the gap in cultivation of 481 acres (wet), (iii) 9,600 acres of new dry ayacut and (iv) 500 acres of new wet ayacut. Provision had also been made for contributing 500 mcft. of water to Amaravathi channel as and when there was surplus in any year.

The following observations are made :

The reservoir was thrown open for irrigation from 1978-79 and the statement below indicates the outflow of water from the reservoir, total ayacut benefited and water requirement for cultivation etc.

Year	*Out-flow* (in Mcft.)	*Area benefited*			*Water requirement*	*Flow unutilised*
		Existing ayacut including gap	*New ayacut*	*Total*		
		(in acres)			(in Mcft.)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1978—79	1,624	7,466	..	7,466	1,244	380
1979—80	1,717	7,570	..	7,570	1,261	456
1980—81	672	7,531	..	7,531	1,255	..
1981—82	1460	7,464	..	7,464	1,244	216
1982—83	1,345	7,913	..	7,913	1,319	26
1983—84	2,270	9,147	..	9,147	1,525	745
						1,823

(i) The total annual requirement of water is 3,660 mcft. and the scheme is expected to be fully beneficial in 14 out of 25 years. During the six years upto 1983—84, the contemplated yield of 3,319 mcft. was not achieved.

(ii) The requirement of water for irrigating the existing ayacut (9,772 acres) and filling gap (481 acres) is 2,035 mcft. and water yield was not sufficient even to irrigate the existing ayacut, except in 1983—84.

(iii) 1,823 mcft. of water which flowed unutilised during the year 1978-1980 and 1981-1984 could irrigate dry cultivation in 4,560 acres in 1978-79, 5,472 acres in 1979-80, 2,592 acres in 1981-82, 312 acres in 1982-83 and 8,940 acres in 1983-84.

(iv) According to Public Works Department, water was allowed for existing as well as new ayacuts. The area opened for irrigation and benefit claimed were as follows :—

Year	*Existing ayacuts*	*New ayacuts*	
		Ayacut opened for irrigation (in acres)	*Ayacut benefited*
(1)	(2)	(3)	(4)
1978—79	10,000	3,602 Dry 500 Wet	1,442 Dry 500 Wet
1979—80	10,000	3,300 Dry 500 Wet	1,067 Dry 300 Wet
1980—81	3,347	Nil	Nil
1981—82	10,000	Nil	Nil
1982—83	10,000	Nil	Nil
1983—84	10,000	8,800*	Not available

* Out of 9,600 acres of new ayacut contemplated, distributory for 800 acres was yet to be excavated (March 1985).

However, as per Revenue Department, the area benefited under existing irrigation ranged from 7,464 to 9,147 acres and no area under new ayacut was served in all the six years.

(v) The total length of the canal is 30 km. When water was first let in 1978—79, a syphon at 7th km. built in 1974 at a cost of Rs. 2.80 lakhs had failed and water beyond this point could not be given. As the failure was stated to be due to natural causes, no responsibility could be fixed. The rectification was done in June 1982 at a cost of Rs. 1.20 lakhs and even after rectification, no area beyond 7 km. had been brought under cultivation.

(vi) Though the project was completed in November 1978, proposals for betterment levy had not yet been finalised.

(vii) Rules of regulation of water supply from the reservoir to be approved by Government were pending with the Commissioner for Land Administration (November 1985).

(*b*) Parappalar Reservoir Project

The construction of a reservoir across the river Parappalar in Palani taluk of Madurai district, sanctioned by Government in May 1970 at a cost of Rs. 35.57 lakhs, was completed in 1975. The estimated cost was revised to Rs. 1,04.40 lakhs (July 1981) against which an expenditure of Rs. 1,00.93 lakhs was incurred.

The scheme envisaged impounding of 197.95 mcft. of water to irrigate an additional new ayacut of 1,000 acres (670 acres in Madurai district and 330 acres in Tiruchirappalli district) besides stabilisation of existing ayacut of 1,092.11 acres (Madurai district 1,060.96 acres, Tiruchirappalli district 31.15 acres) and filling gap in supply to 231.52 acres (Madurai district 218.44 acres, Tiruchirappalli district 13.08 acres) totalling in all 2,323.63 acres. The construction of new channel for supply of water for irrigation was not envisaged as water was proposed to be supplied through the existing ten anicuts (6 in Madurai district and 4 in Tiruchirappalli district), river channels and tanks. The project estimate assumed a dependable water potential in 23 out of 30 years.

The following observations are made :

(i) According to project estimate, the existing ayacut of 1,323.63

acres is of single crop only. However, water was allowed for double crop also as shown below :

Year	Total quantum of water released* (in Mcft.)	Area irrigated (existing ayacut)		
		I Crop	II Crop	Total
		(on acres)		
(1)	(2)	(3)	(4)	(5)
1974—75	105	959	240	1,199
1975—76	188	1,034	259	1,293
1976—77	121	1,024	256	1,280
1977—78	1,108	1,064	266	1,330
1978—79	1,030	1,124	281	1,405
1979—80	728	1,118	280	1,398
1980—81	206	1,068	263	1,331
1981—82	342	1,072	248	1,320
1982—83	155	850	155	1,005
1983—84	585	1,122	278	1,400

There was no benefit of irrigation in Tiruchirappalli district, though 31.15 acres for stabilisation and filling gap of 13.08 acres of existing ayacut were to get water supply.

(ii) The water requirement for stabilisation of 1,092.11 acres, after taking into account the available water, is 79 mcft. and for filling the gap for 231.52 acres is only 40 mcft., totalling in all 119 mcft. Against this requirement, a quantity ranging from 105 to 1,108 mcft. was allowed, indicating release of water in excess of requirement in all the years from 1975—76.

(iii) Irrigation of the new ayacut of 1,000 acres envisaged was not done in any year since inception, though the water released in 4 out of 10 years was sufficient to irrigate the new ayacut also.

* For ayacuts in Madurai and Tiruchirappalli districts

The reasons attributed for non-achievement of irrigation in 330 acres in Tiruchirappalli district were that ayacut lands were in higher level than the water course of the channel, bunds of the channel have been damaged and channels got silted up, with the result that water released from the dam did not reach the tail end of channels and the sandy tract of the river course absorbed most of the water. However, there were no recorded reasons for not undertaking cultivation in 670 acres in Madurai district.

(iv) There is wide variation between the data of Public Works Department and Revenue Department in regard to the acreage covered in this system. While Public Works Department claimed release of water for 1,260 acres in all the years from 1974—75 onwards, revenue records showed irrigation of 1,005 to 1,405 acres during this period.

(v) The water regulation rules are pending approval of Government (November 1985).

The proposals for levy of betterment charges are yet to be finalised though the levy should be collected 2 years after completion of project, i.e., November 1975.

(vi) The scheme has in the final analysis turned out to be uneconomic with anticipation of increased acreage and food production remaining unrealised due to the new ayacut of 1,000 acres not having been brought under cultivation even 10 years after the completion of the project. Even if stabilisation and bridging of gap in Madurai District is taken as achieved, the average cost per tonne of food grains works out to Rs. 7,900 and cost per acre to Rs. 14,300 as against Rs. 7,341 and Rs. 4,431 respectively originally contemplated.

The matter was reported to Government in August 1985; their reply is awaited (November 1985).

REVENUE/HEALTH AND FAMILY WELFARE DEPARTMENTS

4.13. Public Health Centre at Thuvarankurichi

The construction of Rural Family Welfare Centre and Staff Quarters at Thuvarankurichi, Tiruchirappalli district, was sanctioned by Government in December 1978 at a cost of Rs. 2.38 lakhs. The site for the construction was handed over by Revenue Department (through Public Health Department) in December 1979 to Public Works Department. The contract for construction was finalised in February 1980 and the site was handed over to the contractor in April 1980.

In October 1974 itself the department was aware that the lands belonged to a temple ; however, no steps were taken to acquire the land through approved procedure. When the works were in progress, a suit for restraining further construction was filed in the Court in December 1980 by the trustees of the temple stating that the land belonged to the temple. Further work was stopped in December 1980 and the agreement with the contractor was closed for Rs. 0.56 lakh in October 1981. The total expenditure on the work was Rs. 0.73 lakh, including the cost of materials purchased by the department.

In January 1982, Government accepted the recommendation of Director of Public Health for execution of an agreement with the temple trustees for payment of compensation as per market rate fixed by Revenue Department and directed Hindu Religious and Charitable Endowments Department to arrange for the withdrawal of the suit. However, no action was taken by the department to execute the agreement.

The construction work had also not been resumed (November 1985). It was stated in March 1984 by the Public Works Department that the construction was already showing signs of wear and tear and any further delay would be detrimental to the building.

The failure to confirm the correct ownership and title to the land before commencing construction of building had resulted in an unfruitful expenditure of Rs. 0.73 lakh.

Government replied in November 1985 that the case was decreed ex-parte in December 1982 and the question of acquisition of the lands in consultation with the Commissioner, Hindu Religious and Charitable Endowments and completion of the construction was under examination.

TRANSPORT DEPARTMENT

4.14. Improvements to Punganur—Palamathy road

Under a scheme, sanctioned by Government in May 1973, to connect habitations with a population of 1,500 and above with maintained roads, a provision of Rs. 5.45 lakhs was made for the work of "improvements to Punganur—Palamathy road Km. 0/0 to 16/0" and for the construction of a bridge with 3 spans of 8 metres each which would benefit 15 villages in North Arcot district.

In June 1976, Government reduced the combined provision of Rs. 5.45 lakhs to Rs. 5.13 lakhs. The road works were taken up during 1973-74 and completed in October 1978 at a cost of Rs. 3.29 lakhs. Tenders were called for in June 1974 for the construction of the bridge; but as the successful tenderer did not execute the agreement, the department forfeited his earnest money deposit and cancelled the tender. No fresh tenders for the work were called for on the ground of inadequacy of provision of funds though a sum of Rs. 2.16 lakhs was available including the savings in road works against the estimated cost of Rs. 1.64 lakhs for the bridge; instead, the Superintending Engineer, Highways, on his own, ordered in June 1975 the construction of a hard bed level causeway with a view to completing the work within the available provision. The work of construction of the causeway given on tender in October 1975 was terminated in September 1978 due to slow progress of work and was finally abandoned in January 1980 after incurring an expenditure of Rs. 12,595.

The department was aware that a bridge at the site was necessary and provided for it initially in 1973. The bridge was again found justified instead of the causeway due to pressing demand from public and the frequent interruptions in traffic due to heavy flow of water in the jungle stream. The department approached the Government in 1980 for the construction of the bridge. When sanction was accorded for the revised proposal in February 1982 by Government, the cost of bridge has risen from Rs. 1.64 lakhs (1974) to Rs. 4.80 lakhs.

The bridge is yet to be completed and the road is being used through the existing cart track adjoining the abandoned causeway.

Thus, on account of defective planning, omission to provide adequate funds and incorrect assessment of the requirements of the locality, there was an avoidable extra expenditure of Rs. 3.16 lakhs besides the delay in the accrual of the benefit of the bridge to the public.

Government accepted the facts (October 1985).

4.15. Revision of rate for laying well gravel

The schedule of rate of North Arcot district applicable for the work of "Laying well gravel" was Re. 0.25 per cubic metre in 1979-80. The rate was exclusively for computing labour charges for spreading gravel from the stack by unskilled labourers using shovel. This rate was revised upwards to Rs. 4.85 per cubic metre from the year 1980-81 and continued in 1981-82 also. The department while justifying the sudden abnormal increase stated that the rate included charges for sectioning, levelling, breaking clods, tamping, watering, consolidation and compaction, etc. This detailed specification was neither incorporated in the schedule nor communicated to Divisions. Since 1983-84, this item was deleted from the schedule.

The well gravel is a 'non-cohesive and non-compressive material' and does not shrink in volume and hence does not require watering, consolidation and compaction. It was noticed that in two Highways divisions at Vellore 136 road works were executed in 1981-82 under drought relief programme involving laying of well gravel for which payment at the enhanced rate of Rs. 4.85 per cubic metre was made. The specification noted in the relevant estimates and agreements is "laying well gravel" only and the measurement books for work done did not specify execution of levelling, sectioning, watering and consolidation.

The department is also executing Panchayat Union roads adopting the schedule of rates as the basis for payment. During

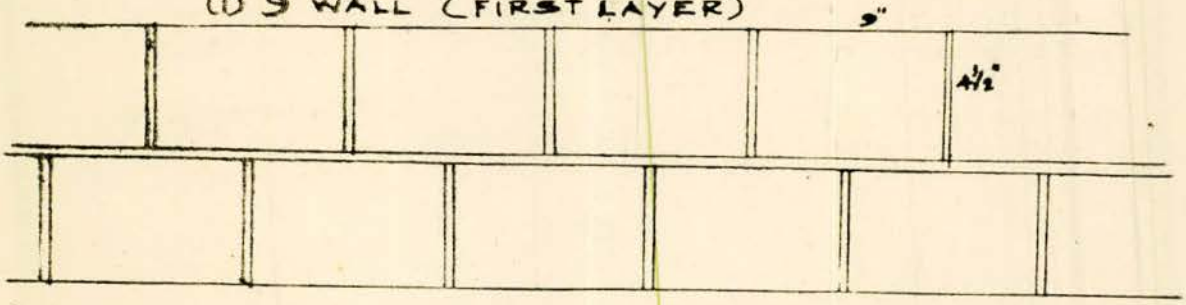
the year 1981-82, the department executed the Panchayat Union road works involving laying of well gravel in 17 panchayat unions of Tiruvannamalai division in the same District and paid at a rate of Re. 0.25 per cubic metre. In the circumstances, the disproportionate increase in rate from Re. 0.25 to Rs. 4.85 per cubic metre is not justified. As levelling, sectioning, watering and consolidation were not done as disclosed by measurements recorded, the payment at the enhanced rate in the 136 road works executed under Drought Relief Programme resulted in excess expenditure of Rs. 2.06 lakhs.

The matter was reported to Government in August 1985 ; their reply is awaited (November 1985).

