

REPORT
OF THE
COMPTROLLER AND AUDITOR GENERAL
OF INDIA

FOR THE YEAR 1979-80

(CIVIL)

GOVERNMENT OF WEST BENGAL

1X-53-B-1

Finance (Budget)
18.1.83

Dx Secy
Dep H. Govt. of W.B.

6P-1/83

Free of Cost

[Price not mentioned]

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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 1979-80 together with other points arising from audit of financial transactions of the Government of West Bengal. It also includes :

- (i) certain points of interest arising from the Finance Accounts for the year 1979-80; and
- (ii) comments on Food for Work Programme, Special Animal Husbandry Programme and Intensive Jute District Programme.

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

3. The cases mentioned in the Report are among those which came to notice of Audit in the course of test audit of the accounts during the year 1979-80 as well as those which had come to notice in the earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 1979-80 have also been included wherever considered necessary.

4. The points brought out in this Report are not intended to convey or to be understood as conveying any general reflection on the financial administration of the departments|bodies|authorities concerned.

CHAPTER I

GENERAL

1.1. Summary of transactions

The receipts, expenditure and surplus/deficit of Government for 1979-80, with the corresponding figures of the previous year, are given below :

					1978-79	1979-80
<i>(In crores of rupees)</i>						
(1) Revenue—						
Revenue receipts	..	..	--	--	8,28.18	9,63.15
Revenue expenditure		..	..	..	9,07.08	9,76.85
Revenue deficit	..	..	..	..	(- )78.90	(-)13.70
(2) Public Debt—						
Internal Debt of the State Government—						
Receipts	..	..	..	..	3,68.84	6,15.57
Repayments	..	..	..	..	4,45.36	5,67.58
Net addition(+)						
Net outgo (-)	..	..	..	..	(- )76.52	(+)47.99
Loans and advances from the Central Government—						
Receipts	..	..	..	..	4,15.16	2,85.50
Repayments	..	..	..	..	1,03.63	1,48.12
Net addition(+)	..	..	..	..	(+ )3,11.53	(+)1,37.38
Total Public Debt (net)—						
Net addition (+)	..	..	..	..	(+ )2,35.01	(+)1,85.37
(3) Loans and advances by the State Government—						
Recoveries	..	..	..	..	22.38	28.92
Disbursements	..	..	..	..	1,67.79	1,46.10
Net outgo(-)	..	..	..	..	(- )1,45.41	(-)1,17.18
(4) Capital Expenditure—						
Net outgo (-)	..	..	..	..	(- )73.87	(-)80.86
(5) Contingency Fund—						
Net addition (+)					(+)0.70	(-)0.14
Net outgo (-)	--	--	--	--		

1978-79 1979-80
(In crores of rupees)

(6) Public Account—

Net addition(+)	..	..	..	..	(+)87.37	(-)32.00
Net outgo (-)	..	..	..	..	(+)24.90	(-)58.51
Net addition(+)	..	..	..	..	(+)24.90	(-)58.51
Net outgo (-)	..	..	..	..	(+)18.24	(-)40.27
(Sl. Nos. 1 to 6 above)						
Opening Cash Balance	..	..	..	..	(-)6.66	(+)18.24
Net addition(+)	..	..	..	..	(+)24.90	(-)58.51
Net outgo (-) as above	..	..	..	..	(+)18.24	(-)40.27
Closing Cash Balance	..	..	..	..	(+)18.24	(-)40.27

1.2. Revenue surplus/deficit

1.2.1. The year ended with a revenue deficit of Rs.13.70 crores as against a surplus of Rs.8.70 crores anticipated in the budget.

1.2.2. Revenue receipts

The actuals of revenue receipts for 1979-80 as compared with (i) the budget estimates and (ii) the budget estimates plus additional taxation levied during the year along with the corresponding figures for 1977-78 and 1978-79 are given below :

Year	Budget	Budget plus additional taxation	Actuals	Variations between columns (4) and (3)		
				Amount	Percentage	
(1)	(2)	(3)	(4)	(5)	(6)	
1977-78	..	7,47.59	7,70.29	6,99.27	(-)71.02	9.2
1978-79	..	8,24.37	8,35.87	8,28.18	(-)7.69	0.9
1979-80	..	9,99.89	10,34.89	9,63.15	(-)71.74	6.9

(In crores of rupees)

Details of important variations from budget estimates will be found in the Report of the Comptroller and Auditor General of India for the year 1979-80 (Revenue Receipts)-Government of West Bengal.

*Comprised Deposits with Reserve Bank (Rs. —35.04 crores), Remittances in transit (Rs —5.28 crores) and Cash in Treasuries (Rs. 0.05 crore). There was a difference (Rs. 6.22 crores) between the figure reflected in the accounts (Rs. —35.04 crores) and that intimated by the Reserve Bank of India (Rs. —41.26 crores) regarding "Deposits with Reserve Bank". After reconciliation, the difference of Rs. 49.54 lakhs now remains to be reconciled (December 1980)

1.2.3. Expenditure on revenue account

The expenditure during 1979-80 as compared with (i) the budget estimates and (ii) the budget estimates *plus* supplementary provision along with the corresponding figures for 1977-78 and 1978-79 are given below :

Year	Budget	Budget <i>plus</i> Supplementary	Actuals	Variation between columns (4) and (3)	
				Amount	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
(In crores of rupees)					
1977-78	7,10.19	7,41.07	7,01.09	(-)39.98	5.4
1978-79	8,26.15	9,66.46	9,07.08	(-)59.38	6.1
1979-80	9,91.19	10,28.17	9,76.85	(-)51.32	5.0

Important variations from budget estimates have been indicated in Chapter II of this Report.

1.3. Revenue receipts

The revenue receipts during 1979-80 (Rs.9,63.15 crores) increased by Rs.1,34.97 crores over those in 1978-79 (Rs.8,28.18 crores) as shown below :

	Receipts		Increase (+) Decrease (-)
	1978-79	1979-80	
(In crores of rupees)			
(i) Revenue raised by the State Government—			
(a) Tax revenue	4,08.15	4,79.09	(+)70.94
(b) Non-tax revenue	90.14	1,27.46	(+)37.32
(ii) Receipts from the Government of India—			
(a) Share of net proceeds of—			
(i) Taxes on income other than Corporation Tax	62.82	69.35	(+)6.53
(ii) Union Excise Duties	98.10	2,06.94	(+)1,08.84
(iii) Estate Duty	0.81	1.28	(+)0.47
(b) Grants-in-aid from Central Government—			
(i) Non-Plan grants	74.09	7.64	(-)66.45
(ii) Grants for State Plan Schemes	69.42	47.34	(-)22.08
(iii) Grants for Central Plan Schemes	5.98	4.78	(-)1.20
(iv) Grants for Centrally Sponsored Plan Schemes	18.67	19.27	(+)0.60
Total	8,28.18	9,63.15	(+)1,34.97

More information on the subject will be found in the Report of the Comptroller and Auditor General of India for the year 1979-80—**Revenue Receipts—Government of West Bengal.**

1.4. Expenditure on revenue account

The following table compares the expenditure on revenue account during 1979-80 under broad headings with the provision of funds made thereunder and with the actuals for 1978-79 :

Sector/Sub-sector of expenditure	Plan				Non-Plan				
	Budget estimates	Budget plus supplementary	Actuals*	Variations Increase(+) Decrease(-)	Budget estimates	Budget plus supplementary	Actuals*	Variations Increase(+) Decrease(-)	
(In crores of rupees)									
A. General Services	1.47	1.47	0.20 (0.39)	(-)1.27	2,51.73	2,67.85	2,61.82 (2,21.34)	(-)6.03	
B. Social and Community Services ..	1,48.38	1,52.22	99.45 (128.91)	(-)52.77	3,15.82	3,23.37	3,44.96 (2,82.41)	(+)21.59	
C. Economic Services—									
(a) General Economic Services ..	6.22	6.22	3.56 (3.27)	(-)2.66	4.98	4.98	6.65 (4.90)	(+)1.67	
(b) Agriculture and Allied Services ..	85.41	86.22	59.64 (63.25)	(-)26.58	81.58	82.91	79.00 (68.74)	(-)3.91	
(c) Industry and Minerals ..	4.96	5.17	5.04 (12.21)	(-)0.13	10.13	10.44	8.95 (8.90)	(-)1.49	
(d) Water and Power Development ..	2.06	2.06	12.32 (28.50)	(+)10.26	20.79	20.79	24.85 (19.69)	(+)4.06	
(e) Transport and Communications ..	2.50	2.58	11.28 (16.28)	(+)8.70	25.49	26.44	34.65 (28.26)	(+)8.21	
D. Grants-in-aid and contributions ..	..	..	.. (..)	..	29.67	35.45	24.48 (20.03)	(-)10.97
Total ..	2,51.00	2,55.94	1,91.49 (2,52.81)	(-)64.45	7,40.19	7,72.23	7,85.36 (6,54.27)	(+)13.13	

*Figures in brackets represent actuals for 1978-79:

Significant variations in expenditure during 1979-80 over the previous year under broad sectors, are analysed in Appendix I.

1.5. Expenditure on capital account

(i) The capital expenditure during three years ending 1979-80 as compared with the budget estimates and the budget estimates *plus* supplementary provision is given below :

Year	Budget	Budget <i>plus</i> supplemen- tary	Actuals	Variation between columns (4) and (3)	
				Amount	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
<i>(In crores of rupees)</i>					
1977-78	97.91	1,04.19	77.51	(-)26.68	25.6
1978-79	1,12.00	1,24.93	73.87	(-)51.06	40.9
1979-80	1,60.33	1,61.30	80.86	(-)80.44	49.9

(ii) The following table compares the expenditure on capital account during 1979-80 under broad headings with the provision of funds made thereunder and with the actuals for 1978-79 :

Sector /Sub-sector of expenditure	Plan				Non-Plan			
	Budget estimates	Budget plus supplementary	Actuals*	Variations Increase(+) / Decrease(-)	Budget estimates	Budget plus supplementary	Actuals*	Variations Increase(+) / Decrease(-)
	(In crores of rupees)							
A. General Services ..	3.56	3.56	1.82 (1.48)	(-)1.74	3.20	3.20	1.94 (1.57)	(-)1.26
B. Social and Community Services ..	20.17	20.32	11.47 (10.60)	(-)8.85	1.30	1.30	(-)1.76** (-)(3.27)	(-)3.06
C. Economic Services—								
(a) General Economic Services ..	8.16	8.24	3.37 (9.16)	(-)4.87	3.94	3.94	1.68 (2.52)	(-)2.26
(b) Agriculture and Allied Services ..	30.80	30.80	12.52 (12.66)	(-)18.28	6.95	7.08	1.51 (1.54)	(-)5.57
(c) Industry and Minerals ..	5.65	5.65	3.39 (1.38)	(-)2.26	0.08	0.68	0.58 (0.01)	(-)0.10
(d) Water and Power Development ..	61.93	61.93	29.39 (27.44)	(-)32.54	..	..	0.91 (0.73)	(+)0.91
(e) Transport and Communications ..	14.37	14.37	13.78 (7.90)	(-)0.59	0.22	0.23	0.26 (0.15)	(+)0.03
Total ..	144.64	144.87	75.74 (70.62)	(-)69.13	15.69	16.43	5.12 (3.25)	(-)11.31

*Figures in brackets represent actuals for 1978-79.

**Minus figure was due to excess of credit transactions over debit transactions.

Significant variations in expenditure during 1979-80 over the previous year, under broad sectors, are analysed in Appendix II.

1.6. Loans and advances by Government

(i) The actuals of disbursement of loans and advances by Government in 1979-80 as compared with the budget estimates and the budget estimates *plus* supplementary provision along with the corresponding figures for 1977-78 and 1978-79 are given below :

Year	Budget	Budget <i>plus</i> Supplemen- tary	Actuals	Variations between columns (4) and (3)	
				Amount	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
<i>(In crores of rupees)</i>					
1977-78	1,22.75	1,28.32	1,30.36	(+)2.04	1.6
1978-79	1,44.58	1,77.31	1,67.79	(-)9.52	5.4
1979-80	1,61.08	1,81.41	1,46.10	(-)35.31	19.5

The shortfall in disbursement (column 5) during the year mainly occurred under loans for Power Projects (Rs.12.54 crores), Construction of Second Bridge Over Hooghly River (Rs.4.31 crores), Housing Schemes (Rs.4.05 crores), Road Transport (Rs.3.68 crores), Consumer Industries (Rs.3.49 crores), to Government servants (Rs.2.99 crores) and for Urban Development (Rs.2.14 crores).