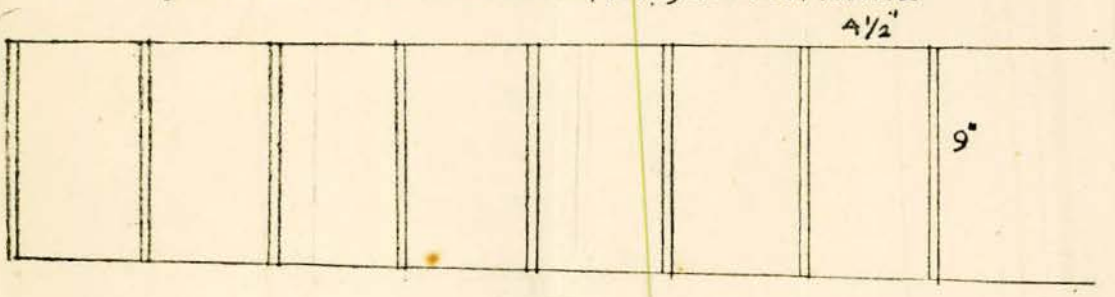
(Reference: Paragraph 4.9, Page 173

BRICK WORK

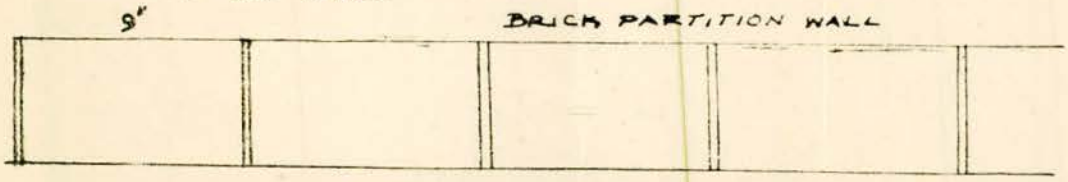
(i) 9" WALL (FIRST LAYER)



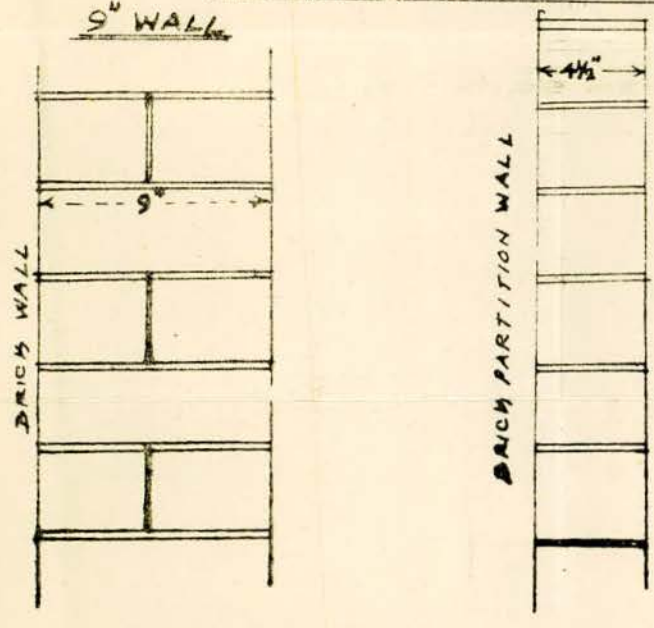
9" WALL (SECOND LAYER) BRICK WALL



(ii) 4½" WALL

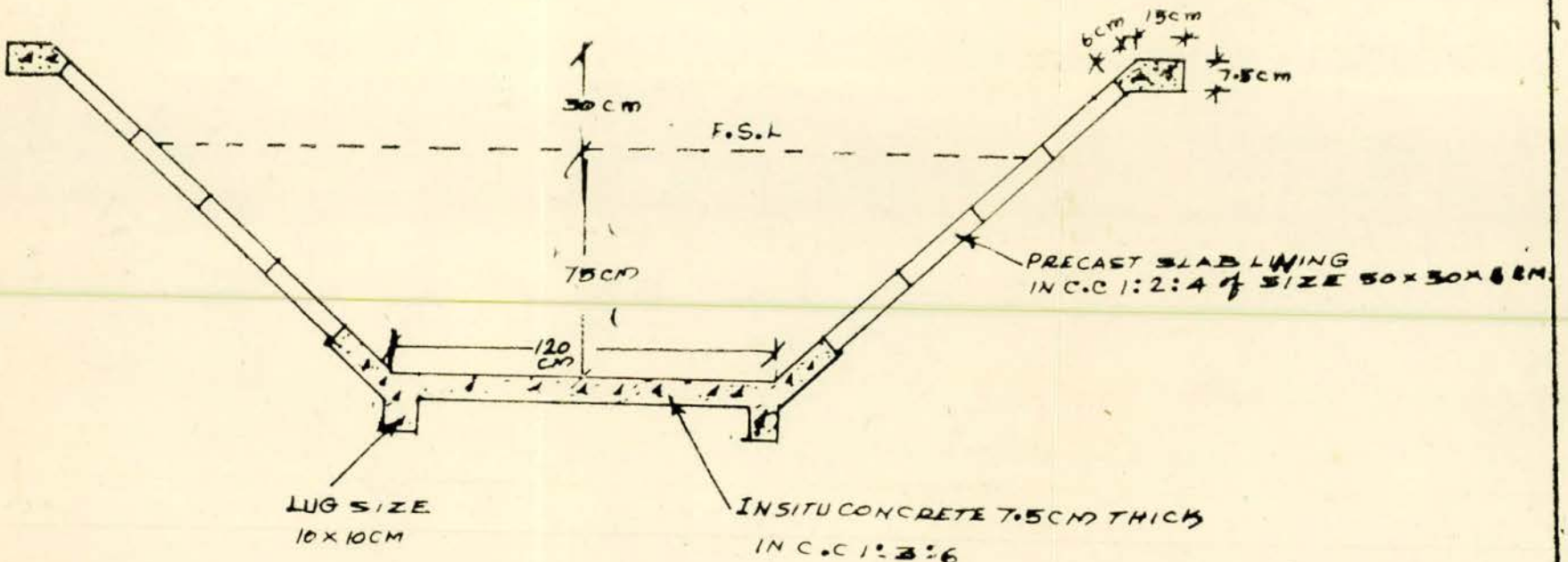


VERTICAL CROSS SECTION 4½" WALL



(Reference: Paragraph 4.10. Page 174)

CANAL LINING SECTION USING 10 X 10 CM LUGS.



CHAPTER V

STORES AND STOCK

HEALTH AND FAMILY WELFARE DEPARTMENT

5.1. Unaccounted Exposed X—ray films

In Government hospitals, X-ray films, other than those required for research and teaching purposes and those returned to the paying patients at their request, are sold after use. With a view to ensuring the sale of all the exposed X-ray films available for disposal, Government issued instructions in April 1979, that, at the end of each month, all the exposed X-ray films that were not required in the wards should be collected and handed over to the X-ray department for eventual disposal and that entries regarding receipt, retention and return of the films should be made in a suitable register to be maintained in the wards.

A review of accounts of the X-ray films maintained in six hospitals disclosed that proper accounts of X-rays received, retained and returned were not maintained in the wards. During the years 1979-80 to 1983-84, while 59,655 kgs. of X-ray films had been exposed as per the records of the X-ray department of these six hospitals, the total quantity of X-ray films retained in the wards for medico legal cases, teaching and research purposes and issued to paying patients and those sold by the X-ray department on contract was 16,755 Kgs. The balance of 42,900 Kgs. of exposed X-ray films remained unaccounted; their value on the basis of contracted rates of sale in the respective years worked out to Rs. 19.53 lakhs. In the absence of proper accounts in the wards and due to failure to retrieve all the salable X-ray films for disposal, the possibility of loss of revenue on this account cannot be ruled out.

The matter was reported to Goverament in June 1985; their reply is awaited (November 1985).

5.2. Shortage of empty bottles

Intravenous (IV) fluids, supplied in bottles, are issued from the main stores of the hospitals to the various wards and operation theatres. After use, the empty bottles are returned to the main

stores for disposal in auction. Accounts of receipts and issues of IV fluid bottles and disposal of empty bottles are kept in the main stores. In two of the hospitals in Madras City, test checked in audit, it was noticed that, during the period 1980-81 to 1984-85, the number of bottles issued to wards and the empty bottles sold were 9.89 lakhs and 7.40 lakhs respectively and the balance of empty bottles available as on 31st March 1985 was only 0.61 lakh indicating shortage of 1.88 lakh bottles, valued at Rs. 1.22 lakhs even at the lowest rate of 65 paise per bottle at which empties were sold in tender-cum-public auction in the year 1983-84.

It was also noticed that stock accounts of IV fluid bottles received from main stores, used and empties returned had not been maintained in the wards and no physical verification of empties was conducted annually as prescribed under the rules. At no time did the hospitals link the number of fluid bottles issued from main stores and the number of empty bottles sold and available in stock to ensure that all the empty bottles were properly accounted for and disposed of.

Government stated in September 1985 that the shortage was due to supply of empty bottles for a variety of purposes and breakages in handling, transit and storage in open yards. In November 1985, Government instructed the Director of Medical Education to maintain, in future, proper accounts of the empty bottles and their disposal.

5.3. Loss due to excess breakage of Saline bottles

With a view to ensuring careful handling and proper storage of empty saline bottles to avoid excessive breakage and consequent loss, the Director of Medical Services and Family Welfare issued instructions in November 1981 that the number of chipped (broken) bottles should, under no circumstances, exceed 5 per cent of the total number of bottles used during a year and the cost of excess over 5 per cent breakage should be recovered from the persons responsible.

A review of the stock accounts of the saline bottles in the Government General Hospital, Madras, for the period 1981-84

disclosed that the number of saline bottles used and emptied was 4.91 lakhs, of which 1.83 lakh empty bottles were chipped/broken exceeding the 5 per cent limit by 1.58 lakh bottles.

The loss on the sale of 1.58 lakh chipped bottles at reduced prices as compared with the price which would have been realised for unbroken empty bottles was Rs. 0·92 lakh. No action had, however, been taken to fix responsibility and recover the loss (July 1985).

In September 1985, Government attributed the excess breakage to rough or improper handling by the staff and storage of empties in the corridors due to absence of storage facilities. In November 1985, Government instructed the Director of Medical Education to take safeguards to avoid breakage in excess of 5 per cent.

FOREST AND FISHERIES DEPARTMENT

5.4. Unutilised stock of nylon twine

Nylon twine weighing 31,090 Kgs. was purchased for Rs. 26.44 lakhs by the Assistant Director of Fisheries (Regional) Ramanathapuram, during 1978-80 for distribution at a subsidised rate, as a relief measure, to fishermen whose nets were either lost or damaged due to cyclone in November 1978. Of these, only 22,254 Kgs. valued at Rs. 19.72 lakhs, were distributed during the period 1979-84 ; less distribution of twine was due reportedly to reassessment of requirements of beneficiaries by the department and consequent refusal to accept the nylon twine by some of the beneficiaries. The remaining quantity was kept in a private building from December 1980 to December 1983 incurring expenditure of Rs. 12,250 on rent. In December 1983 and February 1984, 8,843 Kgs. (including 7 Kgs. found surplus) of twine were transferred to Tuticorin region where 5,134 Kgs. were distributed to fishermen under 'Nylon subsidy scheme' for 1983-84. The balance 3,709 Kgs., valued at Rs. 3.22 lakhs, remained unutilised (June 1985) for more than five years. According to the Director of Fisheries, long storage of nylon results in loss of its strength and colour.

The matter was reported to Government in August 1985; their reply is awaited (November 1985).

CHAPTER VI

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

6.1. General

This chapter deals with (i) results of audit of bodies and authorities substantially financed by grants and/or loans, (ii) scrutiny of procedure for watching fulfilment of conditions governing grants or loans paid for specific purposes, (iii) results of audit of account of statutory boards, (iv) financial assistance to Co-operative Societies and (v) other important points noticed in connection with the sanction of grants/loans.

6.2. Grants

In 1984-85, Rs. 2,86.25 crores were paid as grants to statutory bodies (like Universities, Khadi and Village Industries Board, Municipalities and Panchayat Unions) and other institutions including Co-operative Societies, as shown below :—

Name of Department	*Grants to statutory bodies*	*Grants to other institutions*
(1)	(2)	(3)
	(in crores of rupees)	
Agriculture	11.17	0.02
Education	26.69	1,69.27
Housing and Urban Development ..	1.81	5.37
Industries	21.67	0.11
Health and Family Welfare	..	0.60
Municipal Administration and Water Supply	27.06	14.67
Medical	1.82	..
Rural Development	5.48	..
Others	0.34	0.17
Total ..	96.04	1,90.21

6.3. Utilisation Certificates

Under the financial rules, in all cases in which conditions are attached to grants, utilisation certificates that the grants have been utilised for the purpose for which they were paid are required to be furnished by the departmental officers to the Accountant General within a reasonable time.

At the end of September 1985, 1,052 certificates for Rs. 42,16.56 lakhs were awaited for grants paid upto 30th September 1983. Department-wise and year-wise details of certificates outstanding as on 30th September 1985 are given in Appendix IX.

6.4. Bodies and Authorities Substantially financed by Government grants and loans

According to the provisions of Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, receipts and expenditure of bodies and authorities substantially financed by grants or loans from the Consolidated Fund are to be audited by the Comptroller and Auditor General.

For this purpose, a body/authority was deemed to have been substantially financed if the aggregate grant or loan to it in a financial year was not less than Rs. 5 lakhs to end of 1982-83, Rs. 25 lakhs from 1983-84, and the amount of such grant or loan was not less than 75 per cent of the total expenditure of that body/authority. The table below indicates the number of bodies/authorities which received grants or loans of not less than Rs. 5 lakhs/Rs. 25 lakhs and from which accounts were not received (October 1985) to determine the applicability of Section 14.

Year	*Number of bodies/ authorities which received grants/ loans of not less than Rs. 5 lakhs/ Rs. 25 lakhs in a year*	*Number of bodies/ authorities from which accounts are due*
(1)	(2)	(3)
1980—81	727*	98
1981—82	742*	204
1982—83	647*	489
1983—84	523@	456

Non-receipt of annual accounts was reported to Government in the concerned departments (April-October 1985).

Important points noticed during audit are given in the succeeding paragraphs.

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* Latest figures adopted.

@ Includes 331 Panchayat Unions and 96 Municipalities and Corporations, the amount of grant paid to which during 1983-84 could not be ascertained.

AGRICULTURE DEPARTMENT

6.5. Tamil Nadu Agricultural University

6.5.1. *Introductory.*—Under the Tamil Nadu Agricultural University Act, 1971, the Tamil Nadu Agricultural University was established in June 1971 at Coimbatore, with the object of imparting education in different branches of agriculture and allied sciences and furthering the advancement of learning and prosecution of research in agriculture and allied sciences.