(ii) The budget estimates and the actuals of recoveries of loans and advances for the three years ending 1979-80 are given below :

Year	Budget	Actuals	Variations between columns (3) and (2)		
			Amount	Percentage	
(1)	(2)	(3)	(4)	(5)	
<i>(In crores of rupees)</i>					
1977-78	..	32.25	20.05	(-)12.20	37.8
1978-79	..	26.07	22.38	(-)3.69	14.2
1979-80	..	62.53	28.92	(-)33.61	53.8

The shortfall in recoveries was mainly due to less recoveries under loans for Agriculture (Rs.23.85 crores), loans for Urban Development (Rs.4.70 crores) and loans for Consumer Industries (Rs.4.23 crores)

(iii) The details of disbursements of loans and advances and recoveries made during the three years ending 1979-80 under different categories together with the outstandings at the beginning/end of each year are indicated below :

Categories	1977-78			1978-79			1979-80			Outstanding balance on 31st March 1980	
	Outstanding balance on 1st April 1977	Loans disbursed	Loans recovered	Outstanding balance on 31st March/1st April 1978	Loans disbursed	Loans recovered	Outstanding balance on 31st March/1st April 1979	Loans disbursed	Loans recovered		
1	2	3	4	5	6	7	8	9	10	11	
<i>(In crores of rupees)</i>											
(i) Loans for Social and Community Services	1,73.40	29.16	5.71	1,96.85	29.92	3.31	2,23.46	27.75	4.11	2,47.10	oc
(ii) Loans for Economic Services—											
(a) General Economic Services ..	20.98	6.52	3.00	24.50	21.02	6.01	39.51	3.81	10.96	32.36	
(b) Agriculture and Allied Services	45.33	4.49	0.97	48.85	11.96	1.07	59.74	11.88	2.05	69.57	
(c) Industry and Minerals ..	81.83	11.81	3.10	90.54	15.34	2.29	1,03.59	20.18	4.72	1,19.05	
(d) Water and Power Development	1,30.52	53.39	..	1,83.91	62.38	4.00	2,42.29	54.99	..	2,97.28	
(e) Transport and Communications	79.58	17.82	..	97.40	17.98	0.05	1,15.33	20.10	0.02	1,35.41	
Total—(ii) ..	3,58.24	94.03	7.07	4,45.20	1,28.68	13.42	5,60.46	1,10.96	17.75	6,53.67	
(iii) Loans to Government Servants ..	8.24	7.18	7.27	8.15	9.19	5.65	11.69	7.14	7.06	11.77	
(iv) Loans for miscellaneous purposes	0.05	..	..	0.05	..	..	0.05	0.25	..	0.30	
Total	5,39.93	1,30.37	20.05	6,50.25	1,67.79	22.38	7,95.66	1,46.10	28.92	9,12.84	

(iv) Recoveries in arrears

(a) Detailed accounts of loans to Municipalities, Zilla Parishads and Panchayat Samities, Calcutta Corporation, Calcutta Improvement Trust, Universities, Statutory Bodies, etc., are maintained by Audit Office. Recoveries aggregating Rs.76.66 crores (principal : Rs.52.25 crores; interest : Rs.24.41 crores) were in arrears in 1,338 cases on 31st March 1980. The year-wise break-up of the amounts overdue for recovery is given below :

Categories of loanees		Amount overdue for recovery				Total as on 31st March 1980
		For 1976-77 and earlier years	1977-78	1978-79	1979-80	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(In crores of rupees)						
(i) Statutory Corporations, Boards, Government Companies and Joint Stock Companies	Principal	14.55	1.83	2.28	2.67	21.23
	Interest	8.44	1.94	2.26	2.46	15.10
(ii) Municipalities, Zilla Parishads and Panchayat Samities	Principal	4.00	1.63	1.60	1.90	9.13
	Interest	1.45	0.25	0.31	0.24	2.25
(iii) Universities	Principal	0.01	..	..	0.01	0.02
	Interest	..	..	..	..	(a)
(iv) Calcutta Corporation	Principal	2.15	0.78	0.87	0.87	4.67
	Interest	1.49	0.64	0.46	0.41	3.00
(v) Calcutta Improvement Trust	Principal	..	0.03	..	..	0.03
	Interest	..	0.05	0.04	0.06	0.15
(vi) Howrah Improvement Trust	Principal	0.02	0.01	0.01	0.01	0.05
	Interest	0.18	0.02	0.02	0.03	0.25
(vii) Calcutta Metropolitan Development Authority	Principal	1.09	0.36	0.36	0.36	2.17
	Interest	1.07	0.13	0.11	0.09	1.40
(viii) Calcutta Tramways Co.	Principal	12.39	1.67	0.66	0.13	14.85
	Interest	1.58	0.31	0.21	0.16	2.26
Total	Principal	34.21	6.31	5.78	5.95	52.25
	Interest	14.21	3.34	3.41	3.45	24.41

(a) Actual overdue Rs. 50,280

(b) In the case of loans, the detailed accounts of which are maintained by departmental officers, the recoveries in respect of loans given by the Education Department to educational institutions aggregating Rs.0.42 crore (principal: Rs.0.28 crore; interest: Rs.0.14 crore) were in arrears in 135 cases on 31st March 1980. Information about recoveries has not been received (April 1981) from the following departments :

- (i) Agriculture
- (ii) Animal Husbandry and Veterinary Services
- (iii) Co-operation
- (iv) Cottage and Small Scale Industries
- (v) Development and Planning
- (vi) Relief and Welfare
- (vii) Information and Cultural Affairs
- (viii) Housing

(v) *Delay in acceptance of balances*

The balances under loans are communicated every year to departmental officers for acceptance. In a large number of cases such acceptances had not been received *vide* a few illustrative cases indicated below :

	Number of acceptances awaited	Earliest year from which acceptances are awaited	Balance on 31st March 1979 for which acceptances are awaited	
<i>(In crores of rupees)</i>				
I. Loans for Social and Community Services	—	100	1973-74	1,68.60
II. Loans for Economic Services—				
(a) Loans for Agriculture and Allied Services	..	6	1977-78	0.39
(b) Loans for Industry and Minerals	—	321	1971-72	86.28
(c) Loans for Water and Power Development	..	172	1977-78	265.82
(d) Loans for Transport and Communications	..	532	1976-77	106.56

1.7. Sources of funds for capital expenditure and for net outgo under loans and advances

The sources from which the net outgo under loans and advances (Rs.1,17.18 crores) and capital expenditure (Rs.80.86 crores) mentioned in item numbers 3 and 4 respectively, of paragraph 1.1 were met during 1979-80 are shown below :

Source	Amount (In crores of rupees)
(i) Internal debt of the State Government	47.99
(ii) Loans and advances from the Central Government	1,37.38
(iii) Small Savings, Provident Funds, etc.	13.41
(iv) Reserve Funds	1.20
(v) Investments	0.07
(vi) Contingency Fund	(-)0.14
(vii) Net balances under deposits, advances, etc.	(-)54.78
(viii) Miscellaneous Government Account	8.10
(ix) Increase in cash balance	58.51
(x) Revenue deficit	(-)13.70
Total ..	1,98.04

1.8. Debt position

(a) The total debt liability of the Government at the close of 1979-80 was Rs.21,32.24 crores. A comparative analysis of the debt liability as at the end of March 1978, 1979 and 1980 is given below :

Nature of debt	Balance on 31st March		
	1978	1979	1980
(In crores of rupees)			
(i) Public debt			
Internal debt of the State Government	2,80.27	2,03.75	2,51.74
Loans and advances from the Government of India	10,83.06	13,94.59	15,31.97
Total Public debt	13,63.33	15,98.34	17,83.71
(ii) Small savings, provident funds, etc.	77.46	90.71	1,04.12
(iii) Reserve funds and deposits (interest bearing)	5.37	5.38	14.91
(iv) Non-interest bearing obligations such as depreciation reserves and other ear-marked funds and deposits, Civil deposits and deposits of local funds.	1,71.37	2,14.22	2,29.50
Total debt	16,17.53	19,08.65	21,32.24

(b) Loans and advances from Government of India

The balance of loans and advances received from Government of India outstanding at the end of 1979-80 was Rs.15,31.97 crores; this

formed about 85.9 per cent of the total public debt (Rs.17,83.71 crores). The State Government obtained from Government of India in 1979-80 Rs.2,85.50 crores as loans for State Plan|Central Plan|Centrally Sponsored Plan Schemes (Rs.99.84 crores), ways and means advances (Rs.75.00 crores) and non-Plan loans for various purposes (Rs.1,10.66 crores). Details of loans outstanding on 31st March 1980 are given in Statement No. 17 of Finance Accounts 1979-80. On 31st March 1980, Rs.25.94 lakhs were overdue for payment to Government of India towards interest.

(c) *Ways and means advances and overdrafts from the Reserve Bank of India*

Under an agreement with the Reserve Bank of India, the State Government have to maintain with the Bank at the end of each working day a minimum balance of Rs.1 crore. When the balance falls below the agreed minimum, the deficiency is made good by the Bank by giving ordinary and special ways and means advances up to the limits fixed from time to time. The limits for ordinary ways and means advances for 1979-80 were fixed at Rs.20 crores. In addition, special ways and means advances could also be made available against Government of India securities and the limits for such advances during 1979-80 were fixed at Rs.3.70 crores.

If, even after taking these advances, the balance falls below the agreed minimum balance, the Bank charges interest on the shortfall. The interest on ways and means advances, shortfalls and overdrafts ranges from 1 per cent below the Bank Rate (9 per cent) to 3 per cent above the Bank Rate.

The extent to which Government were able to maintain the minimum balance with the Bank in 1979-80 is shown below :

(i) Number of days on which the minimum balance was maintained without obtaining any advance	..	153
(ii) Number of days on which the minimum balance was maintained by taking ordinary and special ways and means advances	..	68
(iii) Number of days on which there was shortfall in the minimum balance after taking the above advances but no overdraft was taken	..	3
(iv) Number of days on which overdraft was taken	..	142

Ways and means advances : During 1979-80, Rs.1,31.91 crores were taken from the Bank as ways and means advance and Rs.1,08.16 crores were repaid leaving a balance of Rs.23.75 crores at the close

of the year. A sum of Rs.1.50 crores was paid during the year as interest on these advances.

Overdrafts

During 1979-80, overdrafts aggregating Rs.4,60.79 crores were taken and Rs.4,48.33 crores were repaid during the year leaving a balance of Rs.12.46 crores at the close of the year. During the year, Rs.3.01 crores were paid towards interest on overdrafts. At the close of the year, there was an undischarged liability on account of interest on overdrafts for Rs.1.71 crores.

The amounts of interest paid to the Bank on ways and means advances and overdrafts during the three years ending 1979-80 are indicated below :

Year	Amount (In crores of rupees)
1977-78	6.32
1978-79	5.68
1979-80	4.51

(d) *Interest charges*

The table below shows the burden of interest charges on revenue (with figures for the previous year) :

	1978-79	1979-80
	(In crores of rupees)	
(i) Interest paid by the State Government	80.63	92.63
(ii) Deduct—		
(a) Interest received on loans and advances by State Government	0.63	6.17
(b) Interest realised on investment of cash balances ..	0.36	(X)
(c) Interest on capital advanced to Damodar Valley Corporation	(A)	(A)
(iii) Net burden of interest on revenue	79.64	84.46
(iv) Percentage of net interest to total revenue receipts ..	9.62	8.98

In addition, there were certain other receipts and adjustments (Rs.9.87 crores) such as interest received from Commercial Departments, etc. If these are also taken into account, the net burden of interest on revenue will be Rs.76.59 crores (7.95 per cent of the revenue).

(X) Actual receipts Rs. 9,383 only.

(A) Payment of interest (Rs. 57.44 crores up to the end of 1979-80) was withheld by the Damodar valley Corporation pending adjustment against the amount due to it from the State Government on account of water rates and deficits on irrigation, power and flood control.

1.9. Investments

During 1979-80, Government invested Rs.8,36.31 lakhs in shares and debentures of Statutory Corporations, Government Companies, Gramin banks, joint stock companies and co-operative institutions and the total investment at the end of the year stood at Rs.96,44.72 lakhs as indicated below :

	During 1979-80		To the end of 1979-80		Dividend/ interest received during 1979-80 with percen- tage of return on cumulative investments in brackets
	Number of concerns	Amount of investment	Number of concerns	Amount of investment	
		Rs.		Rs.	
(i) Statutory Corporations	2	30.00	2	2,61.47	0.41 (0.16)
(ii) Government Companies	17	4,20.72	35	48,56.85	--
(iii) Banks ..	--	--	5	20.71	--
(iv) Joint Stock companies	--	--	8	77.32	..
(v) Co-operative banks and societies	(A)	3,85.59	1,880 (A)	44,28.00	15.33 (0.35)
(vi) Concerns under liqui- dation	..	..	4	0.37	..
Total ..	19 (A)	8,36.31	1,934 (A)	96,44.72	15.74 (0.16)

1.10. Guarantees given by Government

(i) Government have given guarantees for repayment of loans, etc. raised by statutory corporations, co-operative societies and others.

The guarantees are in the nature of contingent liabilities on the State revenues. Brief particulars of these contingent liabilities based on the available information are given below (further details are given in Statement Number 6 of Finance Accounts 1979-80):

Body on whose behalf guarantee was given	Maximum amount guaranteed	Sums guaranteed outstanding on 31st March 1980
	<i>(In crores of rupees)</i>	
Statutory Corporations and Boards	4,90.27	3,79.65
Government Companies	32.28	24.62
Co-operative institutions including co-operative banks	1,52.14	90.64
Other institutions ..	3.54	3.54
Total ..	6,78.23	5,04.45

(A) Complete information not received from departmental officers.

(ii) No payment was made for invoking guarantees in respect of Commerce and Industries, Cottage and Small Scale Industries, Forests, Fisheries, Food and Supplies, Home (Transport), Housing and Panchayats Departments during 1979-80. During the year, Rs.0.11 lakh were paid by the Closed and Sick Industries Department as a result of the guarantees given in favour of a joint stock company being invoked. Similar information in respect of Co-operation, Power, Public Undertakings and Refugee Relief and Rehabilitation Departments is awaited (March 1981).

Guarantee fees amounting to Rs.17.80 lakhs were due (March 1981) in respect of loans, etc. guaranteed by the Commerce and Industries Department (Rs.10.63 lakhs), Closed and Sick Industries Department (Rs.3.71 lakhs), Food and Supplies Department (Rs.2.50 lakhs), Home (Transport) Department (Rs.0.75 lakh), Cottage and Small Scale Industries Department (Rs.0.11 lakh) and Housing Department (Rs.0.10 lakh).

Guarantee fees in respect of guarantees amounting to Rs.35.60 lakhs were waived by the Closed and Sick Industries Department.

1.11. Delay in submission of accounts by treasuries

Mention was made in the Audit Report for 1978-79 about delay in submission of accounts by treasuries.

Delay in submission of accounts by the treasuries results in delay in the compilation of monthly accounts and their submission to Government. The accounts have sometimes to be submitted without including the transactions of the defaulting treasuries in the monthly accounts with the result that the monthly accounts remain incomplete.

Alipore and Hooghly treasuries and the Pay and Accounts Office, Calcutta delayed submission of accounts of all the months by 89 to 220 days. Barrackpore and Purulia treasuries delayed submission of accounts in ten different months by 90 to 174 days. The treasury-wise position of the extent of delay in submission of accounts for 1979-80 is indicated in Appendix III.

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1. Summary

(a) The following table compares the total expenditure during the year with the totals of grants and charged appropriations :

			Grants/ charged appropriations	Expenditure	Saving— [Excess+]	Percentage
<i>(In crores of rupees)</i>						
Voted—						
Original ..	..	12,82.48	} 13,38.29	12,06.94	-1,31.35	9.8
Supplementary ..	..	55.81				
Charged—						
Original ..	..	3,42.03	} 7,98.23	8,18.83	+20.60	2.5
Supplementary ..	..	4,56.20				
Total ..	..		21,36.52	20,25.77	-1,10.75	5.1

The overall saving of Rs.1,10.75 crores was the result of saving of Rs.1,52.48 crores in 66 grants (Rs.1,51.86 crores) and 25 charged appropriations (Rs.0.62 crore) partly offset by excess of Rs.41.73 crores in 9 grants (Rs.20.51 crores) and 3 charged appropriations (Rs.21.22 crores).

(b) Further details are given below :

		Revenue	Capital	Loans and Advances	Public Debt	Total
<i>(In crores of rupees)</i>						
Authorised to be spent (grants and charged appropriations)—						
Original ..	..	10,25.60	1,96.98	1,61.08	2,40.87	16,24.51
Supplementary ..	..	36.98	0.97	20.32	4,53.74	5,12.01
Total ..	..	10,62.58	1,97.93	1,81.40	6,94.61	21,36.52
Actual expenditure (grants and charged appro- priations)—						
		10,26.29	1,37.68	1,46.10	7,15.70	20,25.77
Shortfall(-)		-36.29	-60.25	-35.30	+21.09	-1,10.75
Excess(+)						

2.2. Excess over grants|charged appropriations requiring regularisation

(a) *Grants* : Excesses aggregating Rs.20.51 crores in the following 9 grants require regularisation under Article 205 of the Constitution :

Serial number	Number and name of grant	Total grant	Expenditure	Excess
		Rs	Rs	Rs
(1)	14—Other Fiscal Services	38,34,000	39,36,106	1,02,106

Excess occurred under "Promotion of Small Savings", reasons for which have not been intimated (March 1981).

(2)	18—Secretariat— General Services	4,05,34,000	4,07,12,000	1,78,000
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Excess occurred mainly under "Chief Minister's Secretariat-salaries" reasons for which have not been intimated (March 1981).

(3)	25—Public Works	47,68,52,000	48,53,07,948	84,55,948
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Excess was due mainly to purchase of more stores and stock materials than anticipated.

(4)	28—Pension and Other Retirement Benefits	14,69,11,000	15,65,94,033	96,83,033
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Excess was due mainly to increase in the number of beneficiaries of family pensions and provisional retirement gratuities and sanction of *ex-gratia* payments and more *ad interim* payment under family pensions.

(5)	38—Public Health, Sanitation and Water Supply	36,23,77,000	38,27,63,342	2,03,86,342
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Excess was due mainly to purchase of more stock and stores materials than anticipated.

(6)	66—Multipurpose River Projects, Irrigation, Navigation, Drainage and Flood Control, Projects	95,34,06,000	98,04,28,636	2,70,22,636
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Excess was due mainly to larger expenditure on maintenance of Mayurakshi Reservoir Project, Damodar Valley Project and Flood Control Schemes and on purchase of more stock and stores materials than anticipated.

(7)	70—Roads and Bridges	51,69,73,000	64,32,00,412	12,62,27,412
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Excess was due mainly to purchase of more stock and stores materials than anticipated, larger expenditure on restoration works necessitated by flood damages and on development of state roads and transfer of *pro rata* share of establishment charges from the Public Works heads.

Serial number	Number and name of grant	Total grant	Expenditure	Excess
		Rs.	Rs	Rs
(8)	71—Road and Water Transport Services	29,96,56,000	31,27,06,331	1,30,50,331

Excess occurred under Calcutta Tramways Company Limited due mainly to adjustment of debits of previous year.

(9)	82—Investments in Industrial Institutions (Excluding Public Undertakings)	60,00,000	60,00,040	40
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(b) *Charged appropriations* : Excess of Rs.21.22 crores over the charged appropriations in the following 3 cases also requires regularisation :

(1)	25—Public Works	—	40,64,000	53,20,383	12,56,383
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Excess occurred mainly under “Direction and Administration” and “Maintenance and Repairs”, reasons for which have not been intimated (March 1981).

(2)	70—Roads and Bridges	3,91,065	3,96,734	5,669
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Reasons for excess have not been intimated (March 1981).

(3)	Public Debt	6,94,60,42,000	7,15,69,85,248	21,09,43,248
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Excess was attributed mainly to repayment of more ways and means advances obtained from Government of India for which requisite supplementary provision could not be obtained.

2.3. Supplementary grants|charged appropriations

The supplementary provision of Rs.5,12.01 crores (31 per cent of original provision) was obtained under 42 grants (Rs.55.81 crores) and 23 appropriations (Rs.4,56.20 crores). Details of some significant cases of unnecessary, excessive and inadequate supplementary grants|charged appropriations are given below :

(i) *Unnecessary supplementary grants*—In the following cases, among others, the supplementary grants (exceeding Rs.5 lakhs each)

remained wholly unutilised as the expenditure in each case did not come up even to the original provision :

Serial number	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
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(In lakhs of rupees)

(1)	1—State Legislature	70·13	6·11	64·32	11·92
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Shortfall was attributed to less touring done during the year.

(2)	8—Stamps and Registration	2,93·20	11·50	2,53·70	510·0
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Saving occurred mainly due to change in mode of settlement of the cost of stamps supplied from Central Stamp Stores.

(3)	10—State Exoise	2,55·10	10·05	2,54·61	10·54
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Reasons for saving have not been intimated (March 1981).

(4)	11—Sales Tax	2,45·69	14·61	2,09·91	50·39
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Shortfall was attributed mainly to non-filling up of vacant posts.

(5)	13—Other Taxes and Duties on Commodities and Services.	1,80·49	6·16	1,66·86	19·79
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Shortfall was attributed mainly to less payment of rebate to licensees.

(6)	27—Other Administrative Services	10,12·78	13·58	10,09·10	17·26
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Reasons for saving have not been intimated (March 1981).

(7)	34—Education, Art and Culture (Excluding Sports and Youth Welfare)	2,23,95·43	1,55·40	2,12,72·92	12,77·91
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Reasons for shortfall have not been intimated (March 1981).

(8)	37—Family Welfare	7,00·06	33·50	6,61·02	72·54
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Shortfall was attributed mainly to non-filling up of vacant posts, less consumption of petrol as certain vehicles remained out of order, low performance of voluntary organisations and less acceptance of vasectomy by males.

(9)	40—Urban Development	54,74·14	1,58·27	51,59·44	4,72·79
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Saving was partly attributed to non-sanctioning of loan to the Calcutta Metropolitan Development Authority for resettlement of city kept cattle and Other Urban Development purposes due to non-availability of funds from Government of India and less expenditure on scheme for integrated development of Industrial Urban Complex and Township at Haldia.

Serial number	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
<i>(In lakhs of rupees)</i>					
(10) 46—	Social Security and Welfare (Excluding Civil Supplies, Relief and Rehabilitation of Displaced persons and Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes)	46,71.35	2,48.49	41,05.82	8,14.02

Shortfall was attributed to non-filling up of posts, non-purchase of some road rollers, non-requirement of fund for payment of grant by the executive department under Rural Works Programme and less payment of unemployment assistance allowance due to placement of some unemployment assistance recipients in regular posts and non-drawal of allowance by certain Employment Exchanges in full.

(11) 52—	Agriculture	56,90.18	6,04.10	44,83.38	18,10.90
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Reasons for shortfall have not been intimated (Mach 1981).

(12) 56—	Dairy Development (Excluding Public Undertakings)	23,03.24	86.72	20,72.27	3,17.69
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Shortfall was attributed to non-finalisation of revised cost estimates of the distribution system in Mother Dairy, Dankuni, non-completion of construction work of a feeder balancing dairy at Berhampore, non-investment in share capital of West Bengal Dairy and Poultry Development Corporation Limited, non-finalisation of sites for chilling plant in Midnapore and Nadia Districts and non-procurement of vehicles under the scheme of long distance transport.

(13) 60—	Community Development (Excluding Panchayat)	12,82.03	40.42	12,45.48	76.97
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Shortfall was attributed mainly to pruning of the Plan and non-filling up of vacant posts.

(14) 63—	Village and Small Industries (Excluding Public Undertakings)	8,61.05	39.68	6,69.84	2,30.89
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Saving was attributed to non-implementation/partial implementation of various schemes, non-availability of implements required for distribution to ex-trainees and less production of Bivoltine Cocoon due to floods.

Serial number	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
(In lakhs of rupees)					
(15)	74—Compensation and Assignments to Local Bodies and Panchayati Raj Institutions (Excluding Panchayat)	28,40·12	5,77·95	23,09·32	11,08·75

Saving occurred due to release of less grants to the Calcutta Metropolitan Development Authority and the Calcutta Corporation. Reasons for payment of less grants have not been intimated (March 1981).

(ii) *Supplementary grants which proved excessive*—In the following cases, among others, the supplementary provision (exceeding Rs.5 lakhs each) proved excessive; against the supplementary provision of Rs.15,75.30 lakhs, Rs.9,19.15 lakhs were actually utilised :

(1)	6—Collection of Taxes on Income and Expenditure.	20·12	20·03	27·31	12·84
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Saving was attributed to posts remaining vacant.

(2)	21—Police	63,86·61	3,29·59	65,86·03	1,30·17
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Shortfall was attributed mainly to enrolment of less number of trainees for want of accommodation, engagement of less number of contingent menials, supply of less quantity of clothing articles and non-filling up of certain posts.

(3)	24—Stationery and Printing ..	2,57·14	61·29	2,91·30	27·13
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Reasons for shortfall have not been intimated (March 1981).

(4)	47—Relief on account of Natural Calamities	13,60·00	4,29·44	17,19·07	70·37
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Reasons for shortfall have not been intimated (March 1981).

(5)	58—Forest	8,76·30	91·45	9,27·09	40·66
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Saving was attributed to reorganisation of the Forest Divisions and Circles and non-filling up of vacant posts.

Serial number	Number and name of grant	Original grant	Supplementary grant	Expenditure	Saving
(In lakhs of rupees)					
(6)	62—Industries (Excluding Closed and Sick Industries)	11,96.98	3,36.50	14,57.88	75.60

Saving was attributed to inadequate supply of gas and non-submission of bills in time by the Durgapur Projects Limited, non-filling up of vacant posts, reduction of Plan allocation and less utilisation of foodgrains from departmental grainshops.

(7)	84—Loans and Advances ..	7,31.10	3,07.00	7,38.72	2,99.38
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Reasons for saving have not been intimated (March 1981).

(iii) *Inadequate supplementary grants/appropriations*—In the following cases, among others, the supplementary provision (exceeding Rs.5 lakhs in each case) of Rs.4,61,48.21 lakhs proved inadequate; the final uncovered excess (reasons to the extent received, indicated in paragraph 2.2) was Rs.25,54.96 lakhs :

Serial number	Number and name of grant/ appropriation	Original grant/ appropriation	Supplementary grant/ appropriation	Expenditure	Excess
(In lakhs of rupees)					
(1)	18—Secretariat-General Services (Voted)	3,66.00	39.34	4,07.12	1.78
(2)	25—Public Works (Charged) ..	31.39	9.25	53.20	12.56
(3)	28—Pensions and Other Retirement Benefits (Voted)	12,93.62	1,75.49	15,65.94	96.83
(4)	38—Public Health, Sanitation and Water Supply (Voted)	35,39.68	84.09	38,27.63	2,03.86
(5)	71—Road and Water Transport Services (Voted).	25,30.25	4,66.31	31,27.06	1,30.50
(6)	Public Debt (Charged) ..	2,40,86.69	4,53,73.73	7,15,69.85	21,09.43

2.4. Unutilised provision

(i) Rupees 1,52.48 crores remained unutilised as mentioned in paragraph 2.1(a). In 27 grants and 1 charged appropriation, the savings (more than Rs.25 lakhs in each case) were more than 10 per cent of the total provision. The details of these grants and the charged appropriation are given in Appendix IV.

Significant cases of persistent shortfall in expenditure as compared to the provision, for the years 1977-78, 1978-79 and 1979-80 are analysed below :

I—Expenditure on revenue account

Sector/Sub-sector of account	Provision*	Expenditure*	Saving	Reason
<i>(In crores of rupees)</i>				
(a) Social and Community Services				
1977-78 ..	3,31.50	3,20.25	11.25	The shortfall during 1979-80 was mainly under Education, Medical and Social Security.
1978-79 ..	4,71.68	4,30.49	41.19	
1979-80 ..	4,94.22	4,59.51	34.71	
(b) Agriculture and Allied Services				
1977-78 ..	1,19.88	1,03.01	16.87	The shortfall during 1979-80 was mainly under Agriculture and Community Development
1978-79 ..	1,53.49	1,32.05	21.44	
1979-80 ..	1,69.69	1,38.66	31.03	
(c) Grants-in-aid and Contributions				
1977-78 ..	21.66	19.98	1.68	The shortfall during 1979-80 was under Compensation and Assignments to Local Bodies and Panchayati Raj Institutions.
1978-79 ..	23.74	20.03	3.71	
1979-80 ..	35.45	24.48	10.97	

II—Expenditure on capital account

Sector/Sub-sector of account	Provision*	Expenditure*	Saving	Reason
(a) Social and Community Services				
1977-78 ..	17.60	15.80	1.80	The shortfall during 1979-80 was mainly under Medical.
1978-79 ..	18.71	17.02	1.69	
1979-80 ..	26.67	16.40	10.27	
(b) Agriculture and Allied Services				
1977-78 ...	34.98	21.25	13.73	The shortfall during 1979-80 was mainly under Agriculture, Minor Irrigation, Soil Conservation and Area Development and Food.
1978-79 ..	41.45	22.06	19.39	
1979-80 ..	50.50	22.89	27.61	
(c) Water and Power Development				
1977-78 ..	51.43	46.34	5.09	The shortfall during 1979-80 was mainly under Multipurpose River Projects and Irrigation, Navigation, Drainage and Flood Control Projects.
1978-79 ..	57.29	36.49	20.80	
1979-80 ..	71.80	56.19	15.61	

*The figures under "Provision" are gross amounts required for expenditure and the figures under "Expenditure" do not take into account recoveries which are adjusted in the accounts in reduction of expenditure. The figures shown here and those appearing in Chapter I vary to the extent of figures under "Recoveries".

III—Loans and Advances

Sector/Sub-sector of account	Provision*	Expenditure*	Saving	Reason
<i>(In crores of rupees)</i>				
(a) Social and Community Services				
1977-78 ..	30.33	29.16	1.17	The shortfall during 1979-80 was mainly under Loans for Urban Development.
1978-79 ..	32.35	29.91	2.44	
1979-80 ..	35.72	27.75	7.97	
(b) Transport and Communications				
1977-78 ..	21.31	17.82	3.49	The shortfall during 1979-80 was mainly under Loans for Roads and Bridges.
1978-79 ..	24.60	17.98	6.62	
1979-80 ..	28.09	20.10	7.99	

(ii) Some of the major schemes where the provision remained substantially/wholly unutilised during the year 1979-80 are shown below :

Sl. No.	Department, Grant No. and head/scheme	Provision	Saving (and its percentage)	Reasons for saving and remarks
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(In lakhs of rupees)

(1) Education Department—

34—Education, Art and Culture (Excluding Sports and Youth Welfare)—

Provision was mainly for construction of new schools and payment of salary of additional and part-time teachers and non-teaching staff.

277—Education—

(a) Expansion of teaching and educational facilities for children of age group 11-14.

7,17.58 4,90.41
(68)

Reasons for the saving have not been intimated (March 1981).

(b) Development and expansion of Library Services.

5,46.15 3,82.19
(69)

Provision was meant for setting up, development and maintenance of libraries in districts and sub-divisions covering also rural and hill areas. Reasons for saving have not been intimated (March 1981).