The Agricultural College and Research Institute at Coimbatore, the Agricultural College at Madurai and five Regional Agricultural Research Stations/the Veterinary College, Madras, run by Government were transferred to the University in June 1971/December 1976. The University set up three new colleges for Agricultural Engineering (1972), Fisheries Science (August 1977) and Agricultural Science (1984) at Coimbatore, Madurai (shifted to Tuticorin in 1979) and Killikulam (Tirunelveli district) respectively. During 1972-84, it provided additional courses in various faculties in the Agricultural Colleges at Coimbatore and Madurai and also set up twenty seven new Research Stations/Centres at various places. From April 1981, it took over fifteen Research (experimental) Stations/Centres functioning under the department of Agriculture along with forty two research schemes. On the extension side, the university established three Farmers' Training Centres (two in 1972 and one in 1980) and two Krishi Vigyan Kendras (1974 and 1977).

6.5.2. *Sources of finance.*—The University is financed by (i) non-lapsable lumpsum grants from Government of Tamil Nadu to cover the net expenditure on the activities of the University and its constituent units, after deducting the income from fee collections, sale of farm produces and miscellaneous receipts, (ii) grants for specific research schemes financed by Government of India, (iii) grants from the Indian Council of Agricultural Research (ICAR) for schemes sponsored or approved by it and (iv) grants from private and foreign agencies for specific research projects.

6.5.3. *Accounts and audit.*—Under the Act, the Examiner of Local Fund Accounts had been nominated as the auditor of the accounts

of the University. The audited accounts of the University had been placed before the Legislature upto 1981-82. A summary of the receipts and expenditure of the University for the years 1977-78 to 1981-82 is given in Appendix X.

Under Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the accounts of the University and its constituent units for the years 1979-80 and 1980-81 were reviewed (1983 and 1984) in audit. Important points noticed are mentioned below.

6.5.4. *Non-preparation of annual accounts and balance sheet*

Under Sections 12 (5) and 14 (3) of the Act, the University is required to prepare and submit to the Board its annual accounts and balance sheet. However, only statements of receipts and payments under various grants, debts, deposits and suspense heads had been prepared. The assets and liabilities transferred from Government to the University as well as those acquired/incurred after the formation of the University had not been ascertained and incorporated in the accounts. Consequently, the accounts presented to the Legislature up to 1981-82 did not reflect in full the position of affairs at the close of each year.

6.5.5. (a) *Excess Grants.*—As at the end of 1983-84, overdrawal of grants from Government amounted to Rs. 1,15.91 lakhs as brought out below :—

(i) *Block grants.*—Based on the proposals of the University, Government sanctions to the University every year non-lapsable lumpsum grants towards the net expenditure on salary of staff, contingencies and other activities related to the functioning of the University, after taking into account the receipts by way of college fees, etc. The grants paid by Government during 1979-80 to 1983-84, the expenditure incurred thereagainst by the University and the cumulative unutilised balances as at the end of each year were as under :

Year	Grant received (A)	Expenditure	Cumulative unspent grant at the end of the year
	(in lakhs of rupees)		
(1)	(2)	(3)	(4)
1978—79	..	..	81,63
1979—80	4,38.21	4,50.90	68.94
1980—81	5,08.59	5,31.41	46.12
1981—82	6,79.51	6,60.31	65.32
1982—83	7,03.32	6,60.89	1,07.75
1983—84	6,94.76	7,41.92(B)	60.59(C)

Up to year 1982-83, the University did not take into account, for arriving at the block grant due for the fourth quarter, the unspent balance of previous years available with it, resulting in overdrawal of grant to that extent.

Though, in 1983-84, this omission was supplied at the instance of Audit, there was still an excess drawal of grant due to over estimation of the net expenditure ; as against the net expenditure of Rs. 8,41.26 lakhs estimated by the University in the proposals for final modified appropriation for 1983—84 sent to Government in February 1984, the actual expenditure came up to Rs. 7,41.92 lakhs only, indicating that the University could not assess its requirement precisely even at the fag-end of the year, owing to lack of adequate budgetary control.

(ii) *Excess contribution towards pension.*—Based on the proposals of the University, Government is paying annually a lumpsum amount as grant to the University for meeting expenditure on payment of pension,

(A) Excludes working grant of Rs. 30.00 lakhs paid to the University (18 lakhs in 1972-73 and Rs. 12 lakhs in 1977-78) for meeting expenditure in the first quarter of each year, pending release of grant for the year.

(B) The expenditure figures for 1983-84 are provisional subject to audit and certification by the Examiner of Local Fund Accounts.

(C) Includes supplementary grant of Rs. 78.13 lakhs for 1983-84, received in 1984-85.

gratuity, etc. As against Rs. 96.18 lakhs received by the University during the years 1976—77 to 1983—84, Rs. 88.03 lakhs as grants from Government and Rs. 8.10 lakhs as contribution from employees towards family benefit fund scheme, etc., the actual disbursement was Rs. 72.28 lakhs only. In June 1980, Government advised the University to avoid unnecessary accumulation of funds on this account, as they could be used for better purpose. However, the University invested, thereafter, Rs. 8 lakhs in a nationalised bank under reinvestment plan, bringing the total of such investments of sums provided for meeting pensionary liability to Rs. 23 lakhs. Neither the excess contribution nor the interest accrued on the investment (Rs. 11.90 lakhs up to 1983—84) had been taken into account by the University for arriving at the grant due from Government on the plea that sums stood blocked up in the bank. As the entire excess expenditure over receipts is borne by Government by way of block grants, the need for investing the excess grant over expenditure on this account is not apparent, especially when Government had advised the University to avoid unnecessary accumulation of funds on this account. This had resulted in excess drawal of grant to the extent of Rs. 34.90 lakhs.

(iii) *Excess interest earned on Provident Fund deposits.*—According to the University Provident Fund Rules, 1976, interest earned on investments of Provident Fund deposits in excess of the amount payable towards annual interest to the subscribers' accounts was to be reckoned as receipt of the University under the head 'Miscellaneous'. But the excess interest of Rs. 16.28 lakhs earned up to 1983—84 was not treated as receipt of the University for the purpose of assessing the net grant due from Government. This had resulted in overdrawal of grant amounting to Rs. 16.28 lakhs from Government in the years 1977—84.

(iv) *Irregular drawal of grant for repayment of loan from Government.*—In March 1978, Government granted a loan of Rs. 4 lakhs to the University for grant of interest bearing advances, namely, conveyance advances and marriage advances to its employees. The loan was repayable to Government by the University in ten equated annual instalments with interest. While the annuities due to Government on this account were payable from the amounts available under the head 'Loans and Advances' to which the recoveries towards principal and interest effected from the employees were being credited, the University had paid the annuities every year from its General Fund and included the

same in the net expenditure for which block grant was claimed from Government, resulting in excess payment of grant of Rs. 3.58 lakhs (principal : Rs. 2.40 lakhs ; and interest : Rs. 1.18 lakhs) for the years 1978—79 to 1983—84. On this being pointed out in audit, the University had since readjusted the repayment of principal of Rs. 2.40 lakhs in its accounts for 1982—83 and 1983—84. The balance of Rs. 1.18 lakhs, representing interest obtained as grant, remained to be readjusted (December 1984).

(v) *Receipts from centage on cement.*—The cost of cement procured from time to time for use on works was debited to a suspense account which was credited with the recoveries effected from the contractors at contract rates. The centage included in the contract rates and recovered from the contractors was not, however, reckoned as receipts for the purpose of net grant payable by Government resulting in over drawal of grant to the extent of Rs. 2.96 lakhs being the minus balance under suspense accounts as on 31st March 1984, the exact amount to be ascertained on analysis of the suspense account.

(b) *Delay in claiming tuition fee compensation.*—Students belonging to Scheduled Castes and Scheduled Tribes/Backward Classes and studying in colleges are granted full/half tuition fee concessions and the educational institutions in which such students are studying are to apply for and obtain from Government compensation equivalent to tuition fees due from such students.

In respect of students studying in the various colleges under the University, a total sum of Rs. 3.29 lakhs was still to be realised from Government as fee compensation for the period from 1972—73 to 1978—79. The amount due for the period 1979—80 to 1983—84 was yet to be assessed by the University (February 1985). Non-realisation of tuition fees had resulted in understating of the overall performance of the State in regard to grant of educational concessions to the Scheduled Caste/Scheduled Tribe/Backward Class students in the respective years.

6.5.6. *Academic programmes*

(i) *Under-graduate programmes.*—In consultation with the State Planning Commission, the University estimated in 1972 the State's requirements of agricultural graduates in various branches during the

twelve years from 1973—74 as 8,800 or 733 per annum on an average and envisaged progressive increases in targets of admission to various courses and also opening of a third Agricultural College during the Fifth Plan period (1974—1979). Though the target for admission was raised from 414 in 1972—73 to 695 in 1978—79, the number of students admitted in 1978—79 was only 436. The shortfall of 37 per cent was due to non-raising of admission strength of the various courses in the existing colleges for want of infrastructural facilities and non-opening of the proposed college during the Fifth Plan period. The proposed college was, however, opened in 1984-85. The number of admissions in 1984-85 was only 633 as against the target of 815, due mainly to inadequate response to Home Science course and non-starting of Forestry course for want of approval of ICAR. The average number of graduates who had passed out during the period 1980—81 to 1983—84 was 383 per year against the estimated average annual requirement of 733.

(ii) *Post-Graduate courses.*—To achieve the estimated requirements of 2,700 post-graduates during the twelve years from 1973—74 for teaching, research and extension programmes in the State, the University contemplated progressive increases in the admission strength from 100 in 1972—73 to 285 in 1983—84. Though the total sanctioned strength of admission was raised to 346 by 1983—84 by starting nine new post-graduate courses (strength : 60) and increasing the strength of existing courses, the actual number admitted by 1983—84 was 241 only due to non-operation of eleven courses in some years (strength : 52) and admission of lesser number of students to other courses owing to inadequate number of applicants.

The number of post-graduates who had passed out in the years 1980—84 ranged from 175 to 200 against the estimated annual requirement of 225 on an average.

(iii) *Doctorate programmes.*—Against the planned increase in admission for doctorate programmes from 25 in 1972—73 to 100 by 1983—84, the sanctioned strength by 1983—84 was 84. The average number admitted and number passed out during 1980—84 were 55 and 41 respectively. The shortfall in output of doctorate degree holders is reflected in the large number of vacancies in the category of Assistant Professors in the University (391 and 11 out of the sanctioned strength of 977 and 739 in Agricultural and Veterinary Sciences).

6.5.7. *Work load of teaching staff.*—According to the guidelines issued (December 1980) by the University for fixing workload of teaching staff, a teacher was to offer fourteen contact hours per week to under graduate/post-graduate students or undertake three independent research projects in a year; when both teaching and research projects were allotted, the work load should be assigned taking into account the contact hours of teaching assignment and the number of research projects.

In the Veterinary College, Madras, a review conducted in February 1983 by the Director of Research (Animal Science) disclosed that, out of the total of eighteen departmets, in eight departments with seventy-four staff members there was surplus of twenty staff members and in three departments with eighteen staff members there was shortage of four members. The surplus staff was set off against future vacancies. Similar review to assess the workload of the teaching staff in respect of other institutions under the University was yet to be conducted.

6.5.8. *Execution of works*

(i) *Delay in commissioning of dairy plant at the Veterinary College, Madras.*—To provide in-plant training in dairy technology to students, in the Veterinary College, Madras, tenders were invited in November 1977 by the College for supply, erection and commissioning of a dairy plant. Valid offers were received from firms A and B for Rs. 17.22 lakhs and Rs. 23.22 lakhs respectively. In consideration of an overall saving of Rs. 1.52 lakhs, the job was split up and the contract for supply of milk processing equipments and erection and commissioning of the entire dairy plant was awarded to firm A (cost : Rs. 10.19 lakhs) in January 1978 and the contract for the supply of refrigeration and steam raising equipment given to firm B (cost: Rs. 5.50 lakhs) in March 1978.

Firm A supplied the equipments in March 1978 and firm B in June 1978. The erection work taken up by firm A in June 1978 and scheduled to be completed in a period of 4 to 6 months was completed only in June 1980 due to dispute between the two firms about the quality and performance of the refrigeration and steam raising equipments supplied by firm B. Testing of the plant by firm A after erection showed several mechanical defects. After a further delay of a year, the College entrusted in September 1981, the work of re-erecting and commissioning of the

refrigeration section of the plant to firm B on payment of an extra amount of Rs. 0.08 lakh. The re-erected refrigeration section was taken over by the College in May 1984 and the entire plant was commissioned in October 1984.

The following points were noticed :—

(*a*) The plant acquired at a cost of Rs. 16.29 lakhs (inclusive of taxes) in March/June 1978 remained idle till October 1984, for over six years, pending erection and commissioning, due mainly to disputes between the two firms regarding the quality of supplies and non-provision of an arbitration clause in the agreements to resolve such disputes.

(*b*) The guarantee period of 18/12 months after supply of the equipments by firms A/B had expired by May/August 1979 long before the plant was commissioned in October 1984 ; the guarantees were, however, not got extended.

(*c*) Firm A was yet to accept (December 1984) its share of liability (Rs. 0.75 lakh) towards rectification of defects while re-erecting and re-commissioning the plant.

(*d*) According to the Professor and Head of the Department of Dairy Science in the Veterinary College, Madras, the minimum processing capacity of the plant is 1,000 litres. However, the plant is being utilised for processing only 150 litres of milk per day, due to non-settlement of source of supply of adequate milk for processing. In view of the meagre quantity of milk processed in the plant, it is a moot point as to how far the plant is useful in imparting in-plant training in all the processes of dairy technology, as envisaged.

(ii) *Construction of micro-biology block in the Veterinary College, Madras.*—To provide adequate accommodation in the Veterinary College, Madras, the construction of a two storeyed building was entrusted in March 1978 to a contractor for Rs. 8.77 lakhs (14.42 per cent less than the estimated cost). According to the agreement, the University was to supply cement at Rs. 390 per tonne to the contractor, if required, and to recover the cost thereof from the running account bills; the agreement did not stipulate any time schedule for completion of work. The work commenced in May 1978 and reached the stage

of raft and mat concreting in December 1978 when the University held, as a matter of policy, that the University would supply cement only on prepayment, if available, at market rate or at procurement rate, whichever was higher. In January 1979, the contractor suspended the work as non-supply of cement by the University was contrary to the terms of agreement. In March 1979, the University offered to supply cement but the contractor did not resume the work. During negotiations, the contractor demanded (September 1979) revised rates, based on the schedule of rates for 1979-80 and the University accepted (November 1979) the higher rates (additional commitment : Rs. 3.53 lakhs) and executed (January 1980) a fresh agreement laying down the period of completion of work as ten months.

While the work was in progress, the contractor claimed in July 1980 further revision of rates on the plea of escalation in prices of materials from June 1980. This demand, involving a further claim of Rs. 0.48 lakh, was also agreed to and extension of time up to 31st March 1982 granted by the University. As even by that extended period the work was completed only up to the first floor, the University closed the contract in May 1982 settling the final bill for Rs. 10·06 lakhs for the work done. Non-stipulation of a time limit for completion of the work in the original agreement and improper and unilateral revision of the contract condition in regard to supply of cement had resulted in the University yielding to the demands of the contractor for enhancement of rates and paying him an extra amount of Rs. 3.12 lakhs, besides the inordinate delay in completion of the building.

Though the building had been completed up to the first floor level, even in May 1982, it had not been occupied (December 1984) by the department for more than two years, owing to non-fixing of window grills, laboratory sinks, wash basins and pavement drains, since these were not contemplated in the original estimate. An estimate for Rs. 2 lakhs for provision of those facilities, sent by the Dean of the College in February 1985, is awaiting sanction of the University.

(iii) *Construction of seed storage godowns and staff quarters at Coimbatore.*—The contract for construction of four seed storage godowns and staff quarters at main campus of the University was awarded in November 1978 to a contractor for a total value of Rs. 3.29 lakhs. The terms provided for issue of cement, if available with the University, at Rs. 390 per tonne and steel at Rs. 2,800 per tonne. In January 1979

at the instance of the University authorities, the contractor accepted the revised term that cement and steel would be issued by the University only on pre-payment of cost at prevailing market rate or at procurement rate whichever was higher and the agreement was amended accordingly. After executing a part of the work (value : Rs. 0.95 lakh), the contractor suspended further work from May 1979. The University terminated (December 1979) the contract without liability to the defaulting contractor to make good the consequential extra cost on the grounds that the University could not supply cement for want of stock and the contractor also could not procure cement. The balance work (original value : Rs. 2.34 lakhs) was got completed during 1980-81 at higher rates through other agencies at a total value of Rs. 3.56 lakhs. As the issue of cement by the University was subject to availability of stock with it and as the contractor was, at any rate, responsible to procure the required cement, inability on his part to procure cement was not a valid ground for not invoking the penal provisions in the contract for his default to complete the work. Failure of the University to do so had resulted in an extra expenditure of Rs. 1.22 lakhs.

(iv) *Purchase of private land for construction of staff quarters.*—In March 1980, the University purchased five acres of land for Rs. 3.12 lakhs for construction of quarters for the staff of the Fisheries College, Tuticorin, after obtaining legal opinion of the local Government Pleader on the certified copy of the title deeds of the property registered in May 1983 and the encumbrance certificate issued by the Registration Department in 1980. The documents relied upon by the Government Pleader had not revealed the existence of an encumbrance on four acres of the land due to an unregistered mortgage in January 1970 by deposit of the title deeds and execution in January 1970 and September 1973 of a memorandum in favour of a Nationalised Bank by the vendor indicating an intent to create mortgage for certain credit facilities afforded to him. On his default to clear the debt, the Bank filed a suit in October 1982 in the Court of Subordinate Judge, Tuticorin,for recovery of Rs. 3.64 lakhs from the vendor and the University as subsequent alienee of a portion of the hypothecated property. The University, in its counter statements filed in January 1983 and November 1983, pleaded that the mortgage should not be admitted as it was not registered, and,if at all necessary, the property purchased by the University might be proceeded with as a last item by way of equity. The suit was yet to be decided (December 1984).

Out of the total area of 20,277 square metres of the land purchased, quarters had been constructed on an area of 1,055 square metres only and further programme of construction of quarters was awaiting the outcome of the suit.

Thus, the failure of the University to obtain the original title deeds at the time of purchase or to follow the usual procedure of acquisition under the Land Acquisition Act had resulted in the purchase of an encumbered property and a major portion of the land remaining unutilised for five years.

6.5.9. *Working of research stations—*

(*a*) Livestock Research Station, Kattupakkam.—A breeding programme to build a herd of cattle (50 to 75 per cent Jersey blood) was taken up at the Research Station in 1976—77. A foundation stock of 93 cows (75 Jersey cross and 18 Sindhi) was procured (1976—77) at a cost of Rs. 2.73 lakhs. With this programme as the first phase, another related scheme to evolve a new breed of cattle suitable for the plains was started from April 1977. The second phase of the breeding programme was to run concurrently for five to six years and contemplated selection of bulls from among the progeny of the foundation stock. By the seventh year (1983—84) the nucleus of the new breed was expected to be produced and the third phase of the programme for stabilising the breed by successive in-breeding and selection was to be commenced.

A review of the implementation of the scheme disclosed the following :—

(i) *Scheme operated without sufficient foundation stock.*—In February 1984, the scheme was still in the second phase, with only 8 second generation female calves. The Research Officer of the Station stated in February 1984 that the scheme would have to wait for another seven years (up to 1990) for building up at least 120 numbers of second generation female calves and entering the third phase as against 1983 contemplated in the scheme. The University attributed the delay to insufficient foundation stock on account of various constraints like finance, facilities for cattle sheds, fodder, etc., The programme did not, however, spell out the requirement of foundation stock necessary to achieve the intended objective within the time limit set therein. Only six years after the programme was run with the initial foundation stock of 93 cows, the University assessed in 1983 the requirement of foundation stock.

as 300 to have a meaningful approach to the breeding programme as contemplated and addressed I.C.A.R. for financial assistance, inter alia, to acquire 200 more cows. Approval of I.C.A.R. was awaited (January 1985).

(ii) *Abnormal mortality of foundation stock due to delayed vaccination.*—The animals procured from private parties from September 1976 to February 1977 were vaccinated against foot and mouth disease only in May 1977 and due to this delayed vaccination and outbreak of the disease, there was abnormal mortality among calves (50 per cent in 1976—77 against the prescribed percentage of 6) and cows (8 per cent and 13 per cent in 1978—79 and 1979—80 against the prescribed percentage of 3 up to July 1979 and 2 thereafter).

(b) *Sheep Breeding Research Station, Sandynullah.*—The Government Sheep Farm functioning at Sandynullah in the Nilgiris district, with a research project for developing a nucleus flock of Merino sheep, was transferred to the University in December 1976. An I.C.A.R. sponsored All India Co-ordinated Research Project for evolving a new cross-bred sheep (Merino /Rambouillet Nilgiri breed) for fine wool was also being carried out at the station from April 1974.

On a review of the working of the farm, the following points were noticed :—

(i) *Non-utilisation of large area of leased forest land.*—The farm has 1,009 acres of forest land, held under a permit issued by the Forest Department till March 1963 and thereafter without permit or lease. In May 1982, Government ordered payment of rent (by the Animal Husbandry Department from April 1963 to November 1976 and thereafter by the University) at Rs. 50 per acre per annum to the Forest Department. Of the 1,009 acres taken over by the University in December 1976, only 113 acres were developed as pasture land and the remaining 896 acres were undeveloped virgin land. During 1977—81 the University had developed as pasture lands a further area of 184 acres (inclusive of 44 acres of marshy lands reclaimed but not put to use—*vide* sub—para (iii) below) and the remaining 712 acres continued to be virgin lands on which rent amounting to Rs. 3.24 lakhs up to March 1984 had been paid by the University to the Forest department. Non-development of land as pasture area had resulted in non-availability of adequate grazing potential for the stock of about 2,000 sheep held in the farm, contributing to mortality of sheep, as brought out in the following sub-paragraph.

(ii) *Stock of sheep.*—The stock of sheep in the farm during 1978—79 to 1983—84 was as follows :—

Year	*Number of sheep in stock as on 1st April*	*Number born and purchased*	*Number died*	*Number culled/ sold*	*Closing stock*
(1)	(2)	(3)	(4)	(5)	(6)
1978—79	2,246	743	319	435	2,235
1979—80	2,235	714	393	521	2,035
1980—81	2,035	713	216	449	2,083
1981—82	2,083	760	68	584	2,191
1982—83	2,191	650	168	793	1,880
1983—84	1,880	716	144	630	1,822

The Animal Diseases Review Committee of the Veterinary College, Madras, in its report on review of the Research Station pointed out(April 1979) that, taking into consideration the available pasture and grazing area potential, the holding capacity of the farm was 950 only against the then existing stock of over 2,000 and that overstocking was the principal cause of mortality in sheep. Though, according to the University, overstocking could not be avoided as the farm had to produce the required number of sheep in each genetic group, it had not taken steps to develop into pasture lands the forest lands held by the farm on lease—*vide* sub para (i) above.

(iii) *Farm works.*—Reclamation of marshy land.—44 acres of marshy land in the farm were reclaimed in March 1980 at a cost of Rs. 1.44 lakhs for use as pasture lands. The work was entrusted to piece workers on the basis of limited quotations without ascertaining the reasonableness of the rates through the Civil Engineering Department of the University. The reclaimed land had not, however, been put to use even by December 1984 as the area was prone to predators and departmental labour was not available for cultivation.

6.5.10. *Reseach schemes.*—During 1977—78 to 1981—82, the University had carried out 371 research schemes in Agricultural Science and 48 research schemes in Veterinary Science at an aggregate cost of Rs. 8,90.70 lakhs. Test check in audit disclosed that certain research schemes were carried out without providing proper infrastructure facilities, required livestock, equipments and research personnel in time and were closed without realising their objectives, a few instances of which are mentioned below :

(i) *Groundnut research at Pollachi.*—The Groundnut Research Station established on two plots of leased land measuring 10 acres at Pollachi (Coimbatore district) was transferred from the Department of Agriculture to the University in June 1971. In October 1971, it took up two I.C.A.R. sponsored All India Co-ordinated Groundnut Research Projects. The research programmes envisaged evolving of different types of high yielding strains of groundnut superior to the existing ones, apart from multiplication of seeds and evaluation of progenies and varieties of cultures from the participating centres under the All India Co-ordinated Research.

The station had no irrigation facilities as the two plots of leased land had no wells. After running the centres for six years without wells for irrigation and without facilities for farming experiments and after unsuccessful efforts to acquire additional lands, the University, on the advice of I.C.A.R., shifted the venue of research station from Pollachi to the Agricultural Research Station at Aliyarnagar (20 kilometres from Pollachi) in October 1977 and surrendered one of the two pieces of leased land (4.08 acres) at Pollachi. However, on representation from the local farmers against the shifting, the reserch station was continued at Pollachi with the other piece of leased land (5.92 acres) and a section of the research staff, comprising an Assistant Professor, an Agricultural Assistant and two Helpers beyond October 1977 till February 1981, during which period an expenditure of Rs. 2.13 lakhs was incurred for keeping the centre alive. As further efforts to acquire land at Pollachi were not fruitful, the research station was finally closed from March 1981.

The Pollachi Centre was thus operated for ten years without adequate facilities, incurring an expenditure of Rs. 5.34 lakhs and no new high yielding varieties of groundnut were released from the Station.

(ii) *Studies on chronic disease 'Hill Haematures' in cattle.*—The Veterinary College, Madras, took up (August 1977) an I.C.A.R. sponsored three year research scheme with a Research Officer and two Assistant Research Officers for studies on 'Hill Haematures' a chronic disease common in cattle caused by consumption of a plant known as 'bracken fern' growing in natural pastures of the hilly areas in Tamil Nadu. The technical programme was to cover survey of the incidence of the disease, observations on clinical and induced cases and studies on use of diureties for controlling the progress of the disease.

The scheme provided for procurement of sick animals and equipments in the first year (1977-78) of the programme. However, the Bio-chemist who was to decide the types of equipments required was posted only in November 1978; there was also delay in acquiring the equipments/sick animals to the extent as indicated below :

Particulars of items	*Amount provided for expendture during* 1977—78	*Amount actually spent during*			*Total*
		1977—78	1978—79	1979—80	
(1)	(2)	(3)	(4)	(5)	(6)
			(in lakhs of rupees)		
Equipments and furniture	0.80	0.17	0.38	0.22	0.77
Animals	0.31	0.02	0.06	0.09	0.17
Construction of cattle shed	0.40	Nil	Nil	Nil	Nil
Total ..	1.51	0.19	0.44	0.31	0.94

The proposal of the University for extension of the scheme for two more years from September 1980 was not approved by the I.C.A.R. and the scheme on which an expenditure of Rs. 4.56 lakhs was incurred (1977—80) was closed down by November 1980 without undertaking the contemplated studies on controlling the disease. The final research report contained , *inter alia*, a suggestion to pull out and burn the plant causing the disease and remove the affected animals from the endemic areas.

6.5.11. *Summing up—*

The following are the main points that emerge.—

The University had not prepared the balance sheet showing its assets and liabilities with the result that the accounts placed before the Legislature did not indicate the position of assets and liabilities at the close of each year.

Excess grants to the extent of Rs. 1,15.91 lakhs had been obtained by the University to end of 1983—84.

The targeted admissions to the various courses, which were themselves less than the annual estimated requirements of man power, were not achieved.

The work load of teaching staff in agricultural/fisheries colleges was not reassessed with reference to guidelines issued by the University in 1980.

Utilisation of the dairy plant acquired at a cost of Rs. 16.29 lakhs and commissioned after a delay of six years is far below its minimum capacity.

The micro-biology block in Veterinary College, Madras (Rs. 10.06 lakhs) remained unutilised for over three years.

An encumbered private land was acquired at a cost of Rs. 3.12 lakhs for construction of staff quarters at Tuticorin attracting legal dispute.

A scheme for evolving a new breed of cattle at Kattupakkam had not entered its third phase in 1983 as contemplated but was still in the second phase on account of insufficient foundation stock and abnormal deaths of animals purchased from private parties due to non-protection against foot and mouth disease in time.

At the sheep breeding station, Sandynullah, large areas of leased virgin land and jungle (712 acres out of 1,009 acres) remained to be developed as pasture land and hence unutilised though the existing strength of sheep warranted a larger grazing area potential.

Some of the research schemes carried out by the University were closed without achieving the intended objective due to non-provision of proper infrastructural facilities and required livestock, equipment and research personnel in time.