Sl. No.	Department, Grant No. and head/scheme	Provision	Saving (and its percentage)	Reasons for saving and remarks
<i>(In lakhs of rupees)</i>				
(2) Public Works (Metropolitan Development) Department—				
40—Urban Development—				
684—Loans for Urban Development—				
	Loans to the Calcutta Metropolitan Development Authority	10,50·00	10,50·00 (100)	Saving was attributed to non-availability of loans from Government of India.
(3) Development and Planning Department—				
46—Social Security and Welfare (Excluding Civil Supplies, Relief and Rehabilitation of Displaced Persons and Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes)—				
288—Social Security and Welfare—				
	(a) Rural Works Programme	18,76·00	4,57·03 (24)	The programme envisaged execution by the Gram Panchayats of schemes of minor irrigation, flood protection, drainage, afforestation, repair of rural roads, etc. Saving to the extent of Rs. 3,44·95 lakhs was attributed to non-filling up of sanctioned posts, non-execution of certain spill-over schemes and less requirement of funds by the executing departments. Reasons for the balance saving have not been intimated (March 1981).
	(b) A new scheme for social welfare	15,99·33	3,43·67 (21)	Saving mainly occurred due to non-filling up of vacant posts under Employment Assistance Scheme, non-running of a separate employment exchange, adoption of economy measures and less expenditure on payment of unemployment allowance.

Sl. No.	Department, Grant No. and head/scheme	Provision	Saving (and its percentage)	Reasons for saving and remarks
<i>(In lakhs of rupees)</i>				
(4) Department of Agriculture—				
52—Agriculture—				
305—Agriculture and 505—Capital outlay on Agriculture—				
(a) World Bank Project on Agricultural Development—				
	Improvement of Agricultural extension and research	7,95.00	7,24.23 (91)	Scheme provides for strengthening the agricultural extension service, improvement of agricultural research including improvement of Gramsevak training centres and development of commodity oriented and adaptive agricultural research stations for which World Bank's assistance would be available. Out of the total savings of Rs. 7,24.23 lakhs, Rs. 6,81.00 lakhs were stated to have occurred as most of the posts could not be filled up and construction work could not be taken up.
	(b) Integrated scheme of Land Reforms	3,00.00	2,99.31 (99)	Scheme aims at setting up of organisations starting from grampanchayat up to district level and includes a composite training programme and modernisation of the reproduction unit of the Directorate. Saving was attributed to non-implementation of the scheme during the year.
53—Minor Irrigation, Soil Conservation and Area Development—				
506—Capital Outlay on Minor Irrigation, Soil Conservation and Area Development—				
	(c) River Lift Irrigation	10,00.00	5,35.62 (53)	Provision for the scheme, which aims at creation of irrigation facilities, was made for certain backlog work in respect of old units and installation of new river lift stations.

Out of the total savings of Rs. 5,35.62 lakhs, Rs. 4,82.97 lakhs were stated to be due mainly to cut imposed by Government at post budget stage.

Sl. No.	Department, Grant No. and head/scheme	Provision	Saving (and its percentage)	Reasons for saving and remarks
(In lakhas of rupees)				
(5)	Irrigation and Waterways Department— 66—Multipurpose River Projects, Irrigation, Navigation, Drainage and Flood Control Projects—	22,08.40	10,85.98 (49)	Scheme envisages construction of the Teesta Barrage and Dhumdangi aqueduct under Phase I of the project during Fifth Plan. Reasons for the saving have not been intimated (March 1981).
	532—Capital Outlay on Multipurpose River Projects— Teesta Barrage Irrigation Scheme			
(6)	Public Undertakings Department—			
	76—Public Undertakings—			
	726—Loans for Consumers Industries—			
	(a) Loans to Durgapur Projects Limited	3,59.70	3,49.20 (97)	Saving was attributed to cut imposed by the Government and non-requirement of fund by the implementing Company.
	734—Loans for Power Projects—			
	(b) Loans to Durgapur Projects Limited	8,00.00	3,00.00 (37)	Scheme envisages installation of sixth power unit of the project. Saving was attributed to slow progress of work.

2.5. Rush of expenditure

The financial rules require Governmental expenditure to be evenly phased as far as practicable throughout the year. Contrary to it, the expenditure incurred by the Public Works (including Roads), Irrigation and Forests departments during first nine months of the financial year was 53 per cent, 52 per cent and 53 per cent respectively of the total expenditure incurred during the year ending March 1980 and the rest of the expenditure was incurred during the last quarter.

Rush of expenditure at the close of the year can lead to infructuous, nugatory or ill-planned expenditure.

2.6. Non-receipt of explanations for savings/excesses

The explanations for variations between grant/appropriation and corresponding expenditure were not received at all or were received in an incomplete form (February 1981) in respect of 648 heads (540

heads in 1978-79) that is, for 85 per cent (71 per cent in 1978-79) of the number of heads, the variations in respect of which were to be explained. Non-submission or delay in submission of information required for the Appropriation Accounts results in the Audit Report remaining incomplete in certain essential respects.

2.7. Drawal of funds in advance of requirements

The financial rules of Government enjoin that withdrawal of money from Government Accounts should be made only when it is required for immediate disbursement. Further, Government money should not be kept outside Government accounts by depositing it in Post Offices etc., in the shape of bank drafts and deposit-at-call, etc. Any amount remaining unspent is required to be refunded into treasury promptly. In 14 cases, Rs.3,13.80 lakhs were drawn in contravention of the provision above as illustrated in Appendix V.

2.8. Reconciliation of departmental figures

To ensure effective control over expenditure, all the departmental officers are required to reconcile monthly their respective departmental figures of expenditure with those booked in the Office of the Accountant General before the close of the accounts for a year. This also enables the Controlling Officers to detect, in early stages, frauds and defalcations, if any. The reconciliation is heavily in arrears in some departments, although this was periodically brought to their notice.

During 1979-80, reconciliation was not done for all the twelve months by 63 out of 185 Controlling Officers; this was not done for varying periods of less than twelve months by 41 Controlling Officers.

The above position was brought to the notice of the Finance Department for issuing necessary instructions to all the departments for immediate completion of the work. The total amount remaining unreconciled for the year 1979-80 was Rs.4,22.10 crores approximately.

The number of wanting reconciliation certificates for various years was 1,140 as shown below :—

1972-73	..	..	..	9
1973-74	..	..	..	12
1974-75	..	..	..	12
1975-76	..	..	..	12
1976-77	..	..	..	36
1977-78	..	..	..	70
1978-79	..	..	..	104
1979-80	..	..	..	885
Total	..	..	..	<u>1,140</u>

CHAPTER III

CIVIL DEPARTMENTS

DEVELOPMENT AND PLANNING | RELIEF AND WELFARE |
PANCHAYAT AND COMMUNITY DEVELOPMENT
DEPARTMENTS

3.1. Food for Work Programme

3.1.1. *Introductory*

3.1.1.1. Government of India started Food for Work Programme in April 1977 as a non-Plan scheme with a view to giving employment to a large number of unemployed and under-employed persons (both men and women) in the rural areas for the purpose of improving their income and nutritional level, creating durable community assets and strengthening the rural infrastructure, and utilising surplus foodgrains for development of human resources. The Programme, however, was later liberalised (December 1977) to include all on-going Plan and non-Plan schemes and new items of Public and Community Works. Under the Programme, foodgrains, viz., wheat, rice, milo, etc., to be made available by Government of India, free of cost, were to be utilised for payment of a part or whole of the wages to workers engaged on implementation of schemes under the Programme. The cash component of the wages and cost of materials needed to make the works durable were to be borne by the State Government. Initially, the schemes were taken up under two nomenclatures viz., Rural Works Programme (RWP) and Food for Work Programme (FWP). Two other programmes under new nomenclatures, viz., Composite Rural Restoration Programme (CRRP) including subsidy for houses damaged by floods and Special Food for Work Programme under the nomenclature of Drought Relief Works Programme (DRWP) were introduced from November 1978 and September 1979 respectively.

3.1.1.2. According to the progress reports submitted to the Government of India by the State Government, the expenditure on the scheme during the last three years was as indicated below :—

Year		Value of foodgrains consumed	Cash component	Total
(1)		(2)	(3)	(4)
<i>(In lakhs of rupees)</i>				
1977-78	.. ..	5,17.03	5,27.32	10,44.35
1978-79	.. ..	15,16.27	37,46.01	52,62.28
1979-80	.. ..	24,84.47	15,25.95	40,10.42

3.1.2.1. *Organisation*

At State level, overall control was exercised by the Development and Planning Department being the 'nodal' department. Allocation of foodgrains received by the nodal department from Government of India was sub-divided among four departments for implementation of schemes under the programme. The schemes under RWP were controlled by Development and Planning and those under FWP by Relief and Welfare, Irrigation and Waterways and Forest Departments and implemented through Block Development Officers (BDOs) up to October 1978. The schemes under CRRP and DRWP were controlled by Relief and Welfare Department. From November 1978, the Gram Panchayats were entrusted with the implementation of the schemes both under RWP and FWP along with the schemes under CRRP (from November 1978) and DRWP (from September 1979). The administrative control at the district level was to be exercised by the District Magistrate/Executive Officer, Zilla Parishad while the technical officers of the Panchayat Samities and Zilla Parishads were to be consulted for technical vetting and supervision.

Allotment of funds for cash components and foodgrains was to be made by the concerned departments to the District Magistrates for implementation through block agency up to October 1978. From November 1978, funds for implementing schemes under RWP were placed as grants direct to the Gram Panchayats by Government while grants for execution of schemes under other programmes were to be routed through Zilla Parishads and Panchayat Samities.

In order that authorities both at the Central and the State levels might keep a close watch over the trends in implementation of the schemes and to evolve corrective steps for removal of the constraints, steering committees were to be set up both at the State and the district levels and periodical reports and returns were to be obtained from the field offices. Surprise checks were also to be exercised by the State as well as the district authorities. The monitoring of works of various departments were to be done by the heads of the implementing departments.

3.1.2.2. *Examination in Audit*

Expenditure and foodgrains utilised on these programmes undertaken by the State Government during 1977-78 and 1979-80 were examined (between January and April 1980) with reference to records maintained in the concerned departments and field offices in Bankura, Cooch Behar, Hooghly and Murshidabad districts in particular and generally in other districts. Comments made in this review on the portion of expenditure incurred by the Block Agency are on the basis of detailed examination of records available with the

Block Development Officers while those on the portion of funds and foodgrains utilised and accounts maintained by the Gram Panchayats are on the basis of reports and returns submitted by and records made available at Panchayat Samities and Zilla Parishads.

3.1.3. Allocation, lifting and consumption of foodgrains

3.1.3.1. According to information furnished by the State Government to Audit (May 1980), quantities of foodgrains allocated by the Government of India, quantities drawn from the Food Corporation of India, (FCI) and consumed by the field officers during the last three years were as indicated below :

Year				Quantity allocated by Government of India	Quantity drawn from the FCI	Quantity actually consumed by the field officers
(1)				(2)	(3)	(4)
(In tonnes)						
1977-78	..	..	..	51,200	46,843	44,959
1978-79	..	..	..	1,50,000	1,42,348	1,26,356
1979-80	..	..	..	2,15,000	1,84,794	1,49,597

Of 4.16 lakh tonnes of foodgrains allocated by Government of India between 1977-78 and March 1980, 3.74 lakh tonnes were drawn from the FCI and 3.21 lakh tonnes were actually utilised leaving 0.42 lakh tonnes undrawn and 0.53 lakh tonnes drawn but unutilised (March 1980). Actual consumption declined from 96 per cent of quantity drawn from FCI in 1977-78 to 81 per cent in 1979-80. Foodgrains actually consumed per manday of employment on an average were 2.1 kg. in 1977-78 and 2.4 kg. in 1978-79 against the rate of 2 kg. sanctioned by State Government. The basis on which the quantity of foodgrains shown to have been consumed in the quarterly progress reports submitted to the Government of India had been computed was not made available (March 1981).

3.1.3.2. On receipt of allocation from Government of India, the Departments concerned allotted foodgrains to the District Magistrates who in turn further allotted the same to the BDOs (up to October 1978) and to the Gram Panchayats (from November 1978) through the BDOs. A test check of records in four districts showed that the foodgrains remaining unutilised at Block level and Gram Panchayat level were as below :—

Year	At Block level				At Gram Panchayat level			
	Quantity of food-grains available	Quantity of food-grains remaining unutilised	Value	Percentage of unutilised quantity to total quantity available	Quantity of food-grains available	Quantity of food grains remaining unutilised	Value	Percentage of unutilised quantity to total quantity available
	(In tonnes)		(In lakhs of rupees)		(In tonnes)		(In lakhs of rupees)	
1977-78	15,876	8,789	1,01.07	55	—	—	—	—
1978-79	22,616	4,898	59.79	21	31,064	15,506	1,86.07	50
1979-80	4,708	2,124	25.49	45	64,764	28,736	3,45.07	44

Thus, it would appear that foodgrains had been allotted in excess of the requirements.

3.1.3.3. In accordance with the orders issued by State Government, 1,02,031 tonnes of foodgrains (27,349 tonnes in 1977-78, 50,072 tonnes in 1978-79 and 24,610 tonnes in 1979-80) valued at Rs.12,10.70 lakhs were utilised for 'relief works' (under FWP) for employment of people in distress caused by natural calamities like flood, drought, etc., though such utilisation of foodgrains was not within the ambit of the Food for Work Programme. Further, 18,750 tonnes of foodgrains (value : Rs.2,25.00 lakhs) were issued to meet the wages of labourers employed for the purpose of reconstruction of private houses (under CRRP) damaged in floods of September-October 1978, although this was not permissible as per the guide lines of the Government of India.

3.1.4. Generation of employment

3.1.4.1. The estimated mandays of employment to be generated and the mandays of employment actually generated as shown in the

quarterly progress reports submitted to Government of India as on 31st March 1978, 1979 and 1980 were as below :—

Year	†Mandays of employment to be generated out of quantity of foodgrains allocated as per col. (2) of the table in sub-paragraph 3.1.3.1	†Mandays of employment to be generated out of quantity of foodgrains consumed as per col. (4) of the table in sub-paragraph 3.1.3.1	*Mandays of employment stated to have been generated	Shortfall in generation of employment	
				With reference to col. 2 (Col. 2 minus col. 4)	With reference to col. 3 (Col. 3 minus col. 4)
(1)	(2)	(3)	(4)	(5)	(6)
(In lakhs)					
1977-78	2,56.00	2,24.79	2,18.43	37.57	6.36
1978-79	7,50.00	6,31.78	5,33.44	2,16.56	98.34
1979-80	8,30.00	5,41.28	5,32.50	2,97.50	8.84
Total	18,36.00	13,97.85	12,84.37	5,51.63	1,13.48

Thus, there was a shortfall (with reference to the foodgrains allocated by Government of India) in generation of 5,51.63 lakh mandays of employment during 1977-78 to 1979-80. The mandays of employment generated during that period also fell short of the mandays estimated on the basis of quantity of foodgrains consumed by 1,13.48 lakh of mandays.