The matter was reported to Government in May 1985; their reply is awaited (November 1985).

COMMERCIAL TAXES AND RELIGIOUS ENDOWMENTS DEPARTMENT

6.6. Tamil Nadu Wakf Board

6.6.1. The Tamil Nadu Wakf Board (herein-after referred to as the Board) was established in February 1958 by the Government under the Wakfs Act 1954 (herein-after referred to as the 'Act') for better administration and supervision of Wakfs ('Wakf' means a permanent dedication, by a person professing Islam, of any movable or immovable property for any purpose recognised by the Muslim Law as pious, religious or charitable). There were 5,734 wakfs in Tamil Nadu as on 31st March 1985. Government provided financial assistance to the Board in the form of grants for renovation of, and repairs to, poor and needy wakfs and loans for development of urban wakf properties. The total payments of the Board amounted to Rs. 1,74.66 lakhs – grants (Rs. 19.88 lakhs) and loans (Rs. 8.05 lakhs) to wakfs and other expenditure (Rs. 1,46.73 lakhs)–against the receipts totalling Rs. 2,08.47 lakhs, which included assistance of Rs. 44 lakhs (loan : Rs. 21 lakhs, grant: Rs. 23 lakhs) from Government, during the period 1976—77 to 1981—82.

6.6.2. The annual accounts of the Board are audited by the Examiner of Local Fund Accounts, Tamil Nadu, appointed by Government under Section 51(1) of the Act. Accounts up to 1981—82 have been audited and certified by him (March 1985).

6.6.3. Certain points noticed during a review by Audit, of the accounts of the Board for the years 1976—77 to 1978—79, 1980—81 and 1981—82, conducted under Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, are mentioned in the succeeding paragraphs.

6.6.4. *Grants for renovation and repairs to Wakf properties*

6.6.4.1. Grants up to a maximum of Rs. 5,000 (Rs. 10,000 from March 1984) per wakf were payable by Government for renovation and repairs of wakf properties. During the period 1976—77 to 1981—82, Rs. 23 lakhs were paid by the Government to the Board for disbursement of

grants to wakfs. The grants were disbursed to the wakfs after delays, ranging from 2 to 11 months, mainly due to processing the applications. The undisbursed amounts were lying in deposit in a nationalised bank; interest of Rs. 0.57 lakh on such deposits during 1978—82 realised by the Board was not remitted to Government. Government stated in November 1985 that, in view of difficult financial circumstances, the Board proposed to request permission of Government to utilise the interest amount accrued on the renovation grant lying in deposit for its administrative purposes.

6.6.4.2. Government ordered in January 1982 that grant should be utilised by the beneficiary wakf within six months from date of its disbursement and utilisation certificates should be obtained by the Board and forwarded to Government. As on 31st March 1985, utilisation certificates for grants totalling Rs. 16 lakhs had not been obtained by the Board from 320 wakfs, out of Rs. 30 lakhs disbursed to 705 wakfs during 1973—74 to 1981—82.

6.6.5. *Loans for development of urban wakf properties*

6.6.5.1. Loans totalling Rs. 21.00 lakhs, released by the Government during 1976—77 to 1980—81 for payment to eligible wakfs under the Tamil Nadu Wakf Rules, 1977 for development of urban wakf properties (construction of shops, lodges, shadikana, etc.), were initially deposited in bank by the Board. The payment to the wakfs were to be made in two equal instalments, first immediately on sanction of loans and the second after utilisation of 50 per cent of estimated cost of construction. There were delays ranging from 9 to 30 months in processing the cases and obtaining concurrence of Government by the Board and the payments were made to the wakfs quite belatedly thereafter. The delays in disbursement of loans to the wakfs were attributed by Government in November 1983, to non-compliance of formalities by the wakfs for drawal of the first instalment and to delayed execution of further work due to paucity of funds and scarcity of building materials for the second instalment.

6.6.5.2. Undisbursed loan amounts lying in deposit with bank during December 1977 to May 1984 earned interest of Rs. 2.74 lakhs. Immediate remittance of such interest to Government account, ordered by Government in January 1984 at the instance of Audit, was yet (March 1985) to be made by the Board.

6.6.5.3. The delays in disbursement of loans to the wakfs by the Board mentioned in paragraph 6.6.5.1. above indicate drawal of moneys from treasury in advance of requirement. The Board pays interest to the Government only from the date of drawal, by the wakf, of the first instalment of loan as provided in the Tamil Nadu Wakf Rules and not from the earlier date of its receipt from Government. This could have been avoided, had it been stipulated by Government that funds should be drawn from treasury as and when proposals for loan to individual wakf are finalised (first instalment) and after 50 per cent utilisation of the estimated cost of construction (second instalment) instead of drawing the loan in one lumpsum and keeping in deposit in nationalised bank outside the Government account.

6.6.5.4. Certificates of completion of works and utilisation of assistance were due (March 1985) from 17 wakfs for loans totalling Rs. 12.86 lakhs disbursed during 1978—79 to 1983—84 (up to August 1983). First instalments of loans totalling Rs.0.95 lakh drawn in March 1981 (Rs. 0.57 lakh) and May 1982 (Rs. 0.38 lakh) remained unutilised in March 1985, with 2 wakfs.

6.6.5.5. Loans totalling Rs. 5.42 lakhs had been disbursed to 8 wakfs (1981—82 : 1 loan; 1982—83 : 5 loans and 1983—84 : 2 loans) without the deeds mortgaging the properties to the Board having been executed as required under the Tamil Nadu Wakfs Rules. They had not yet (March 1985) been executed.

6.6.5.6. Action had not been taken (March 1985) by the Board for recovery of loan of Rs. 1.50 lakhs with interest disbursed to a wakf in April —July 1982, due to construction of the building without conforming to the plan approved by the Board.

6.6.5.7. Out of Rs. 1.08 lakhs due for repayment from 7 wakfs by March 1982, instalments totalling Rs. 0.61 lakh were pending recovery from 5 wakfs (March 1985).

6.6.6. *Arrears in collection of contribution from wakfs—*

6.6.6.1. Every wakf is required, under Section 25(1) of the Act, to be registered at the office of the Board. Wakfs having a net annual income exceeding Rs. 100 each should pay annually to the Board contri-

bution not exceeding six per cent of their net annual income. As at March 1985, out of 3,026 wakfs with annual incomes exceeding Rs. 100 only 2,451 had been registered in the Board. Out of the total demand of Rs. 44.01 lakhs from 1957–58 to end of January 1985, Rs. 32.27 lakhs remained to be collected from the wakfs as contribution. Of this, Rs. 25.63 lakhs related to the years 1957—58 to 1983-84. The Board did not have yearwise details for these overdue contributions.

6.6.6.2. Demands had not also been raised for payment of contribution on 575 wakfs which had not been registered in the Board.

6.6.7. *Audit of accounts*

6.6.7.1. Audit of the accounts of the Board for the years 1982--83 and 1983-84 had been commenced by the Examiner of Local Fund Accounts only in September 1985.

6.6.7.2. Under Section 33 (1) of the Act, the Board has appointed the Examiner of Local Fund Accounts to audit the accounts of wakfs having annual incomes exceeding Rs. 5,000. Accounts of other wakfs are audited by wakf Inspectors of the Board. 1,898 annual accounts of wakfs for the years between 1967-68 and 1983-84 remained (March 1985) to be audited by the Examiner of Local Fund Accounts, mainly due to non-production of records, non-handing over of records to new management of wakf, deposit of records in court, non-closure of accounts, etc.

Accounts of 2,336 wakfs (with annual income up to Rs. 5,000) were to be audited annually by the wakf Inspectors. By March 1985, the number of such wakfs, whose accounts for the years 1971–72 to 1983–84 were audited, ranged from 71 to 180 only. The arrears in audit was reported to be due to want of staff.

6.6.7.3. Audit reports of the Examiner of Local Fund Accounts on the accounts—1981--82 and 1982--83—of 96 wakfs indicated that

(i) Registers of properties had not been maintained by 73 wakfs.

(ii) Rental agreements were not executed for properties let out by 56 wakfs.

(iii) Deeds had not been executed for properties leased out by 24 wakfs.

(iv) Rupees 2.60 lakhs towards rent for buildings were not collected by 24 wakfs.

(v) Rupees 1.53 lakhs towards lease rent and proceeds of wet lands were not collected by 5 wakfs.

Government stated in November 1985 that the Board had directed the wakf authorities to maintain the registers and collect the rents and lease amounts due.

6.6.8. *Audit Fees*

The cost of audit of accounts of the Boards and Wakfs (with annual incomes exceeding Rs. 5,000) by the Examiner of Local Fund Accounts is payable to Government from the Wakf Fund. Audit Fees totalling Rs. 6.72 lakhs for the period 1967--68 to 1981--82 had not so far (September 1985) been paid by the Board.

Government stated in Novermber 1985 that the financial conditions of the Board did not permit payment of audit fees either in lumpsum or in instalments.

RURAL DEVELOPMENT DEPARTMENT

6.7. Assistance to Panchayat Unions

There are 378 Panchayat Unions as on 31st March 1985 in the State. Of 250 Panchayat Unions which attracted audit under Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, local audit of 83 Panchayat Unions

conducted during 1984--85 covered the accounts of the following years:

Year of account	*Number of Panchayat Unions audited*
(1)	(2)
1974--75	2
1975--76	1
1976--77	5
1977--78	8
1978--79	16
1979--80	30
1980--81	75
1981--82	74
1982--83	60
1983--84	4

Important points noticed by audit as a result of test check are mentioned below:

A. REVENUE

(i) *Quarry receipts not realised from Revenue Department.*— Under the Tamil Nadu Minor Mineral Concession Rules, 1959 as amended in 1963, proceeds from issue of permits and sale of lease rights for quarrying ordinary sand, ordinary clay, building stone and gravel from Government lands are to be credited to the Panchayat Unions in whose jurisdiction the lands are situated. The leasing is done and permits are issued by the Revenue Department and the lease amounts collected and initially credited to Government account are transferred to the Panchayat Unions at the end of

each year. In respect of quarries lying within the jurisdiction of thirteen Panchayat Unions, lease amounts totalling to Rs. 13.03 lakhs for the faslis 1371 to 1395 (July 1961 to June 1985) collected by the Revenue Department and credited to Government account were not transferred (June 1985) to the funds of the respective Panchayat Unions. Though about thirty quarries in Salem district were being leased out, no receipts were credited to the funds of the Panchayat Unions concerned during the years 1982-83 to 1984-85.

(*ii*) *Market rent/lease amounts not realised.*—(a) Under the Tamil Nadu Panchayats Act, 1958, Panchayat Unions are empowered to collect rent from stalls located in Public markets and to lease out the right of collection of fees for the use of or to expose goods for sale in Public shandies/market places. The rental dues/ lease amounts are to be collected in time, at any rate before the expiry of lease periods. In 5 Panchayat Unions, rent/lease amounts aggregating Rs. 1.18 lakhs pertaining to the years 1968-69 to 1984-85 were pending realisation (June 1985), even after the expiry of lease periods as detailed below:

Serial number and name of the Panchayat Union	*Year*	*Amount* (in lakhs of rupees)
1. Mannachanallur	1980–81 1981–82 1982–83	0.22
2. Thottiam	1968–69 1974–75 1982–83	0.14
3. Usilampatti	1972–73 to 1983–84	0.30
4. Shanarpatty	1975–76 to 1982–83	0.23

5. Pennagaram	1980—81 to 1984—85	0.29
	Total	1.18

(*b*) In March 1983, the Panchayat Union Commissioner, Karambakudy, leased out the right to collect fees from traders and dealers participating in weekly shandies for the year 1983-84 to the highest bidder 'A' for Rs. 16,102. The lessee did not remit (June 1985) the lease amount, though the terms and conditions of auction notification stipulated that the total bid amount should be paid in two equal instalments, the first instalment immediately after completion of auction and final instalment on or before 5th October 1983. For the year 1984-85 also, the highest bid of Rs. 9,151 of 'A' on reauction was accepted in March 1984. The lease amounts due in two equal instalments in March and October 1984 were also not remitted by 'A'. A civil suit filed by the Panchayat Union in October 1984 for the realisation of the dues from 'A' was still pending (September 1985).

It was noticed in audit that—

(1) the Panchayat Union Commisioner did not resort to reauction when the bidder failed to remit the first instalment, as stipulated in the terms and conditions of auction, in both the years;

(2) the lessee who was a defaulter for 1983-84 was allowed to participate in the auction for the year 1984-85, even though the auction notification specifically prohibited participation of such defaulters ;

(3) agreement was not entered into as per terms and conditions of auction notification; and

(4) the bid amount of Rs. 9,151 accepted for 1984-85 was low as compared to the increasing trend from Rs. 9,700 in 1981-82 to Rs. 16,100 in 1983-84.

B. EXCESS GRANT

(*a*) *Self Sufficiency Scheme (Phase* III—*Purchase of cement in open market.*—Due to non-availability of levy cement, Government permitted the Collectors in October 1982 to make purchase of open market cement for works connected with the Self Sufficiency Scheme (Phase III) and directed that the Government grant towards the differential cost of cement should not be diverted for any other purpose.

In 7 districts, the Collectors released to 15 Panchayat Unions Rs. 21.44 lakhs during 1982-83 to 1983-84, as Government grant towards differential cost of 7,078 tonnes of cement allotted to them for works under Self Sufficiency Scheme-Phase III. The Panchayat Unions purchased 5,796.20 tonnes of cement in open market and used only 4,837.35 tonnes on works under Self Sufficiency Scheme. On the basis of cement used on works under Self Sufficiency Scheme, Government grant admissible towards differential cost worked out to Rs. 13.58 lakhs. The balance grant of Rs. 7.86 lakhs had not yet been refunded to Government (June 1985).

Government stated (November 1985) that 11 Panchayat Unions had since refunded to Government Rs. 6.17 lakhs and the balance of Rs. 1.69 lakhs could not be refunded by 4 Panchayat Unions due to their poor financial position.

(*b*) *School buildings.*—(i) Government grant for the construction of elementary school buildings is based on a percentage (according to the category of Panchayat Unions) of the cost ceiling of Rs. 40,000. In 28 Panchayat Unions, there were excess drawals of grants totalling Rs. 4.20 lakhs during 1983-84 and 1984-85 due to non-adoption of cost ceiling for regulating the grants (Rs. 3.43 lakhs) and adoption of incorrect percentage (Rs. 0.77 lakh). Government stated (December 1985) that 17 Unions had since refunded Rs. 3.06 lakhs.