3.1.4.2. A test-check of records of four districts revealed the following points in this connection :—

- (i) According to the District Magistrates, allotment of foodgrains for implementation of schemes under RWP in 1978-79 fell short by 4,501 tonnes (Hooghly : 1,996 tonnes and Murshidabad : 2,505 tonnes), the estimated requirement being 11,527 tonnes. Although this shortfall was made good between April and June 1979 and 7,492 tonnes of foodgrains were allotted to these districts for schemes to be implemented in 1979-80, 8,504 tonnes (Hooghly : 4,370 tonnes and

†Mandays of employment to be created have been calculated at the rate of 2 kg. of wheat per labourer per day during 1977-78 and 1978-79 and 3 kg. of wheat or 2½ kg. of rice per labourer per day during 1979-80 as fixed by State Government.

*The basis on which the mandays of employment generated shown in the progress report furnished to Government of India were arrived at was not made available (March 1981),

Murshidabad : 4,134 tonnes) remained unutilised (April 1980). Thus, whereas non-availability of foodgrains (4,501 tonnes) in 1978-79 was the cause for non-generation of 15 lakh mandays, non-utilisation of allotted foodgrains (8,504 tonnes) in 1979-80 resulted in non-generation of 28.35 lakh mandays (April 1980).

- (ii) In Chinsurah-Magra Panchayat Samity of Hooghly district, 5,733 mandays of employment were generated by utilisation of 31 tonnes of foodgrains against the targeted 10,466 mandays while in 2 Gram Panchayats of Balagarh Panchayat Samity, mandays generated fell short by 5,766 against the estimated 9,041 mandays to be generated by utilisation of 27 tonnes of foodgrains.
- (iii) In three districts, 11 schemes (sanctioned in 1977-78) estimated to involve distribution of 216 tonnes of foodgrains were not taken up for implementation, leading to non-generation of 1.08 lakh mandays of employment.

3.1.5. *Additionality and accounts*

3.1.5.1. According to guidelines and the accounting procedure issued by Government of India, the State Government is required to show clearly that expenditure (including cost of foodgrains) on existing Plan and Non-Plan schemes (new items of capital works and the maintenance of public works) had been augmented to the extent of additional resources made available in the form of foodgrains and any shortfall in total expenditure, from the sum total of budgetary provision and the cost of foodgrains released by the FCI was to be recovered from the State Government; this condition of additionality was, however, not applicable to 76,040 tonnes of foodgrains allocated for distribution under DRWP. According to progress reports furnished to the Government of India, the total budget estimates, cost of foodgrains drawn from the FCI, and expenditure (including cost

of foodgrains consumed) against that, during 1977-78 and 1978-79 were as under :—

Year	Budget estimate	Foodgrains drawn from FCI		Total	Cash expenditure	Foodgrains consumed		Total expenditure
		Quantity	Value			Quantity	Value	
	(In lakhs of rupees)	(In tonnes)	(In lakhs of rupees)	(In lakhs of rupees)	(In lakhs of rupees)	(In tonnes)	(In lakhs of rupees)	(In lakhs of rupees)
1977-78	6,63.71	46,843	5,38.69	1,20,2.40	5,27.32	44,959	5,17.03	1,04,4.35
1978-79	39,05.50	1,42,348	17,08.18	56,13.68	37,46.01	1,26,356	15,16.27	52,62.28
Total	45,69.21	1,89,191	22,46.87	68,16.08	42,73.33	1,71,315	20,33.30	63,06.63

Thus, additionality achieved by State Government fell short by Rs.5,09.45 lakhs—Rs.2,13.57 lakhs being the cost of foodgrains released by the FCI but not utilised and Rs.2,95.88 lakhs being the budgetary provision remaining unutilised. As per progress report for the quarter ending March 1980, additionality over the budget estimates of Rs.13,76.83 lakhs was shown as Rs.13,08.01 lakhs which equalled the value of 1,04,562 tonnes of foodgrains consumed instead of value of foodgrains released by the FCI during 1979-80. The extent of shortfall in additionality during 1979-80 with reference to the foodgrains released by the FCI could not be ascertained as the cost of foodgrains released under Food for Work Programme has not been intimated by State Government (March 1981).

3.1.5.2. An examination of the progress reports and explanatory notes appended thereto as submitted to the Government of India showed the following points :—

- (a) The budget estimates and actuals thereagainst for programmes other than DRWP as shown in the Civil Budget Estimates were Rs.12,94.90 lakhs and Rs.9,28.74 lakhs respectively in 1977-78 and Rs.58,01 lakhs and Rs.43,43.59 lakhs respectively in 1978-79 (detailed in Appendix VI). The basis on which the budget provision and expenditure against that were shown in the progress reports as on 31st March each year while calculating additionality was not stated (September 1980).
- (b) Foodgrains actually consumed were shown as additionality received from Government of India instead of foodgrains actually released by the FCI contrary to the provision of the accounting procedure issued by Government of India.
- (c) The State Government reported (May 1979) to the Government of India that in 1977-78 "there was non-utilisation of full budgeted outlay and therefore gave rise to shortfall in expenditure and consequently in additionality". However, in the explanatory notes appended to progress reports furnished by the Development and Planning Department for 1978-79 to Government of India, State Government stated that the

Gram Panchayats could not utilise the total budget provision of Rs.39,05.50 lakhs allotted due to the failure of the F.C.I. to make the requisite quantity of foodgrains available and that Rs.19,07.93 lakhs remained unspent with the Gram Panchayats in March 1979.

- (d) According to the accounting procedure issued (October 1979) by Government of India the value of foodgrains was to be adjusted under the prescribed heads in the books of accounts of the State Government. The adjustment had not, however, been done up to February 1981 for want of department-wise accounts of foodgrains from the nodal department.

3.1.6. *Planning, selection, estimates and sanction of schemes implemented through blocks*

3.1.6.1. An analysis of the expenditure incurred during 1977-78 to 1979-80 under the programme on various schemes, as per the progress report sent by the State Government to the Government of India revealed the following position :—

	DRW Programme (In lakhs of rupees)	Other Programmes
(i) Roads schem	1,73.65 (13 per cent)	45,48.37 (51 per cent)
(ii) School buildings, and houses damaged by floods ..	14.58* (1 per cent)	24,87.19 (28 per cent)
(iii) Irrigation works	10,48.53 (79 per cent)	10,24.29 (11 per cent)
(iv) Flood Protection, anti-water logging, drainage, etc. ..	54.35 (4 per cent)	7,15.43 (8 per cent)
(v) Others	34.47 (3 per cent)	2,16.19 (2 per cent)
Total	13,25.58	89,91.47
	(Includes cost of foodgrains worth Rs. 5,61.44 lakhs)	(Includes cost of foodgrains worth Rs. 39,56.33 lakhs)

*Although as per orders issued by the State Government (September 1979), works to be selected under DRWP would be such as would be able to facilitate irrigation and promote agriculture, Rs. 14.58 lakhs were spent by either the B.D.Os or the Gram Panchayats for construction and repair of school buildings.

3.1.6.2. A test-check of records of 4 districts revealed that 7,073 schemes implemented under FWP at a cost of Rs.88.25 lakhs and 19,514 tonnes of foodgrains (value : Rs.2,24.41 lakhs) were not drawn up in advance by the concerned BDOs and schemes were not kept ready for implementation at short notice, contrary to the provisions of the Manual.

3.1.6.3. A test-check of records of the districts revealed that though the ratio of wage-material was fixed at 60 : 40 by Government the prescribed ratio had not been adhered to during preparation of the estimates of the schemes under RWP executed between 1977-78 and 1979-80. Some instances are given below :

District	Name of the scheme	Estimated cost		Actual cost		Ratio of wage-material
		Wage cost	Material cost	Wage cost	Material cost	
<i>(In lakhs of rupees)</i>						
Cooch Behar	.. (i) Six schemes on Road and Road-cum-Bundhs	1.35	0.60	1.57	0.54	74:26
	(ii) Three schemes on construction of Earthen Road	1.86	0.13	1.82	0.13	93:7
Hooghly	.. Reconstruction of Road	0.45	Nil	0.45	Nil	100:0
Murshidabad	.. Reconstruction of Road	1.94	0.54	1.77	0.76	70:30

Works like topsoling, spreading of moorum, providing culverts and setting up of hume pipes on the road required to make these works durable were either not provided in the estimates or not executed when provided for in the estimates.

3.1.6.4. Out of 2,650 schemes implemented at a total cost of Rs.32.95 lakhs and 6,344 tonnes of foodgrains (value : Rs.76.13 lakhs) in 4 districts, 1,993 schemes were implemented at a total cost of Rs.17.25 lakhs and 3,448 tonnes of foodgrains (value : Rs.41.37 lakhs) in Cooch Behar (363) and Hooghly (1,630) districts between 1977-78 and 1978-79 without sanctions while in Murshidabad district all 1,668 schemes executed at a cost of Rs.10.81 lakhs and 2,164 tonnes of foodgrains (value : Rs.25.46 lakhs) were sanctioned by the respective sub-divisional officers, who were not authorised to do so.

3.1.6.5. According to Audit Reports of the Extension Officers, Panchayats, though the Panchayats executed several programmes at a cost of Rs.80.00 lakhs and 6,659 tonnes of foodgrains (value : Rs.79.81 lakhs) they had not taken advice of technical personnel available at Panchayat Samities level during preparation of estimates of the schemes nor were the details of the schemes sanctioned sent to the concerned authorities.

3.1.7. Execution of works and their durability

3.1.7.1. Total number of works sanctioned, implemented, completed, abandoned or in progress at block level, total expenditure on those schemes against the estimated cost under different programmes in four districts are given in Appendix VII. Total number of schemes taken up, completed and abandoned, estimated cost thereof and actual expenditure against that for the Programmes implemented at Gram Panchayat level in these districts were not furnished (April 1980).

3.1.7.2. Of 7,429 schemes mainly on the repair of kutchra roads, levelling of grounds, etc., taken up under RWP and FWP by the Block Development Officers, 2,907 schemes (RWP-14 and FWP-2,893) were either suspended or abandoned between 1978-79 and 1979-80 after spending Rs.48.56 lakhs and 9,181 tonnes of foodgrains valuing Rs.1,10.08 lakhs. Thus, the entire expenditure incurred on these schemes proved largely unfruitful. The reasons for delay in taking up the schemes for execution or abandonment or delay in completion, as stated by the respective B.D.Os (January-April 1980), were (i) non-availability of materials, labour, etc., (ii) increase in cost of materials, (iii) non-availability of land for earthwork, (iv) reluctance of labourers to work at low rates of wages, and (v) intervention of monsoon, etc.

3.1.7.3. In four districts, 6,507 schemes on repair of kutchra roads, clearing of jungles, levelling of grounds, etc., although completed at a cost of Rs.89.90 lakhs and 12,377 tonnes of foodgrains (value : Rs.1,42.74 lakhs) detailed below did not result in durable community assets as works needed to make these durable were not done.

	Number of schemes completed	Cash (In lakhs of rupees)	Cost of completion	
			Foodgrains (In tonnes)	Value (In lakhs of rupees)
RWP Block	64	19.95	1,074	12.35
Gram Panchayat	1,469	21.40	..	..
FWP Block	4,180	43.24	10,504	1,20.80
Gram Panchayat	794	5.31	799	9.59
Total ..	6,507	89.90	12,377	1,42.74

3.1.7.4. In Arambagh block of Hooghly district, the work of improvement of a 4.1 KM long village road taken up in February 1978, was suspended in June 1978 due to scarcity of labourers and onset of early monsoon after incurring an expenditure of Rs.0.89 lakh and 44 tonnes of foodgrains (value : Rs.0.51 lakh). The road was reported to have been damaged in floods of September 1978 for the repair of which the BDO had indented (October 1978) additional funds of Rs.0.26 lakh which, however, was not made available and the work was not taken up again (March 1980).

3.1.7.5. In Raghunathganj II block of Murshidabad district, construction of a 3 KM long road (estimated cost : Rs.1.69 lakhs and 15 tonnes of foodgrains valuing Rs.0.17 lakh) taken up for implementation in April 1978 was to be completed by January 1979. The work was left suspended (June 1979) due, as attributed by the B.D.O., to non-availability of materials after incurring an expenditure of Rs.0.95 lakh and 12 tonnes of foodgrains (value : Rs.0.14 lakh). The work was not resumed (March 1980). The utilisation of materials (brickbats, hume pipes and stonechips) valuing Rs.0.68 lakh (included in Rs.0.95 lakh) could not be checked in audit in the absence of entries in the measurement books.

3.1.7.6. A test check in audit revealed several cases in which there was no proper evidence of work done, *vide* instances below :—

(i) In Bankura I block, measurements of works for re-excavation of 2 tanks and development of one road during May 1978 to July 1979 at a cost of Rs.0.47 lakh and 35 tonnes of foodgrains. (cost : Rs.0.42 lakh) were not recorded in measurement book. In Raipur II block also, measurement book was not maintained for construction of 8 irrigation wells (April 1978) at a cost of Rs.0.55 lakh and 12 tonnes of goodgrains valuing Rs.0.14 lakh (not completed till March 1980).

(ii) In Bankura and Hooghly districts, measurements of 2,243 works executed at a cost of Rs. 28.55 lakhs and 5,701 tonnes of foodgrains (value : Rs.65.56 lakhs) were not taken at all.

3.1.7.7. As noticed during test-check in four districts no records were maintained to show that 259 schemes (roads, irrigation works, flood protection works, etc.) completed (between 1977-78 and 1979-80) at block level at a cost of Rs.1,09.96 lakhs (including cost of foodgrains) were handed over to the concerned authorities for maintenance. As for maintenance of assets created through Gram Panchayat Agency, the authority responsible for maintenance had not been indicated in the Government Notifications and Booklets issued from time to time. Information on actual maintenance of assets created in these districts, if any, was not available.

3.1.8. Utilisation and completion certificates

3.1.8.1. It was stated in State Government orders (August 1978 and October 1978) that the Gram Panchayats receiving grants in cash and foodgrains for execution of RWP, CRRP and DRWP were required to furnish utilisation and completion certificates in quadruplicate to the concerned Executive Officers, Panchayat Samities who in turn, after recording a certificate of acceptance and comments, were to forward a copy to the Zilla Parishad and another to Government, while for the funds received for implementation of FWP, the Gram Panchayats were to furnish completion certificates after completion of schemes in triplicate to Panchayat Samities who in turn would furnish the same to the Zilla Parishad and State Government.

According to the progress reports furnished by the District Magistrates and Executive Officers. Zilla Parishads of four districts, utilisation certificates have not been received (March 1980) for Rs.5,04.51 lakhs (35 per cent) and 28,736 tonnes of foodgrains valuing Rs.3,44.83 lakhs (36 per cent) against Rs.14,25.67 lakhs and 80,322 tonnes of foodgrains received by the Gram Panchayats during 1978-79 and 1979-80. On test check of records of the Panchayat Samities of these districts, it was noticed that utilisation certificates were not submitted regularly by the Gram Panchayats to the prescribed authorities as indicated in the table below :—

Name of district	Year	Utilisation certificates			
		Receivable		Received	
		Cash (In lakhs of rupees)	Kind (In tonnes)	Cash (In lakhs of rupees)	Kind (In tonnes)
Bankura	1978-79	1,01.00	6,325	65.27	4,802
	1979-80	57.00	3,250	20.45	1,702
Murshidabad ..	1978-79	3,21.52	7,872	0.35	26

Completion certificates were not furnished in Bankura district while in Murshidabad district, of 251 Gram Panchayats, completion certificates were furnished by 6 Gram Panchayats for Rs.1.54 lakhs and 131 tonnes of foodgrains against Rs.3,31.90 lakhs and 9,949 tonnes of foodgrains paid in 1978-79.

3.1.8.2. In Murshidabad district, records in support of utilisation of grants of Rs.4.55 lakhs and 224 tonnes of foodgrains (cost : Rs.2.69 lakhs) paid (1978-79 and 1979-80) to one Gram Panchayat by Executive Officer, Panchayat Samity, Bharatpur I were stated to have been destroyed by some miscreants on 5th October 1979. The matter was reported to police on the same date by the Pradhan. No departmental investigation was, however, done.

Results of police case were awaited (April 1980). In the Panchayat Samity, Suti I, of grants of Rs.1.10 lakhs and 68 tonnes of foodgrains, Rs.0.71 lakh and 49 tonnes of foodgrains (cost : 0.59 lakh) were stated to have been given (1978-79 and 1979-80) to one Gram Panchayat and the balance of Rs.0.39 lakh and 19 tonnes of foodgrains (cost : Rs.0.23 lakh) remained undistributed with the Samity (April 1980). The Pradhan of the Gram Panchayat furnished utilisation certificates for Rs.0.46 lakh and 41 tonnes of foodgrains (cost : Rs.0.49 lakh) to the Samity (April 1980).

Although the Pradhan was removed from service on 28th July 1979, he kept the office under lock and key but steps were not taken to realise the balance of Rs.0.25 lakh and 8 tonnes of foodgrains (cost : Rs.0.10 lakh) remaining with him. Thus, Rs.0.64 lakh and 27 tonnes of foodgrains (cost : Rs.0.33 lakh) remained unutilised for about 1-2 years due to non-functioning of the Panchayat (April 1980).

One Gram Panchayat under Khanakul II Panchayat Samity did not furnish any utilisation and completion certificates for grants-in-aid of Rs.2.94 lakhs and 131 tonnes of foodgrains (value : Rs.1.57 lakhs) paid during 1978-79 and 1979-80 up to April 1980 nor the records were produced to the Extension Officer, Panchayat for Audit. A Deputy Magistrate under sub-division office, Arambagh made an enquiry and reported (October 1979) irregularities in the functioning of the Gram Panchayat.

As reported by the B.D.O. (December 1979), 23 tonnes of foodgrains (of 58 tonnes) valuing Rs.0.28 lakh approximately remaining with two dealers had become unfit for human consumption and the muster rolls, tokens, etc. for 35 tonnes of foodgrains (cost : Rs.0.42 lakh) stated to have been distributed were not available. The matter was, however, not reported to Police (April 1980).

3.1.8.3. In Khanakul II Panchayat Samity, Rs.23.91 lakhs were paid (1978-79) as grants-in-aid by the concerned Gram Panchayats under this Samity to the beneficiaries for reconstruction of 9,921 houses (damaged in floods of September-October 1978) under CRRP against Rs.19.99 lakhs admissible. Distribution of 233 tonnes of foodgrains (value : Rs.2.80 lakhs) as wage component fell short of the requirement of 618 tonnes according to the scale prescribed. The payment of grants of Rs. 3.92 lakhs in excess of the scale was not regularised by obtaining the sanction of the Government; the certificates in support of utilisation of the funds (Rs.23.91 lakhs and 233 tonnes of foodgrains valuing Rs.2.80 lakhs) and completion of the construction of the houses were not furnished (January 1980).

3.1.9. *Monitoring the Programme and submission of reports and returns*

3.1.9. (i) Although Steering Committees were to be set up both at the State and district levels to study the trend of execution, no Steering Committees were set up in Bankura, Cooch Behar, Hooghly and Murshidabad districts, records of which were test checked, while the State level Committee having been constituted in June 1978 met once only on 15th December 1978 (October 1981).

(ii) In Murshidabad district, reports from all 26 Panchayat Samities were not received in respect of any month during 1978-79 while such reports for the period from April 1979 to August 1979 were received from 22 Panchayat Samities. Fortnightly progress reports in respect of schemes under FWP were also not submitted regularly to the District Magistrates by the Block Development Officers. According to a statement furnished by the Development and Planning Department (May 1980), monthly reports were submitted by 202 (June 1979) and 54 (October 1979) Panchayat Samities (out of 334) up to May 1980. As a result, consolidated position of execution of schemes and expenditure as shown by State Government in quarterly progress reports submitted to the Government of India for 1977-78 to 1979-80 could not be checked in audit.

(iii) On examination of the returns and reports, furnished by the different authorities, viz: B.D.Os|Executive Officers, Panchayat Samities, District Magistrates or Executive Officers, Zilla Pafishads wide variations in the information were noticed. A few illustrations are given below :

- (a) According to monthly reports submitted by the B.D.Os to Sub-divisional Officer, Sadar (North), Bankura, 6,672 tonnes of wheat were consumed between October 1977 and October 1978 but Sub-divisional Officer in turn showed consumption as 5,652 tonnes in his reports to the District Magistrate, Bankura. The Sub-divisional Officer, Sadar (South), Bankura reported to the District Magistrate 2,086 tonnes of wheat as utilised between October 1977 and June 1978 but the quantity utilised was 536 tonnes as per monthly reports of B.D.Os to the Sub-divisional Officer.

The District Magistrate, Bankura reported (November-December 1978) to State Government that 4,178 tonnes of foodgrains were utilised between July 1978 and October 1978 while the reports of the Sub-divisional Officers to the District Magistrate showed the consumption as 2,779 tonnes. The District Magistrate, Bankura stated (April 1980) that steps were being taken to reconcile these discrepancies.

(b) As reported (September 1979) by the B.D.O., Chinsurah-Mogra to District Magistrate, Hooghly, expenditure incurred on two road schemes was Rs. 0.43 lakh and 33 tonnes of foodgrains (value : 0.40 lakh) but according to information made available to Audit by the District Magistrate, the expenditure was Rs.0.98 lakh and 29 tonnes of foodgrains. According to the report of the District Magistrate (December 1979), 5 schemes were completed at a cost of Rs.0.63 lakh which was shown as Rs.0.61 lakh in the report furnished to Audit (April 1980) by the B.D.Os, Haripal and Jangipara.

3.1.10. *Summing up*

(a) Generation of employment fell short to the extent of 5,51.63 lakh mandays as against 18,36.00 lakh mandays of employment to be generated due to non-utilisation of foodgrains allocated by Government of India.

(b) Requirements of foodgrains were not assessed in advance at any level resulting in (placement of funds on *ad hoc* basis and consequent) accumulation of 30,860 tonnes of foodgrains in four districts on 31st March 1980.

(c) Foodgrains valuing Rs.12,10.70 lakhs utilised for labour-oriented small relief schemes and those valuing Rs.2,25.00 lakhs utilised for reconstruction of houses damaged in floods were not in conformity with the guideline.

(d) Additionality achieved by State Government fell short by Rs.5,09.45 lakhs (value of foodgrains drawn but not utilised and budget provision remaining unutilised)—the basis of calculation of which could not be checked in Audit.

(e) The plans of a large number of schemes were not drawn up in advance and kept ready for implementation at short notice resulting in execution of 7,073 schemes at a cost of Rs.88.25 lakhs and 19,514 tonnes of foodgrains (value : Rs.2,24.41 lakhs)—contrary to the provisions of the Manual.

(f) Petty schemes (2,907) taken up for providing employment to distressed persons were abandoned resulting in unfruitful expenditure of Rs.48.56 lakhs and 9,181 tonnes of foodgrains (value : Rs.1,10.08 lakhs).

(g) Rupees 14.58 lakhs (including cost of foodgrains) were spent on construction of school building and houses damaged by floods contrary to State Government orders.

(h) Utilisation certificates for Rs.5,04.51 lakhs of grants paid and 28,736 tonnes of foodgrains (value : Rs.3,44.83 lakhs) issued to the Gram anchayats of four districts between 1978-79 and 1979-80 were not obtained.

(i) Reports and returns were not obtained from the field offices regularly and consolidated to keep a watch over the progress of the programmes. Steering Committees were not set up in Bankura, Cooch Behar, Hooghly and Murshidabad districts to study the trend of execution.

The matter was reported to State Government in June 1980; their reply is awaited (March 1981).

ANIMAL HUSBANDRY AND VETERINARY SERVICES DEPARTMENT

3.2. Special Animal Husbandry Programme

3.2.1. Introduction

3.2.1.1. For assisting the small/marginal farmers and agricultural labourers in supplementing their income by increasing the production of milk, poultry and piggery products, the Government of India decided (March 1975) to implement a centrally sponsored scheme for rearing crossbred heifers and two central sector schemes for establishing poultry and the pig farms in the State during the Fifth Plan period. The schemes were designed to provide the beneficiaries with Government subsidy and bank loan for obtaining concentrated feed for the crossbred female calves and meeting the capital and working expenses for the establishment of poultry farms of 50/100 layer units and pig farms for rearing 10 fattener pigs per lot. In March 1980, the Government of India accorded sanction to the continuance of all the three schemes as centrally sponsored schemes during 1979-80 and the Sixth Plan Period.

3.2.1.2. The pattern of financial assistance to the beneficiaries as provided in the schemes is given below :

Beneficiaries	Schemes					
	Heifer rearing		Poultry production		Pig production	
	Subsidy	Bank loan	Subsidy	Bank loan	Subsidy	Bank loan
	(Percent of expenditure)					
Small farmers ..	50	50	25	75	25	75
Marginal farmers ..	50	50	33½	66½	33½	66½
Agricultural labourers ..	66½	33½	33½	66½	33½	66½

According to Government orders, admissible amounts of subsidies for the selected beneficiaries were to be drawn by the Chairman, Small Farmers Development Agencies of the respective districts where they existed and the Director/Additional Director of Animal Husbandry in respect of other districts and released to the Deputy Director (district project authorities) for implementation of the scheme. Such amounts were to be remitted by the district project authorities to the banks participating in the schemes against the matching loans (not guaranteed by Government) sanctioned by the banks and subsidy and loan were to be given to the beneficiaries in kind through the banks. The district project authorities were required to procure and supply the chicks (for the poultry scheme) while the pigs were to be procured from the West Bengal Livestock Processing

Corporation Limited (for the piggery scheme). The feed required for the heifers, poultry birds and the pigs was to be obtained from the West Bengal Dairy and Poultry Development Corporation (DAIRPOUL) by the beneficiaries on the basis of delivery orders issued by the banks. The repayment of loans with interest (at the rate prescribed by the banks) was to be made by the beneficiaries after a fixed period. The programmes also envisaged health cover for poultry production and pig farm schemes by way of supply of vaccines, medicines, etc., free of cost.

3.2.1.3. As per the Government of India guidelines, special project cells at State headquarters and at district levels were to be set up for organisational link up, co-ordination and implementation of the schemes in close liaison with SFDA, MFAL, etc., wherever these existed.

3.2.2. *Implementation of the schemes*

3.2.2.1. Area of operation : In West Bengal, the schemes were started in 1977-78 in the following eight districts, selected by the Government of India :—

Schemes	Districts
Heifer rearing	Darjeeling, West Dinajpur, Malda, Murshidabad, Burdwan, Hooghly and Nadia.
Poultry production	Hooghly, Nadia and 24-Parganas
Pig farms	24-Parganas

3.2.2.2. Of Rs.2,05.32 lakhs drawn by the Chairman, Small Farmers Development Agencies the Director|Additional Director of Animal Husbandry in respect of Burdwan district in 1976-77 (Rs.55.93 lakhs), 1977-78 (Rs.48.42 lakhs), 1978-79 (Rs.61.96 lakhs) and 1979-80 (Rs.39.01 lakhs) for implementation of schemes in the districts, Rs.1,82.09 lakhs were released to the District Project authorities who spent Rs.57.36 lakhs up to 1979-80 for heifer rearing (Rs.11.09 lakhs) and poultry and pig production schemes (Rs.46.27 lakhs). The balance of Rs.1,47.96 lakhs (heifer rearing : Rs.78.42 lakhs; poultry : Rs.66.73 lakhs and pig production : Rs.2.81 lakhs) was remaining with different drawing officers (Rs.23.23 lakhs) and the District Project officers (Rs.1,24.73 lakhs) as on 31st March 1980. Government stated (December 1980) that as the process of implementation of the programme was a new one, funds were drawn in advance so that there might not be any interruption in the flow of services and inputs to beneficiaries. During 1976-77 to 1979-80, the Additional Director and the Deputy Directors of Animal Husbandry (SAHP), West Bengal also spent Rs.22.30 lakhs on pay and allowances for the project staff.

In the statements of expenditure on the schemes, forwarded to the Government of India by the State Government at the end of each financial year for the purpose of release of central assistance, a total amount of Rs.2,25.07 lakhs was shown as expenditure during the period 1976-77 to 1979-80 against which central assistance for Rs.1,86.98 lakhs was released. But year-wise details of actual expenditure during the above period as furnished by the Additional Director of Animal Husbandry (SAHP) and the Deputy Director of Animal Husbandry (SAHP) showed that a total expenditure of Rs.79.66 lakhs (Rs.57.36 lakhs spent on the schemes plus Rs.22.30 lakhs on establishment) had been incurred.