(ii) Under the Village Works Programme, grant is not admissible for construction of additional school buildings. In four Panchayat Unions, a grant of Rs. 1.52 lakhs was released during the 1983-84

for construction of additional school buildings. Government stated (November 1985) that two Unions had since refunded Rs. 0.62 lakh and the balance Rs. 0.90 lakh could not be refunded by the other two Unions due to unsound financial position.

C. MISCELLANEOUS

(i) *Grant from Adi Dravidar Welfare Department not claimed.*—Under the Village Works Programme, for works executed solely for the benefit of Adi-Dravidars, Government grant from the Rural Development Department is restricted to 90 per cent of expenditure incurred on link roads and 85 per cent on rural water supply schemes and the balance of 10/15 per cent of grant is to be claimed from the Adi-Dravidar Welfare Department. In 8 Panchayat Unions, Rs. 1.58 lakhs in respect of works executed during the 1968-69 to 1983-84 were still to be got reimbursed from the Adi Dravidar Welfare Department.

(ii) *Steel purchased in* 1982-83 *remaining unused.*—For executing various works under Self Sufficiency Scheme (Phase III) during 1982-83 in 15 Panchayat Unions in Tiruchirappalli district, 755.433 tonnes of steel (value : Rs. 37.76 lakhs) were purchased from the Tamil Nadu Steels Limited, Arakonam. The supply was made from September 1982 to February 1983 and in August 1983. Though Phase III of the Scheme came to an end by May 1983, a quantity of 76.969 tonnes of steel valued at Rs. 4.13 lakhs was lying unused (May 1985) for over two years.

(iii) *Village Industries.*—(a) *Outstanding recoveries in respect of credit sales.*—In 21 Panchayat Unions, a sum of Rs. 23.65 lakhs being the value of articles manufactured in Village Industries Units and sold on credit to Government and Government aided institutions (Rs.23.60 lakhs)/Individuals (Rs. 0.05 lakh) was pending recovery as on 31st March 1985 for periods ranging from one to fifteen years. In 2 of these Panchayat Unions, the amount pending recovery was more than Rs. 2 lakhs each. Government stated (December 1985) that an amount of Rs. 8.63 lakhs had since been collected and the district Collectors concerned had been instructed to ensure collection of the balance of Rs. 15.02 lakhs.

(*b*) *Finished/manufactured articles remaining unsold*,—Finished articles such as agricultural implements, chairs, tables, bullock-carts, bio-gas drums, etc. worth Rs. 1.79 lakhs manufactured/produced between 1979-80 and 1983-84 in Village Industries units remained undisposed of, for periods ranging from one to five years.

(iv) *Idle equipments*.—(a) In nine Panchayat Unions, tractor-trailors purchased during 1967-68 and 1968-69 at a total cost of Rs. 2.49 lakhs were lying idle for periods ranging from 3 to 13 years owing to repairs or uneconomic working due to heavy expenditure on maintenance. Report of action taken was awaited (November 1985).

(b) Agricultural implements, rock blasting units, power driller, etc. purchased between 1962-63 and 1973-74 at a total cost of Rs. 2.41 lakhs in nine Panchayat Unions were lying idle for periods ranging from 4 to 10 years owing to repair and lack of demand.

(v) *Expenditure on idle crew*.—In six Panchayat Unions, there were delays ranging from 33 to 82 months in carrying out repairs to the tractors which were out of service. However, the drivers and cleaners of these tractors were continued to be employed. The expenditure on the pay and allowances of these staff during the period when the vehicles were under repair amounted to Rs. 3.04 lakhs.

6.8. Grants or loans for specific purposes

Section 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, prescribes that where a grant or loan is given from the Consolidated Fund for any specific purpose, the Comptroller and Auditor General shall scrutinise the procedure by which the sanctioning authority satisfies itself as to the fulfilment of the conditions subject to which such grants or loans were given. Important points noticed as a result of scrutiny conducted under section 15(1) of the Act are given in the succeeding paragraphs.

SOCIAL WELFARE DEPARTMENT

6.9. Foster Care Services

With a view to providing near home atmosphere of a foster family to children who became destitute at a very early age, Government of India introduced (1975) a scheme for Foster Care Services to be implemented through Voluntary child and family welfare organisations. Under the scheme as revised in 1977, Government of India provided assistance as grant, limited to 90 per cent of the estimated cost or actual expenditure whichever was less and the State Government was responsible for release of grant to the institutions and monitor the working of scheme. From 1979-80, the scheme is financed by the State Government. The assistance to those organisations included allowances payable to foster care parents at Rs. 75 per child per month limited to 80 per cent of the children covered by foster care. A scrutiny of the records of a grantee institution disclosed that, in 69 cases, foster care allowance was paid either to natural parents themselves or their close relations residing with them, which was not contemplated in the scheme. Grant paid during 1978-79 to 1984-85 in respect of those 69 cases amounted to Rs. 0.74 lakh. Admissibility of foster care allowance in those cases was not examined during the check of accounts of the institution by the department or periodical inspections by the officers of the department. On being pointed out by Audit in June 1985, the department agreed in July 1985 that such payments were not contemplated under the scheme.

The matter was referred to Government in August 1985; their reply is awaited (November 1985).

CO-OPERATION DEPARTMENT

6.10. Grants and loans regulated by the Registrar of Co-operative Societies

With the financial assistance of Rs. 22,000 as loan and Rs. 11,000 as subsidy received from Government in March 1976 and institutional finance of Rs. 1.09 lakhs received from a Co-operative Bank, the South Madras Washerman Co-operative Society installed at a cost

of Rs. 1.01 lakhs a large size modern dry cleaning unit for washing linen and silk clothes. The unit could not be utilised to its full capacity on account of inadequate demand for washing these clothes. With a view to improving the business of the society, Government approved in September 1982 setting up of 5 modern dry cleaning units for washing all varieties of clothes including cotton clothes by the society at a total cost of Rs. 2.64 lakhs to be provided by Government as 50 per cent loan and 50 per cent subsidy. In October 1982, the Deputy Registrar of Co-operative Societies drew the amount and invested it in fixed deposit in favour of the society in a Co-operative Bank pending appointment of a departmental secretary to the society, as the directors of the society were not well versed in the establishment and maintenance of modern dry cleaning units. Though the Registrar of Co-operative Societies recommended to Government even in December 1981 the sanctioning of a departmental secretary free of cost to the society, Government sanctioned the post only in July 1984 and the departmental secretary took over as special officer of the society in October 1984, when the management was superseded. The department stated in May 1985 that the Special Officer was taking all possible steps to secure suitable accommodation for housing the units and to purchase the necessary machineries. Thus, due to drawal of the assistance without ensuring the necessary administrative set up to implement the scheme and delay of nearly three years in sanctioning the free services of a departmental secretary, the assistance of Rs. 2.64 lakhs remained unutilised for nearly 3 years; the object of improving the working of the society, intended for the economic uplift of the member washerman who were from weaker sections also remained to be achieved.

The matter was reported to Government in June 1985; their reply is awaited (November 1985).

6.11. Statutory Boards

The audit of the accounts of Tamil Nadu Water Supply and Drainage Board and Madras Metropolitan Water Supply and Sewerage Board has been entrusted to the Comptroller and Auditor General of India under Section 19(3) of the Act. Important points noticed in the audit of these Boards are given in the succeeding paragraphs.

MUNICIPAL ADMINISTRATION AND WATER SUPPLY DEPARTMENT

TAMIL NADU WATER SUPPLY AND DRAINAGE BOARD

6.12. Usilampatti Water Supply Scheme

6.12.1. The scheme of providing protected water supply to Usilampatti Town Panchayat and 16 wayside villages in Madurai district for an anticipated intermediate population of 40,000 in 1991 was sanctioned by Government in January 1980 for Rs. 56.35 lakhs. The administrative sanction was revised to Rs. 63.25 lakhs in January 1981. The scheme envisaged abstraction of sub-surface flow from Vaigai river-bed, laying of conveying main for 18.62 km. construction of 4 lakh litres service reservoir and distribution system for a length of 8.19 km, against 23 km. being the total length of the streets. The scheme commenced in March 1981 was still in progress (June 1985). The remaining works on one arm of infiltration gallery for 50 metres, construction of pump - house over collection well, construction of a footbridge connecting the pump-house and river-bank and erection of 75 H.P. Turbine Pumpsets were expected to be completed in August 1985. The revised estimate for Rs. 78.20 lakhs is pending with the Board. The expenditure on the scheme was Rs. 76.78 lakhs (March 1985).

6.12.2. The following points were noticed by Audit :

1. *Head works* – (*a*) The head works provided for the laying of two arms of infiltration gallery of 50 metres each and lowest tender for the work was accepted in July 1981 for Rs. 0.82 lakh. As per Tamil Nadu Detailed Standard Specification, a notice of 3 days only is required to be issued to the tenderer for signing the agreement and, in the event of tenderer not turning up within that period, the Earnest Money Deposit is liable to be forfeited. The Board issued a work order in July 1981 even before signing an agreement and the order of acceptance of tender did not specify the time limit within which the agreement had to be signed. The contractor had not turned up for signing the agreement and in April 1982, the Board

cancelled the tender forfeiting the earnest money deposit. There was failure to terminate the accepted tender within the specific time limit of 3 days and to accept the next lower offer of Rs. 0.91 lakh.

Retenders were, however, invited in December 1982 and the tender was accepted in February 1983 for Rs. 1.27 lakhs. Consequently, the Board had to incur an extra cost of Rs. 0.36 lakh.

(*b*) According to the agreement, the infiltration work should be completed in October 1983, i.e., six months from the date of handing over of site in April 1983. One arm of gallery for 50 metres only was completed (April 1985) and the balance 50 metres is yet to be completed.

(*c*) As per technical estimate sanctioned by Chief Engineer in September 1980, the infiltration gallery was to be constructed using 200 mm. dia. P.V.C. slotted pipes. The division, however, placed indent for the supply on Central Purchase Stores Organisation only in September 1982 who in turn placed orders for supply in June 1983. The supply was finally effected only in March 1984. As a result of unjustified delay of 42 months in procuring the material, the cost of pipe had escalated, the avoidable expenditure on this account being Rs. 0.47 lakh.

Thus, in executing the infiltration gallery work, there has been an avoidable expenditure of Rs. 0.83 lakh besides delay in providing the contemplated water supply.

(*d*) Two numbers of vertical turbine pumps of 75 H.P. capacity procured in May 1982 at a cost of Rs. 3.52 lakhs had not yet been erected (May 1985), as constrution of the pump-house due in September 1983 had not yet been completed. The guarantee period (12 months from the date of commissioning of the plants or 18 months from date of supply whichever is earlier) had already expired (November 1984).

(*e*) As a result of the delay in completing the infiltration gallery and erection of pumpsets, water supply, as contemplated (19.60 lakh litres per day), could not be effected. However, the Board provided a pilot water supply ranging from 1.25 to 3 lakh litres daily from August 1984 at a cost of Rs. 1.27 lakhs.

(*f*) The agreement for laying gallery provided for use of departmental sheet piles which were to be conveyed at contractor's expense. Expenditure of Rs. 0.06 lakh incurred by the department on conveyance remained to be recovered from the contractor.

2. *Conveying Main.*—(*a*) The technical estimate approved in September 1980 provided for use of 250 mm. dia. cast iron 'A' class pipe for a length of 1,745 metres and A.C. class 10 pipe for the remaining reaches. During execution, 300 mm. dia. C.I. pipes for a length of 1,650 metres were used ('A' class pipe 1,050 metres, 'B' class pipe 600 metres). The use of 300 mm. dia. pipes had resulted in an avoidable extra expenditure of Rs. 0.88 lakh.

(*b*) The work of laying conveying main in one sub-reach was awarded to contractor 'B' at a cost of Rs. 0.57 lakh in January 1982. The site was handed over to the contractor in March 1982 without entering into an agreement. The contractor stopped executing the work after doing part of earth work. The contract was terminated in July 1982 and work allotted on re-tender to another agency in August 1982 at a cost of Rs, 0.73 lakh. Failure to enter into an agreement with the first agency in regard to the work had resulted in non-recovery of the increase in cost of Rs. 0.16 lakh.

3. *Distribution System* .—(*a*) The work of laying and jointing of P.V.C. and A.C. Pipes in low level zone awarded in December 1981 to contractor 'C' was left incomplete and the contract was terminated at his risk in August 1983. The extra cost incurred for completing the work and cost of materials issued to the contractor 'C' amounting to Rs. 0.06 lakh remained to be recovered from the contractor.

(*b*) According to the conditions of agreement, the contractors executing pipe laying works for conveying main and distribution lines are responsible for testing the pipelines for hydraulic pressure. However, rectification of leakages were carried out by the department at a cost of Rs. 0.16 lakh which remained to be recovered from the contractors.

The matter was reported to Government in August 1985; the reply is awaited (November 1985).

6.13. Tiruchirappalli Drainage Scheme

6.13.1. Tiruchirappalli drainage scheme, approved by Government in May 1970 at a cost of Rs. 2,85.06 lakhs, was intended to provide drainage facilities for a projected population of 4.25 lakhs in 1996. The scheme was commenced in November 1970. About 88 per cent of works were completed and the remaining works valued at Rs. 78 lakhs were expected to be completed in March 1986.

6.13.2. The estimate was revised twice and got approved in September 1976 for Rs. 3,96.35 lakhs and in December 1977 for Rs. 4,53.52 lakhs based on projected population of 6 lakhs in 2001. Rupees 5,80.54 lakhs were spent (April 1985); the work was estimated to cost Rs. 6,65 lakhs.

6.13.3. The delay in execution of the scheme by 15 years had resulted in pushing up the cost and the increase was attributable mainly to escalation in cost of materials—Rs. 1,75.12 lakhs, labour—Rs. 5.65 lakhs, cost of land—Rs. 21.35 lakhs and change in alignment and provision of essential items—Rs. 1,20.27 lakhs.

6.13.4. The following points were noticed in Audit:

(*a*) The work of manufacture and supply of pre-stressed concrete pipes of 1100 mm. size for conveying sewage was entrusted to a manufacturer in January 1973. During the course of execution (March 1978), the length of the pumping main was reduced by 200 metres due to change in alignment to suit the site conditions, but a corresponding reduction in the number of pipes required to be supplied was not intimated. As a result, 200 metres of pipes of the value of Rs. 1.13 lakhs supplied in excess of requirement were lying unutilised since 1975.