3.2.2.3. Targets and achievements: The targets for the establishment of different number of units for the three schemes, number of units sanctioned by the State Government and (the achievements thereagainst showing) the number of units actually enrolled and for which subsidies were released during 1976-77 to 1979-80 as furnished (July 1980) by the Additional Director of Special Animal Husbandry Programme, West Bengal are given below :

Schemes	Year	Targets fixed by the Government of India (number of units)	Number of units sanctioned by the State Government	Number of units actually enrolled	Percentage of units enrolled over the number sanctioned by the State Government
Heifer rearing	1976-77	8,000	1,704	Nil	0
	1977-78	11,500	1,704	216	12.67
	1978-79	15,500	3,065	747	24.37
	1979-80	..	2,500	605	24.20
Total ..		35,000	8,973	1,568	
Poultry production (50 layer units).	1976-77	3,000	3,000	Nil	0
	1977-78	3,000	3,000	439	14.36
	1978-79	3,000	3,000	1,227	40.90
	1979-80	..	1,000	2,621	262.10
Total ..		9,000	10,000	4,287	
Pig production	1976-77	100	100	Nil	0
	1977-78	100	100	43	43.00
	1978-79	300	300	4	1.33
	1979-80	..	..	..	..
Total ...		500	500	47	

Note : Actual operation of the schemes started in 1977-78 as stated in sub-paragraph 3.2.2.1. The pig farms scheme was not continued in 1979-80.

The number of heifer rearing units and the poultry and the pig farms actually established from among the units enrolled between 1977-78 and 1979-80 could not be furnished (July 1980) by the Department. The actual number of heifers supplied with the required quantity of feed, the number of poultry and pig farms set up in the State during the Fifth Plan and 1979-80 were not furnished (September 1980) by the Department.

3.2.3. Test check in audit

Records pertaining to the implementation of the heifer rearing scheme in three districts, namely, Darjeeling, Nadia and Burdwan and poultry and the pig production schemes in Nadia and 24-Parganas were test checked in audit. The points noticed are given in the succeeding paragraphs.

3.2.3.1. Heifer rearing scheme

(a) **Funds :** Funds allotted, amounts drawn, amounts disbursed and amounts spent for the implementation of the scheme in Darjeeling, Nadia and Burdwan between 1976-77 and 1979-80 along with the amounts lying unspent are given below :

District	Funds allotted	Funds drawn by the Chariman S.F.D.A./ Additional Director of Animal Husbandry (SAHP)	Funds disbursed to the district project officers	Balance lying with the drawing officers	Amount spent for the scheme	Amount lying unspent with the district project officers
(In lakhs of rupees)						
Darjeeling ..	34.83	35.94	35.94	..	7.14	28.80
Nadia ..	14.46	14.46	13.06	1.40	0.95	12.11
Burdwan ..	14.91	14.91	2.43	12.48	1.84	0.59
Total ..	64.20	65.31	51.43	13.88	9.93	41.50

The excess drawal of Rs.1.11 lakhs in Darjeeling has resulted as follows :—

An amount of Rs.10.27 lakhs was allotted in March 1980 to the S.F.D.A. Darjeeling, in supersession of an earlier allotment of Rs.2.57 lakhs in June 1979. Rs.2.57 lakhs had been drawn against the allotment of June 1979. However, Rs.10.27 lakhs was again drawn against the allotment of March 1980 treating it as an additional allotment and therefore without taking into account the amount already drawn against the allotment of June 1979. Thus, there was an excess of Rs.2,64,750 in 1979-80. This, together with short-drawal of Rs.1,53,327 in 1977-78 resulted in a net excess

drawal of Rs.1,11,423. The Government stated (December 1980) that the S.F.D.A., Darjeeling had been requested to refund the amount drawn in excess. Out of Rs.65.31 lakhs drawn for the scheme, Rs.55.38 lakhs remained unspent (March 1980).

(b) Out of Rs.9.93 lakhs spent in the districts for the implementation of the scheme, Rs.6.66 lakhs were found to have been deposited with the participating banks towards subsidies in respect of 936 beneficiaries against the target of 15,000 (6,007 sanctioned by the State Government) as detailed below :

District	Target number of units	Number of units sanctioned by the State Government	Amount deposited with the banks towards subsidy	Number of beneficiaries enrolled	Percentage in relation to target number	Percentage in relation to number of units sanctioned by the State Government
<i>(In lakhs of rupees)</i>						
Darjeeling ..	5,000	3,057	5.37	746	14.92	24.40
Nadia ..	5,000	1,550	0.95	139	2.79	9.00
Burdwan ..	5,000	1,400	0.34	51	1.02	3.74
Total ..	15,000	6,007	6.66	936	6.24	15.58

The enrolment of fewer beneficiaries in comparison to the target as also the number of units sanctioned by the State Government was attributed (July 1980) by the district project officers to delay in identification of farmers and sanction of loans by the banks and shortage of field level staff and officers. The district project officer, Darjeeling also stated that the progress in the district suffered further due to irregular and inadequate supply of feed by the DAIRPOUL and unremunerative price of milk. In Burdwan, the district being a multiple crop area, the eligible farmers and labourers, according to the district project officer, had to remain busy in sowing and harvesting throughout the year and were not interested in coming under the scheme on loan basis. Government also confirmed (December 1980) the reasons above and stated that the delay was due to the interactions and hazards in the entire process of implementation of the scheme.

(c) A scrutiny of the statements furnished by four participating banks (out of seven) in Darjeeling district showing utilisation of subsidy towards payment of cost of feed supplied to the beneficiaries revealed that out of Rs.1.16 lakhs (Rs.0.38 lakh in 1977-78, Rs.0.50 lakh in 1978-79, and Rs.0.28 lakh in 1979-80) remitted to the banks in favour of 166 beneficiaries, Rs.0.15 lakh was utilised by the banks towards proportionate cost of feed supplied to 36 beneficiaries leaving an unutilised amount of Rs.1.01 lakhs with them (March 1980), as according to the District Project Officer (May-June 1980), the farmers could not be properly motivated to participate in the scheme due to shortage of field staff.

The remaining three banks at Darjeeling with whom subsidy amounting to Rs.4.21 lakhs had been deposited (Rs.0.20 lakh in 1977-78, Rs.2.55 lakhs in 1978-79 and Rs.1.46 lakhs in 1979-80) in favour of 580 beneficiaries did not submit monthly statements of utilisation of subsidy for any month. Government stated (December 1980) that the matter had already been taken up with the banks for regular submission of returns.

Statements of utilisation of subsidy to the extent of Rs.0.95 lakh and Rs.0.34 lakh deposited with the participating banks in favour of 139 and 51 beneficiaries in the districts of Nadia and Burdwan respectively were not received by the district project cells from the banks and hence the number of beneficiaries supplied with feed and the amount of subsidy utilised on this account in those two districts could not be ascertained (May-June 1980).

(d) Of 73 beneficiaries (out of 106) in respect of whom information was furnished by one bank at Darjeeling district, 23 beneficiaries were supplied with feed and the cases of 50 (73-23) beneficiaries were reported to be under processing although subsidies in favour of those beneficiaries had been released long back (19 in 1977-78, 21 in 1978-79 and 10 in 1979-80). Besides, heifers owned by 33 beneficiaries (out of 50 cases under process) had already exceeded the ceiling age of 28 months due to delay in processing by the banks and required elimination from the scheme. Feed supplied to the 23 beneficiaries was found to be in most of the cases far below the requirement as per prescribed scale and in the case of 8 beneficiaries (test checked out of 23), whose heifers exceeded ceiling age of 28 months by January 1980, the percentage of feed supplied was between 2.63 and 37.50 of the actual requirement. So also, of 13 beneficiaries to whom feed was supplied by another bank through DAIRPOUL, 8 beneficiaries (test checked out of 13) received feed far below the requirement, percentage of supply of feed in relation to the approved scale being 12 to 45.

The officer-in-charge, West Bengal Dairy and Poultry Development Corporation, Siliguri, stated (June 1980) that 82,877 kg. of feed were supplied for the implementation of the scheme in Darjeeling district during 1977-78 to 1979-80 and that in 1979-80 feed could not be supplied as per indent due to irregular supply of feed from their Milling Plant at Kalyani. The estimated requirement of feed for the heifers belonging to 746 beneficiaries enrolled in the district up to March 1980 worked out to about 6,23,000 kg. and supplies (82,877 kg) made by the DAIRPOUL came to 13 per cent of requirement only. Government stated (December 1980) that irregular supply of feed was caused by floods, power failure, etc.

(e) Of the total 936 beneficiaries selected in the three districts, 37 were found to own heifers of higher age group (14-28 months of age). Reasons for selection of heifers from higher age group which deprived them from optimum feeding with the concentrated feed as prescribed in the scheme and restricted the desired growth and productivity) were not stated (June 1980) by the district project officers. Government, however, stated (December 1980) that inclusion of heifers of higher age group was calculated to motivate the farmers to come under the scheme. Such an action had also an impact on enrolment of more beneficiaries in the scheme.

(f) For efficient and smooth progress of the scheme, follow up action in different stages, like processing, finalisation of the applications of the beneficiaries, release of loan, supervision of heifers from pregnancy to production stage, marketing of products, extension of health cover through the field staff of the Veterinary Services Directorate, etc., was visualised in the scheme. but such action, according to the Deputy Director of Animal Husbandry (May-June 1980), was hardly taken due to shortage of staff. Although co-operative societies were to be set up with the beneficiaries as members, it was not done in two out of the three districts test checked, as the production was stated to be easily marketable. No survey was done to measure the improvement in production of milk by the heifers brought under the scheme.

3.2.3.2. Poultry production scheme

(a) **Funds:** Funds allotted for the scheme, amounts drawn, amounts disbursed and amounts spent for the implementation of the scheme in the districts of Nadia and 24-Parganas from 1976-77 to 1979-80 as well as the amounts lying unspent were as under :

District	Funds allotted to and drawn by the Chairman, Small Farmers Development Agencies	Funds disbursed to the project officers	Balance lying with drawing officers	Amount spent for the scheme	Unspent balance lying with the district project officers
(In lakhas of rupees)					
Nadia	33.70	31.50	2.20	4.78	26.72
24-Parganas	37.58	32.99	4.59	27.79	5.20
Total	71.28	64.49	6.79	32.57	31.92

Government stated (December 1980) that funds were drawn in advance of requirement to avoid interruption in supply of inputs to the farmers, and unspent balance of Rs.38.71 lakhs (Rs.6.79 lakhs plus Rs.31.92 lakhs) was retained with the drawing and project officers.

(b) Out of Rs.32.57 lakhs spent in the districts for the scheme, Rs.28.16 lakhs (Nadia—Rs.2.90 lakhs, 24-Parganas—Rs.25.26 lakhs) were found to have been deposited with the participating banks of the districts towards subsidies for supply of chicks and feed in favour of 1,958 beneficiaries for 3,781* units (24-Parganas—3,389, Nadia—392) against 6,800 units (Nadia—3,200, 24-Parganas—3,600) sanctioned by the State Government.

Enrolment of lesser number of beneficiaries was ascribed by the District Project Officer (Deputy Director of Animal Husbandry) to delay in identification of beneficiaries, and delay in sanctioning loans by the banks as, according to Government (December 1980), acceptance of a new programme by the poorer farmers in rural areas would require a gestation period.

(c) Out of 895 cases forwarded to 15 banks between 1977-78 and 1979-80 by the Project Officer of Nadia district, 196 cases were sanctioned by 5 banks up to March 1980 for setting up 392 units for which subsidy of Rs.2.90 lakhs was paid to the banks for supply of chicks. The delay in sanctioning remaining 699 cases by the banks was attributed (May 1980) to shortage of staff in the banks. Of 392 units sanctioned, 110 units were supplied with chicks and Rs.0.23 lakh were utilised (of Rs.2.90 lakhs) leaving Rs.1.67 lakhs unutilised (May 1980). The Deputy Director of Animal Husbandry stated (May 1980) that supply of chicks could not be made in time due to delay in imparting training to the beneficiaries in batches, construction of houses, purchase of equipment, appointment of dealers, etc. Information on matching loan paid and recovery thereof was not available (May 1980).

(d) Subsidy towards establishment of 1,201 poultry units in eight blocks (test checked) of 24-Parganas district was released to the banks (up to March 1980) but 339 units (out of 1,201) were found (from the statements furnished by the Deputy Director, Animal Husbandry, 24-Parganas) to have been set up (June 1980) in six blocks. Scrutiny of records revealed that 7 to 32 months were taken by the banks and the project authorities to arrange for the setting up of these 339 units. According to the district project officer (June 1980), delay in processing cases of interested farmers slowed down the progress of the scheme.

(e) Feed for the poultry birds up to production stage was not supplied to the beneficiaries of 24-Parganas district in required quantities by the DAIRPOUL (which was responsible for the supply of feed), as a result of which the beneficiaries had to purchase feed from their own resources from private manufacturers involving extra

*Some beneficiaries were sanctioned subsidies for setting up of 2 units (50 layers) each and others were granted subsidy for one unit each (50 layers).

financial burden to them to the extent of 25 to 30 per cent per unit. Total quantity of feed obtained from private sources by the beneficiaries and the consequent impact of extra expenditure on the economic viability of the scheme could not be furnished (June 1980) by district project officer.

(f) Information regarding the number of eggs produced, culled birds available, manure prepared, etc., in the units established and the income earned from the sale of those was not available with the district project authorities.

(g) As per the guidelines, Poultry Producers' Co-operative Societies were to be organised for collective marketing of eggs, birds, etc., to eliminate exploitation by middlemen. For this purpose, Rs.10.80 lakhs were allotted for Nadia (Rs.5.20 lakhs) and 24-Parganas (Rs.5.60 lakhs) districts. In the two districts, nine co-operative societies (4 in Nadia and 5 in 24-Parganas) were registered (May 1980) and out of Rs.10.80 lakhs, Rs.0.06 lakh and Rs.0.08 lakh were paid to one society for 40 beneficiaries out of total 196 in Nadia and to three societies for 117 beneficiaries out of total 1,762 in 24-Parganas respectively. Information on the services rendered by those societies could not be furnished (June 1980) by the district project officers.

(h) As per the guidelines, the farmers to be brought under the comprehensive poultry production programme were to be given practical training in poultry keeping. According to Deputy Directors of Animal Husbandry (May 1980), training was imparted to 567 farmers (out of 1,958 farmers for whom subsidies were released in the two districts) between 1978-79 and 1979-80 and an expenditure of Rs.0.05 lakh was incurred on this account (March 1980). Government stated (December 1980) that the Poultry Training Centres under the Department needed to be increased.

(i) No follow-up action was taken by the district project authorities to ascertain the quantum of feed supplied, eggs and birds marketed, bank loan repaid by the beneficiaries, etc. Evaluation of the performance of the scheme had not also been made by the project authorities to ascertain supplementary income derived by the beneficiaries and the increase in poultry production.