(*b*) Defective steel wire: Mild steel wire required for use in the manufacture of pre-stressed concrete pipes was procured from a firm and supplied to manufacturer of P.C.C. pipes. During the process of manufacture, a quantity of 16,007 tonnes of steel wire

costing Rs. 0.56 lakh was found defective and was returned by the pipe manufacturer to the division in September 1975. Action to fix responsibility for the acceptance of defective mild steel wire or the recovery of cost from the supplier had not yet been initiated.

(*c*) In April 1983, the department noticed that the suction wells and pump houses in blocks 4 and 5 were leaky. While there was water to a depth of 1.80 metre in the pump house well at block 4, seepage of water from sides and bottom was noticed in block 5. The department estimated the cost of rectification as Rs. 1.77 lakhs.

The work of suction well and pump house at block 4 was split up and executed in June 1980—August 1980. In order to arrest the leakage, additional raft slab and beam over the existing raft slab were provided at a cost of Rs. 0.35 lakh.

The department further stated that no action was taken in the case of pump house at block 5. The responsibility for the leakages had not been fixed in both the cases.

(*d*) The suction well constructed at a cost of Rs. 0.13 lakh in block 5 burst in June 1980 at the time of pumping water in the inner side of the suction well. The reconstruction was done at a cost of Rs. 0.14 lakh. The Board observed that burst occurred due to human failure. The responsibility was yet to be fixed and regularised.

(*e*) Pumpsets and transformers for the six blocks and for the main pumping station costing Rs. 30.14 lakhs were procured between November 1976 and Mach 1980. As per the condition in supply order, the guarantee period from any manufacturing defect in all the cases was 12 months from the date of commissioning of the plant or 18 months from the date of supply. The plants had not yet been commissioned (May 1985), as the civil works were incomplete. The guarantee period was already over and the facility of replacement of defective sets/parts in manufacture could not, therefore, be availed by the department.

(*f*) The land acquisition proposals connected with location of pump houses and other civil works for block 6 were taken up by the revenue authorities in April 1977 and award passed in November 1978 after hearing of objections. The take over was objected to even at the time of passing the award and the owner obtained a stay in High Court in October 1979. In October 1980, the stay was vacated and the department took up execution of the work of screen well, suction well and incurred an expenditure of Rs. 0.36 lakh. But, in the final judgment, the judge quashed (September 1981) the land acquisition proceedings. The department had to stop the work in the original site and commence the same in alternative sites. The expenditure of Rs. 0.36 lakh became infructuous. Since the Board was aware of the objection even at the time of initiating land acquisition proceedings and if the department had ascertained the implications of vacation of stay order pending final pronouncement of judgment on the objection petition, the expenditure of Rs. 0.36 lakh could have been avoided besides avoiding delay of 3 years in the matter.

(*g*) The initial proposal to convey sewage of blocks 3 and 6 through junction 1 was later modified (January 1977) on technical considerations of safety and to avoid construction of surge tanks in the heart of the town. The modified proposals initiated in January 1977 were approved by the Chief Engineer in April 1979. Meanwhile, orders for pumpsets were placed (August 1976) as per original proposals and pumpsets worth Rs. 0·86 lakh were procured (July 1977). They were found to be not useful due to change in execution. Out of these, materials for value of Rs. 0.44 lakh were stated to have been utilised and one 25 HP. motor with starter valued at Rs. 0.42 lakh still remained unutilised.

(*h*) The work of construction of lagoon consisting of 3 compartments, entrusted to a contractor in August 1980, involved among other items, earth work excavation in all soils for key trenches, forming bund and turfing rear side of bund, etc.

During the course of execution of the work, the department tested the soil at site of lagoon for its suitability for bund formation. This was referred to the Regional Engineering College, Tiruchirappalli. The test report stated (November 1980) that the soil

samples taken from the lagoon site were non-plastic and completely granular and can, at best, be used as shell material with turf protection to prevent erosion by wind and rain. The department thereupon selected (January 1981) a borrow area after test of soil and entered (March 1981) into a supplemental item for excavation/ conveyance of earth from 5 Km. lead and a quantity of 23,041 cubic metres was conveyed at an extra cost of Rs. 3.13 lakhs.

The contractor had completed the work in compartments II and III and a part in compartment I of the lagoon when his contract was terminated due to slow progress. In June 1984, the Chief Engineer instructed that bund for compartment I might be formed with the earth available at lagoon site without test and the balance work was being executed using the earth at site when the work was in progress. Since the earth from lagoon site could be used with provision for turfing and had actually been utilised in forming bund for compartment I, the conveyance of earth from a lead of 5 kms. at an extra cost of Rs. 3.13 lakhs was avoidable.

(*i*) The scheme contemplated provision of 32,708 numbers of house service connections. The actual number of connections to be provided was, however, arrived at as 22,943 numbers, the remaining 9,765 numbers of connections deleted due to site conditions. No reasons were on record as to why the site conditions could not properly be anticipated and tackled effectively in providing connections to these areas also.

Except for the work relating to 70 house connections, all the works were completed. However, the service connections to the individual houses were not given by Municipality (September 1985) so far and the scheme even though completed could not, therefore, be commissioned.

(*j*) The work of providing house service connections in block 6 was entrusted to a contractor in 1975-76. Only a part of the work valued at Rs. 0.08 lakh was done after which the contract was terminated in July 1985 due to slow progress. Materials valued at Rs. 0.15 lakh given to the contractor had neither been returned nor the cost recovered from the contractor.

The department stated (June 1985) that a notice had been served on the contractor.

Materials to the value of Rs. 7.96 lakhs were found to be surplus to the requirements. No action has been taken for their transfer to other works.

The matter was reported to Government in September 1985; their reply is awaited (November 1985).

MADRAS METROPOLITAN WATER SUPPLY AND SEWERAGE BOARD

6.14. Earth boring equipments

Laying service connection pipes in Madras city involved cutting and restoration of road surfaces and consequent inconvenience to public by traffic dislocation. To dispense with this process, representatives of a firm demonstrated the working of some earth boring rockets to the officials of the Madras Metropolitian Water Supply and Sewerage Board and also submitted in September 1981 their quotations for supply of different models. The Board did not examine the availability of similar equipments of other manufacturers and their comparative advantages in working but placed orders in September 1981 on the firm for supply of two numbers of earth boring rockets of 125 and 80 mm sizes. The Board anticipated that the cost of the equipment would be met from the savings on road cutting and restoration, within two years. After trials by the Board, the equipments costing Rs. 5.20 lakhs were taken over in May 1982 and October 1982.

In actual execution, the department found that the equipments could not be put to use in localities having narrow roads with underground elecricity and telephone cables. They could, therefore, be used only on seven occasions till 1984 though 5,790 connections were given in two areas alone between September 1983 and March 1985 involving road cutting and restoration charges of Rs. 2.63 lakhs.

Government accepted the facts and stated (August 1985) that several schemes were afoot to improve the water supply in the Seventh Plan and the equipment would be used to the maximum extent.

CHAPTER VII

COMMERCIAL ACTIVITIES

7. There were 6 departmentally managed Commercial and *Quasi*-Commercial undertakings in the State as on 31st March 1985. The results of the working of these undertakings are compiled annually by preparing *pro forma* accounts outside the general accounts of Government. The *pro forma* accounts of these undertakings for 1984-85 are yet to be compiled (October 1985). A summary of the financial results of 4 of the undertakings (of which one became a service department from 1st April 1981) is given in Appendix XI. The results are based on the latest *pro forma* accounts of these undertakings received in audit since last report and certified/pending certification (October 1985).

Details of the undertakings whose *pro forma* accounts are in arrears (October 1985) are also given in Appendix XII.

The delay in finalising the accounts was brought to the notice of the concerned Departments/Government in July 1985 and the Government issued (August 1985) instructions to the Directors of Motor Vehicles Maintenance Organisation and Industries and Commerce to expedite the preparation of *pro forma* accounts. In respect of other units, replies from Government are awaited (October 1985).

M. Swaminathan

(M. V. SWAMINATHAN)
Accountant General (Audit) I
Tamil Nadu and Pondicherry

Madras,
The 20 JUN 1986

Countersigned

T. N. Chaturvedi

(T.N. CHATURVEDI)
Comptroller and Auditor General of India

New Delhi,
The 17 JUL 1986

APPENDIX I

(*Reference* : Paragraph 2.2.2, page 16)

GRANTS WHERE SUPPLEMENTARY PROVISION OBTAINED IN MARCH 1985 PROVED UNNECESSARY

Serial number	*Number and name of grant*	*Supplementary grant (March 1985)*	*Final saving*
(1)	(2)	(3)	(4)
		(in lakhs of rupees)	
1.	3—Motor Vehicles Act Administration ..	31.51	71.76
2.	7—State Legislature	6.86	22.15
3.	15—Police	21.54	2,75.09
4.	16—Fire Services	22.88	56.44
5.	23—Co-operation	42.94	52.73
6.	28—Community Development Projects and Municipal Administration.	13,57.34	18,80.89
7.	51—Capital Outlay on Irrigation	56.16	6,61.27
	Total ..	15,39.23	30,20.33

APPENDIX II

(*Reference* : Paragraph 2.2.2, Page 16)

GRANTS WHERE SUPPLEMENTARY PROVISION OBTAINED DURING 1984—85 PROVED INSUFFICIENT BY MORE THAN RS. 50 LAKHS EACH

Serial number	*Number and name of grant*	*Total Supplementary grant*	*Final excess*
(1)	(2)	(3)	(4)
		(*in lakhs of rupees*)	
1.	11—District Administration	10,96.37	88.89
2.	37—Public Works—Buildings	1,04.28	1,51.12
3.	42—Pensions and Other Retirement Benefits	16,63.07	5,15.40
4.	46—Compensation and Assignments	2,89.69	1,15.93
	Total ..	31,53.41	8,71.34

APPENDIX III

(*Reference*: paragraph 2.2.3, page 16)

GRANTS/APPROPRIATIONS WHERE EXCESS REQUIRES REGULARISATION

Serial number	*Number and name of grant/ appropriation*	*Total grant/ Appropriation*	*Expenditure*	*Excess*
(1)	(2)	(3)	(4)	(5)
		Rs.	Rs.	Rs.
(*a*) Voted grants—				
1.	5. Stamps—Administration ..	1,12,51,000	1,15,29,565	2,78,565
2.	11. District Administration ..	39,55,90,000	40,44,78,935	88,88,935
3.	13. Administration of Justice ..	12,99,95,000	13,09,09,762	9,14,762
4.	32. Welfare of the Backward Classes ,etc. ..	11,22,36,000	11,47,97,026	25,61,026
5	37. Public Works—Buildings ..	4,78,12,000	6,29,23,910	1,51,11,910
6.	40. Road Transport Services and Shipping	4,57,75,000	4,78,88,763	21,13,763
7.	42. Pensions and Other Retirement Benefits	61,81,30,000	66,96,69,789	5,15,39,789
8.	46. Compensation and Assignments	27,40,00,000	28,55,93,240	1,15,93,240
9.	47. Information, Tourism and Film Technology	3,04,96,000	3,22,13,078	17,17,078
10.	50. Capital Outlay on Industrial Development	17,98,58,000	18,08,34,475	9,76,475
11.	55. Capital Outlay on Forests ..	17,66,15,000	17,76,82,124	10,67,124
(*b*) *Charged appropriation*—				
1.	13. Administration of Justice ..	1,69,18,000	1,72,47,096	3,29,096

APPENDIX IV

(*Reference* : paragraph 2.6, page 31)

SHORTFALL/EXCESS IN RECOVERIES

Number and name of grant	*Estimated recovery*	*Amount of excess (+)/ shortfall (—) as compared to estimates*	*Main reasons for the excess/ shortfall*
(1)	(2)	(3)	(4)
	←	(*in crores of rupees*)	
34. Urban Development ..	24.02	(—)24.02	Due to non-adjustment under "363.AE.I.AB.Deduct—Amount transferred from Urban Development Fund" in this grant and adjustment under Grant No. 28 Community Development Projects and Municipal Administration and Grant No. 33 Housing, as expenditure to be met out of Urban Development Fund was incurred under those grants. There was a shortfall of Rs. 24.84 crores during 1983-84 also
38. Public Works—Establishment and Tools and Plant.	16.18	(—)7.06	Reasons awaited
12. Administration of the Tamil Nadu Hindu Religious and Charitable Endowments Act, 1959.	2.39	(—)2.39	Due to non-adjustment under "Deduct—Amount met from Tamil Nadu Hindu Religious and Charitable Endowments Fund" for want of sufficient balance in the Fund. There was a shortfall of Rs. 2.10 crores during 1983-84 also
57. Miscellaneous Capital Outlay	4.83	(—)1.49	Reasons awaited
49. Capital Outlay on Agriculture	3.01	(—)1.41	Reasons awaited
39. Roads and Bridges ..	10.20	(—)1.08	Reasons awaited
51. Capital Outlay on Irrigation	2.47	(+)3.72	Reasons awaited
50. Capital Outlay on Industrial Development	..	(+)1.28	Reasons awaited

APPENDIX V

(*Reference* : Paragraph 3.3.3, page 53)

BUDGET PROVISION AND EXPENDITURE ON ADULT EDUCATION PROGRAMME

A. Year-wise details—

Year	*Budget provision (RE)*	*Central assistance received*	*Expenditures*		*Total*
			Centrally sponsored schemes	*State schemes*	
(1)	(2)	(3)	(4)	(5)	(6)
			(*in lakhs of rupees*)		
1979-80 ..	1,45.93	70.03	49.97	48.75	98.72
1980-81 ..	1,62.39	57.02	52.37	1,12.92	1,65.29
1981-82 ..	1,85.90	54.85	61.31	1,12.63	1,73.94
1982-83 ..	1,98.57	78.75	72.28	1,30.30	2,02.58
1983-84 ..	2,87.56	1,26.55	86.70	1,88.18	2,74.88
1984-85 ..	4,31.57	2,05.36	1,82.10	2,53.39	4,35.49
Total ..		5,92.56	5,04.73	8,46.17	1,350.90

APPENDIX V. (contd.)

APPENDIX V—contd.

B. Scheme—wise details—

(i) Centrally sponsored schemes—

Assistance released to the State Government by Government of India

Year	*RFLP*	*NAEP*	*PLCs in in RFLP areas*	*Shramik vidya peeth*	*Award for the good work done in the field of Female Adult Literacy*	*Total Assistance*
(1)	(2)	(3)	(4)	(5)	(6)	(7)
				(in lakhs of rupees)		
1979-80 ..	65.20	4.83	..	..	..	70.03
1980-81 ..	49.81	7.21	..	..	..	57.02
1981-82 ..	44.06	10.79	..	..	..	54.85
1982-83 ..	56.09	10.10	10.56	2.00	..	78.75
1983-84 ..	81.03	10.77	..	3.00	31.75	1,26.55
1984-85 ..	1,49.01	14.07	5.21	5.07	32.00	2,05.36
Total ..	4,45.20	57.77	15.77	10.07	63.75	5,92.56

Expenditure					
RFLP	*NAEP*	*PLCs in RFLP areas*	*Shramik Vidya peeth*	*Utilisation of Award*	*Total*
(8)	(9)	(10)	(11)	(12)	(13)
45.07	4.90	..	..	..	49.97
44.13	8.24	..	..	..	52.37
51.49	9.82	..	..	..	61.31
59.28	10.97	..	2.03	..	72.28
67.32	12.70	4.82	1.86	..	86.70
1,49.48	13.94	15.18	3.50	..	1,82.10
416.77	60.57	20.00	7.39	..	5,04.73

(ii) State Schemes—

APPENDIX.V—*concld.*

Year	State Directorate of Non-formal and Adult Education	State Adult Education Programme	Post-literacy and follow up programme	Total
		(*in lakhs of rupees*)		
1979-80	11.70	37.05	..	48.75
1980-81	19.77	93.15	..	1,12.92
1981-82	19.08	91.89	1.66	1,12.63
1982-83	18.89	1,08.55	2.86	1,30.30
1983-84	20.08	1,62.34	5.76	1,88.18
1984-85	19.59	2,24.24	9.56	2,53.39
	1,09.11	7,17.22	19.84	8,46.17

APPENDIX VI

(*Reference:* Paragraph 3.27, page 159)

CASES OF MISAPPROPRIATION PENDING FINALISATION AS ON 30TH SEPTEMBER 1985

(i) Department-wise analysis

Department	*Number of cases*	*Amount*
(1)	(2)	(3)
		(*in lakhs of rupees*)
1. Agriculture	18	6.53
2. Commercial Taxes and Religious Endowments	14	0.78
3. Education	13	12.02
4. Employment Services	1	0.02
5. Finance	4	0.26
6. Food	1	1.21
7. Forest and Fisheries	4	0.92
8. Health and Family Welfare	22	6.48
9. Home	8	3.02
10. Industries	3	0.21
11. Labour	4	0.24
12. Public	4	0.45
13. Public Works	2	0.42
14. Revenue	328	31.91
15. Rural Development	8	2.57
16. Social Welfare	4	0.21
17. Training	2	0.11
18. Transport	1	0.39
Total ..	441	67.75

APPENDIX VI *concld.*

(ii) Year-wise analysis

Year	*Amount misappropriated since recovered, but departmental action, etc., pending*		*Pending for other reasons*	
	Number of cases	*Amount*	*Number of cases*	*Amount*
(1)	(2)	(3)	(4)	(5)
		(in lakhs of rupees)		*(in lakhs of rupees)*
1980-81 and earlier years	11	0.28	333	47.06
1981-82	5	0.33	25	8.32
1982-83	1	0.05	19	3.21
1983-84	1	..	10	2.83
1984-85	..	..	36	5.67
Total ..	18	0.66	423	67.09

APPENDIX VII

(*Reference*: Paragraph 3.27, Page 160)

CASES OF SHORTAGES AND THEFT OF STORES, DAMAGES TO PROPERTIES, ETC. PENDING FINALISATION AS ON 30th SEPTEMBER 1985

(i) Department-wise analysis

Department	*Number of cases*	*Amount (in lakhs of rupees)*
(1)	(2)	(3)
1. Agriculture	365	35.27
2. Education	9	0.41
3. Finance	2	0.05
4. Forest and Fisheries	33	81.35
5. Health and Family Welfare	31	4.16
6. Home	7	2.95
7. Industries	13	2.86
8. Labour	8	0.68
9. Public	2	9.87
10. Public Works	542	1,55.22
11. Revenue	6	0.17
12. Rural Development	4	1.91
13. Social Welfare	3	0.14
14. Training	4	0.32
15. Transport	6	2.00
Total	1035	297.36

APPENDIX VII *concld.*

(II) Year-wise analysis

Year	*Number of cases*	*Amount*
(1)	(2)	(3)
		(in lakhs of rupees)
1980-81 and earlier years	333*	47.59*
1981-82	36	4.30
1982-83	36*	2.77*
1983-84	44	6.36
1984-85	586	236.34
Total ..	1,035	2,97.36

* Increase over the figures shown in the Report for the year 1983-84 is based on subsequent information.

APPENDIX VIII

(*Reference*: Paragraph 3.28, page 160)

STATEMENT SHOWING LOSSES, WRITES-OFF, ETC.

Serial number and Department	*Writes-off of losses, irrecoverable advances, etc.*		*Waiver of recovery*	
	Number of items	*Amount*	*Number of items*	*Amount*
(1)	(2)	(3)	(4)	(5)
		RS.		RS.
1. Agriculture	1	46,520	..	..
2. Animal Husbandry ..	118	2,05,821	..	..
3. Education	3	8,340	1	4,724
4. Food	1	2,40,724	..	..
5. Forest and Fisheries ..	33	21,77,093	1	400
6. Home	1	3,172	1	14,243
7. Industries	8	71,624	1	13,906
8. Jail	11	13,882	..	..
9. Judicial	4	6,263	..	..
10. Public (Tel-I)	..	..	1	259
11. Public Works	1	9,978	..	..
12. Registration	1	1,86,968	..	..
13. Rehabilitation (Revenue)	1	2,000	..	..
14. Legislative Assembly Secretariat	..	..	1	277
Total ..	183	29,72,385	6	33,809

APPENDIX IX

(*Reference*: Paragraph 6.3, page 194)

UTILISATION CERTIFICATES FOR GRANTS PAID UP TO 30TH SEPTEMBER 1983 AND OUTSTANDING AS ON 30TH SEPTEMBER 1985

Department	Year of grant	Due *		Received		Outstanding	
		Number	Amount	Number	Amount	Number	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		(*Amounts in lakhs of rupees*)					
Agriculture ..	1981-82	14	1.98	11	1.40	3	0.58
	1982-83	4	27.99	..	..	4	27.99
	1983-84 (up to September 1983)	1	0.33	..	..	1	0.33
Commercial Taxes and Religious Endowments	1980-81	2	5.10	..	..	2	5.10
	1981-82	2	10.00	..	..	2	10.00
	1983-84 (up to September 1983)	1	0.28	..	..	1	0.28
Co-operation ..	1979-80 and earlier years	70	27.99	..	..	70	27.99
	1980-81	86	9.67	..	..	86	9.67
	1981-82	198	2,09.39	..	..	198	2,09.39
Education ..	1979-80 and earlier years	15	50.49	..	..	15	50.49
	1980-81	36	5.43	..	..	36	5.43
	1981-82	26	82.52	..	..	26	82.52
	1982-83	108	2,25.53	..	..	108	2,25.53
	1983-84 (up to September 1983)	35	1,74.23	24	1,44.04	11	30.19

* Differs from the figures shown in the Report for 1983-84 due to adoption of figures after recheck.

APPENDIX IX--*contd.*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Finance ..	1979-80 and earlier years	3	30.90	..	..	3	30.90
	1981-82	1	0.25	..	..	1	0.25
Home ..	1979-80 and earlier years	1	10.00	..	..	1	10.00
Health and Family Welfare	1979-80 and earlier years.	53	26.98	44	23.35	9	3.63
	1980-81	39	19.42	35	16.51	4	2.91
	1981-82	58	39.02	43	20.80	15	18.22
	1982-83	32	18.28	14	11.57	18	6.71
	1983-84 (up to September 1983)	38	70.31	10	8.22	28	62.09
Industries ..	1982-83	1	1.59	..	..	1	1.59
	1983-84 (up to Septem-1983)	3	7.81	..	..	3	7.81
Law ..	1979-80 and earlier years	2	0.08	..	..	2	0.08
	1980-81	1	0.04	..	..	1	0.04
	1981-82	1	0.04	..	..	1	0.04
Municipal Administration	1981-82	6	27.64	..	..	6	27.64
	1982-83	23	10,77.28	11	4,71.11	12	6,06.17
	1983-84 (up to September 1983)	12	33.60	..	..	12	33.60

APPENDIX IX—*concld.*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Public ..	1979-80 (and earlier years)	1	0.25	..	..	1	0.25
	1981-82	2	0.51	..	..	2	0.51
	1982-83	1	0.30	..	..	1	0.30
Personnel and Administrative Reforms	1979-80 and earlier years	7	0.11	..	..	7	0.11
	1980-81	2	0.07	..	..	2	0.07
	1981-82	5	5.07	..	..	5	5.07
Public Works	1979-80 and earlier years	5	3,32.50	..	..	5	3,32.50
Rural Development	1979-80 and earlier years	63	1,57.00	..	..	63	1,57.00
	1980-81	178	2,16.74	173	1,31.06	5	85.68
	1981-82	379	8,19.28	161	3,05.25	218	5,14.03
	1982-83	20	14,66.83	..	..	20	14,66.83
	1983-84 (up to September 1983)	11	1,52.14	..	..	11	1,52.14
Social Welfare	1979-80 and earlier years	24	0.94	..	..	24	0.94
Transport	1979-80 and earlier years	6	3.65	..	..	6	3.65
	1982-83	2	0.31	..	..	2	0.31
	Total	1,578	53,49.87	526	11,33.31	1,052	42,16.56

APPENDIX X

(*Reference* : Paragraph 6.5.3., Page 197)

STATEMENT SHOWING RECEIPTS AND EXPENDITURE OF THE AGRICULTURAL UNIVERSITY FOR THE YEARS 1977-78 TO 1981-82

Serial number and particulars	*Year*				
	1977-78	1978-79	1979-80	1980-81	1981-82*
	(*Amount in lakhs of rupees*)				
1. Opening balance ..	38.09	97.89	1,55.57	1,22.19	1,44.10
2. Receipts—					
(*a*) Grants received from—					
(i) Government of Tamil Nadu	3,18.07	3,79.92	4,38.21	5,08.59	6,79.74
(ii) ICAR ..	1,83.96	1,19.42	1,23.23	1,75.21	1,14.29
(iii) Government of India	5.16	5.08	3.58	9.24	5.49
(iv) Outside agencies	4.10	12.20	8.27	8.68	16.70
(*b*) Farm produce and other receipts	59.14	67.32	88.58	89.54	1,19.13
(*c*) Loans and advances, deposits and suspense	31.37	24.92	18.84	75.75	68.78
Total ..	6.39.89	7,06.75	8,36.28	9,89.20	11,48.23
3. Expenditure on —					
(i) Agriculture Science	3,72.70	3,61.02	4,58.69	5,38.31	6,95.04
(ii) Veterinary Science	1,41.49	1,44.84	1,88.79	2,15.75	2,34.53
(iii) Fisheries Science	5.02	9.97	28.33	28.07	27.95
(iv) Loans and advances, deposits and suspense	22.79	35.35	38.28	62.97	59.98
Total ..	5,42.00	5,51.18	7,14.09	8,45.10	10,17.50
4. Closing balance ..	97.89	1,55.57	1,22.19	1,44.10	1,30.73

* The audited accounts for 1982-83 were yet to be placed by the University before the Board of Management / Government (December 1984).

APPENDIX

(*Reference:* Paragraph 7,

SUMMARISED FINANCIAL POSITION OF THE GOVERNMENT

Serial number and name of the department/ unit	*Year of commence ment*	*Period of accounts*	*Capital at close*	*Net block assets*	*Cumu- lative depreciation*
(1)	(2)	(3)	(4)	(5)	(6)
			(*in lakhs of rupees*)		
Agriculture Department—					
1. Government Agricultural Engineering Workshop, Madras	1952	1983-84 *	78.39	2.15	9.58
Forest and Fisheries Department—					
2. Government Cinchona Department, Uthaga- mandalam	1861	1983-84	11,86.29	7,18.99	66.22
Industries Department—					
3. Government Blacksmithy and Carpentry Unit, Arakonam	1967	1983-84 *	15.28	0.97	1.24
Transport Department—					
4. Motor Vehicles Maintenance Organisa- tion, Madras	1964	1978-79	3,40.95	73.58	9.84

* Figures are provisional

XI

Page 233)

COMMERCIAL AND QUASI-COMMERCIAL UNDERTAKINGS

Turn over	Net Profit (+)/ Net Loss (—) After charging interest on capital	Net Profit (+)/ Net Loss (—) Before charging interest on capital	Mean capital	Percentage of return on Mean capital After charging interest on capital	Percentage of return on Mean capital Before charging interest on capital	Remarks
(7)	(8)	(9)	(10)	(11)	(12)	(13)
30.27	(—)1.10	(+)5.89	74.82	..	7.9	..
72.58	(—)34.78	(+)0.48	10,95.72	..	0.04	..
2.61	(—)2.55	(—)0.85	15.77	..	..	..
1,16.40	(—)57.29	(—)19.88	3,53.10	..	..	Became a Service Department with effect from 1st April 1981

APPENDIX XII

(*Reference:* Paragraph 7, Page 233)

LIST OF DEPARTMENTALLY MANAGED COMMERCIAL AND *QUASI*-COMMERCIAL UNDERTAKINGS WHOSE *PROFORMA* ACCOUNTS ARE IN ARREARS

Serial number and name of the department/undertaking	*Period for which accounts are in arrears*	*Remarks*
(1)	(2)	(3)
Agriculture Department		
1. Scheme for the purchase and distribution of Chemical Fertilisers, Madras ..	1979-80	
	1980-81	
	1981-82	
	1982-83	
	1983-84	
	1984-85	
2. Government Agricultural Engineering Workshop, Madras	1984-85	
Forest and Fisheries Department		
3. Government Cinchona Department, Udagamandalam ..	1984-85	
4. Chank Fisheries, Tuticorin	1983-84	
	1984-85	
5. Chank Fisheries, Ramanathapuram	1983-84	
	1984-85	
Industries Department		
6. Blacksmithy and Carpentry Unit, Arakonam	1984-85	
Transport Department		
7. Motor Vehicles Maintenance Organisation, Madras .	1979-80	Unit became a Service Department from 1st April 1981
	1980-81	