3.2.3.3. *Pig farms scheme*

(a) **Funds :** Between 1976-77 and 1978-79, the Chairman, Small Farmers Development Agency, 24-Parganas drew Rs.3.12 lakhs for the implementation of the scheme in the district. An amount of Rs.0.51 lakh was disbursed (up to March 1980) by the Chairman to the District Project Officer who deposited the amount with the

participating banks as subsidy towards 72 beneficiaries selected for the scheme. The balance of Rs.2.61 lakhs was lying unspent with the Chairman as on 30th April 1980. The Project Officer stated (February 1980) that sanction of the cases was delayed by the banks leading to poor response from the farmers for the scheme.

Out of Rs.0.51 lakh deposited with the participating banks, subsidy of Rs.0.03 lakh was initially paid to 5 farmers for setting up their pig farms and Rs.0.20 lakh in respect of 22 units of Sandeshkhali Block II were refunded (November 1978) to the district project officer. Of the balance of Rs.0.28 lakh, Rs.0.02 lakh were adjusted against conversion of 3 units from piggery to poultry scheme. Thus, Rs.0.26 lakh and Rs.0.20 lakh were lying unspent (May 1980) with the participating banks and the district project officer respectively. The entire amount of Rs.0.12 lakh drawn by the Chairman, Small Farmers Development Agency for extension of health coverage of piggery units was also lying unspent (May 1980).

(b) Against the target of 500 farms to be set up in the district between 1976-77 and 1978-79, only 47 (72 minus 25) beneficiaries were ultimately selected for the purpose and 5 of them were paid subsidy (Rs.0.03 lakh) up to May 1980. Of the 5 beneficiaries, one who was paid subsidy of Rs.320 and bank loan of Rs.640 for construction of his farm, did not lift piglets. The subsidy and loan paid to him were not, however, recovered (May 1980).

Thus, within three years only 4 pig farms could be established in the district. The poor performance of the scheme in the district was ascribed by the district project officer to the following reasons :

- (i) inadequate quantum of subsidies,
- (ii) inadequate health coverage,
- (iii) delay in sanctioning bank loans,
- (iv) absence of marketing facility for the products under the programme,
- (v) negative response from the farmers, and
- (vi) shortage of suitable and experienced field staff.

The scheme was not continued from 1979-80.

Government stated (December 1980) that the procurement price of live pigs offered by the Corporation was unremunerative, the revision of which had been taken up with them.

3.2.4. *Summing up*

(i) Of Rs.2,05.32 lakhs drawn between 1976-77 and 1979-80, Rs.1,47.96 lakhs were lying unutilised (March 1980) with the different drawing officers and district project officers.

(ii) Amounts on account of subsidy lying unspent with the participating banks remained unascertained owing to non-submission of returns by the banks to the project authorities.

(iii) Against the target of 35,000 heifer rearing units, 9,000 poultry production units and 500 pig production units to be set up between 1976-77 and 1979-80, 8,973, 10,000 and 500 units respectively were sanctioned by the State Government and enrolment of 1,568 heifer rearing units, 4,287 poultry units and 47 pig farms could be done in the three years from 1976-77 to 1979-80.

Neither follow up actions were taken nor the performance of the schemes was evaluated to ascertain supplementary income derived by the beneficiaries and increase in milk, poultry and pig production.

(iv) In Darjeeling district, four participating banks (out of 7) received Rs.1.16 lakhs for disbursement as subsidy in favour of 166 beneficiaries (heifer rearing scheme) but released Rs.0.15 lakh in favour of 36 beneficiaries only during 3 years.

(v) Feed for heifer in required quantity as per approved scale was not supplied to the beneficiaries enrolled in Darjeeling district. Against 6,23,000 kg of feed required for heifers belonging to 746 beneficiaries in Darjeeling district, only 82,877 kg (13 per cent) could be made available due to irregular supply of feed by the DAIRPOUL.

(vi) Out of 936 beneficiaries (for heifer rearing scheme) selected in Darjeeling, Nadia and Burdwan districts, 237 owned heifers of higher age group (14 to 28 months of age) and this selection impaired the efficacy of the programme.

(vii) Against the target of 6,800 poultry units to be set up in Nadia and 24-Parganas during 1976-77 to 1979-80, only 3,781 (units) could be enrolled. Out of 392 units enrolled in Nadia, only 110 units were supplied with chicks. Out of 1,201 units selected in 8 blocks of 24-Parganas district, only 339 units could be established in 6 blocks reportedly owing to delay in processing the cases.

(viii) Only 4 pig farms could be established against the target of 500 farms.

The above points indicated that the objectives visualised in the programme could not be fully achieved.

Government stated (December 1980) that the Special Animal Husbandry programme was dovetailed with the Small Farmers Development Agencies so that there might not be any interruption to the flow of services and inputs to the beneficiaries either from the Government or from the banks. Accordingly, funds were drawn in advance through the SFDAs and kept in bank accounts either of

SFDAs themselves or of the District Project Cells for facility of providing subsidy as and when or soon after the loans were sanctioned by the banks. According to the Government, nothing could be said to have been received in excess from the Government of India. As regards non-achievement of targets fixed, Government stated that the higher targets fixed by the Government of India could not be reduced but the State Government conservatively restricted the sanction of number of units as per availability of funds in the budget as well as in consideration of the interactions and hazards to be faced with in the implementation of scheme.

While admitting the need for setting up a "specially designed cell" with adequate staff to be provided for the evaluation of the performance of the schemes, Government stated (December 1980) that such evaluation at the initial stage would be futile because of the troubles at the outset and it would take a few more years to overcome the same.

AGRICULTURE DEPARTMENT

3.3. Intensive Jute District Programme

3.3.1. Mention was made in paragraph 28 of the Report of the Comptroller and Auditor General of India for 1973-74 (Civil) of the shortfalls and deficiencies in the performance of various jute development schemes, viz., Jute Development (from 1948-49), Jute Package Programme (from 1965-66 to 1969-70) and Special Package Programme (from 1969-70), implemented in the State with a view to attaining self-sufficiency in production of raw jute. Meanwhile, the Government of India decided (May 1972) that, instead of spreading the resources in scattered regions, some intensive area programme would be taken up to cover one lakh hectares in 1972-73 and 1.60 lakh hectares in 1973-74 in Murshidabad, Nadia and Cooch Behar districts where concentration of jute cultivation (1.87 lakh hectares in 1969-70) was high. Intensive Jute District Programme (IJDP) was subsequently extended to 0.30 lakh hectares in four other districts, viz., Burdwan, Hooghly, West Dinajpur and 24-Parganas (North) between 1976-77 and 1979-80. The entire expenditure of the scheme was borne by the Government of India up to 1978-79 and thereafter shared equally between Central and State Governments.

The main aspects emphasised in the Programme for increased productivity in the targeted area of cultivation of the crop were : (i) use of certified seeds of improved varieties, (ii) soil application of fertilisers, (iii) sowing in lines with the help of seed drills, (iv) foliar spraying of urea with the help of low volume power sprayers/top dressing by urea, (v) adoption of correct *retting and extraction techniques, (vi) grading of jute for quality and price assessments and (vii) demonstration on full package of practices to motivate the growers to follow the correct schedules of better jute production.

3.3.2. Target and achievement

Year-wise targets of area to be brought under the Intensive Jute District Programme as fixed by the State Government, actual area

*Retting is the process by which jute fibres are loosened from their reeds after keeping the jute plants under water for two to three weeks.

covered and expenditure incurred thereon as shown in the Annual Reports of the Director of Agriculture were as below :

Year					Targeted area to be cultivated under IJDP (In lakhs of hectares)	Area- actual- ly cultivated under IJDP	Expenditure (In lakhs of rupees)
1972-73	..	..	..	..	1.00	0.65	56.00
1973-74	..	..	..	..	1.00	0.93	47.27
1974-75	..	..	..	..	1.30	1.01	20.12
1975-76	..	..	..	..	1.40	0.77	39.18
1976-77	..	..	..	..	1.60*	1.46	41.70
1977-78	..	..	..	..	1.80*	1.74	61.70
1978-79	..	..	..	..	1.90*	1.92	56.07
1979-80	..	..	..	..	1.90*	1.80	63.15
					Total	..	3,85.19

According to the Annual Reports of the Directorate, shortfall in areas actually cultivated was due to "unfavourable weather conditions and unremunerative prices of raw jute".

3.3.3. Test check in audit

Records maintained in the Directorate and three district level offices, viz., Murshidabad, Nadia and Cooch Behar as well as their sub-divisional level offices mainly for the period from 1975-76 to 1979-80 were test checked in audit.

According to the project report (May 1972), the total production of jute in 1973-74 in the three districts of Murshidabad, Nadia and Cooch Behar was estimated at 19.89 lakh bales thereby registering an increase of 4.63 lakh bales over the production of 15.26 lakh bales in 1969-70. The impact of the programme on the total production and yield per hectare in the three districts was expected to be as below :—

District	Actuals for 1969-70			Estimated for 1973-74		
	Area (in lakh hec- tares)	Produc- tion (in lakh bales)	Yield per hectare (in bales)	Area (in lakh hec- tares)	Production (in lakh bales)	Production of jute per hectare (in bales)
Murshidabad	0.73	6.25	8.5	0.76	7.95	10.4
Nadia	0.66	5.80	8.7	0.69	7.37	10.6
Cooch Behar	0.48	3.21	6.7	0.53	4.57	8.7
Total	1.87	15.26	8.16	1.98	19.89	10.4

*The figures include areas of the four districts where the programme was extended subsequently in 1976-77 (0.10 lakh), 1977-78 (0.20 lakh), 1978-79 and 1979-80 (0.30 lakh).

It was seen that the yield varied between 10.4 bales (1973-74) and 7.0 bales (1978-79) in Murshidabad (target : 10.4 bales), between 9.5 bales (1973-74) and 7.8 bales (1977-78) in Nadia (target : 10.6 bales) and between 8.4 bales (1973-74) and 3.6 bales (1974-75) in Cooch Behar (target : 8.7 bales).

The Table I showing the area under cultivation, production and the average yield per hectare during the period from 1975-76 to 1979-80 would indicate that the average yield per hectare during 1975-76 to 1979-80 was less than the estimated yield per hectare for 1973-74 and the actual yield per hectare for 1969-70 in the three districts.

Table I

District	1975-76			1976-77			1977-78			1978-79			1979-80		
	Area under cultivation (in lakh hectares)	Production (in lakh bales)	Yield per hectare (in bales)	Area under cultivation (in lakh hectares)	Production (in lakh bales)	Yield per hectare (in bales)	Area under cultivation (in lakh hectares)	Production (in lakh bales)	Yield per hectare (in bales)	Area under cultivation (in lakh hectares)	Production (in lakh bales)	Yield per hectare (in bales)	Area under cultivation (in lakh hectares)	Production (in lakh bales)	Yield per hectare (in bales)
Murshidabad ..	0.49	4.00	8.2	0.70	6.00	8.6	0.80	6.19	7.7	0.84	5.90	7.0	0.71	5.50	7.7
Nadia ..	0.66	5.85	8.8	0.80	6.71	8.4	0.92	7.23	7.8	1.07	9.29	8.6	0.93	7.44	8.0
Cooch Behar ..	0.42	2.82	6.7	0.47	3.17	6.7	0.41	1.85	4.5	0.49	3.29	6.7	0.64	4.64	7.2
Total ..	1.57	12.67		1.97	15.88		2.13	15.27		2.40	18.48		2.28	17.58	
Average yield per hectare (in bales)			8.07			8.06			7.17			7.70			7.71

3.3.4.1. *Supply of certified seeds*

According to the Project Report, the National Seeds Corporation and the State Farms were to supply improved jute seeds to the growers. Of 1.78 lakh hectares to be covered by improved jute seeds between 1974-75 and 1976-77 in Cooch Behar and Nadia districts, 0.24 lakh hectares (13 per cent) were covered with 1,824 quintals of seeds, the total requirement for full coverage being 13,350 quintals. Between 1977-78 and 1979-80, out of 34,950 quintals of seeds required for saturation of 4.66 lakh hectares in the three districts, 2,062 quintals (6 per cent) were supplied by the Corporation and the State Farms. To an audit enquiry as to the steps taken to ensure supply of certified seeds to the farmers, the district agricultural authorities stated (June-August 1980) that neither the distribution of improved varieties of seeds was in their control nor had they any knowledge about the sources from which the growers made good the shortage in supply of certified seeds.

3.3.4.2. *Application of soil fertiliser*

The Programme of Jute cultivation in these districts included soil application of fertilisers of 100 kg. per hectare in Cooch Behar and 50 kg. per hectare in Murshidabad and Nadia districts for attaining optimum yield. For this purpose, large-scale publicity and motivational drive to persuade the growers to go in for soil application of fertiliser at full dose were envisaged in the Project Report. The details of the soil application of fertilisers by the growers in the areas cultivated in Cooch Behar and Nadia districts under IJDP between 1975-76 and 1979-80, as furnished (June-August 1980) by the district agricultural authorities, are given below :

District*	Total area cultivated	Total quantity of fertiliser required for application	Total quantity of fertiliser applied	Percentage of (b) to (a)
	(In lakh hectares)	(a) (In tonnes)	(b)	
Cooch Behar	0.88	8,800	354	4
Nadia	2.81	14,050	6,942	49

3.3.4.3. *Use of improved implements*

For achieving economy and higher yield, seeds were to be sown in line by seed drills and interculture operations like weeding, etc. were to be done by wheel hoes. The implements (one each for 2 hectares) were to be lent by the district agricultural officers free of cost. According to the above norm, the total requirement of each of

*Records in respect of soil application fertiliser in the district of Murshidabad were not furnished.

such implements in respect of the three districts varied between 32,550 in 1972-73 (for 0.65 lakh hectares) and 75,000 in 1979-80 (for 1.50 lakh hectares). No funds were provided under the programme for purchase of new implements; the unsold implements available under a State sponsored scheme (referred to in paragraph 25 of the Report of the Comptroller and Auditor General of India for 1972-73 Civil) were transferred in November 1973 for jute development schemes. Of these, 10,029 seed drills and 6,312 wheel hoes purchased between 1963 and 1967 were available in the three districts but the information regarding the actual number of such implements taken over in serviceable condition and utilised between 1972-73 and 1978-79 was not available (August 1980). In 1979-80, 4,053 seed drills and 3,441 wheel hoes were stated to be in working condition. The remaining 5,976 seed drills (Value : Rs.4.18 lakhs) and 2,871 wheel hoes (value : Rs.1.44 lakhs) were lying in an unserviceable condition for more than 5 years. No action was taken to repair or replace the unserviceable implements reportedly due to non-availability of funds. The District Agricultural Officer stated (July 1980) that even the serviceable implements (1,477 seed drills and 1,294 wheel hoes) available in Cooch Behar district could not be issued to the growers owing to shortage of staff.

Inadequate planning and non-procurement and non-distribution of implements as indicated above over the years had its impact on line sowing in the three districts with the result that line sowing in the three districts varied between 0.05 lakh (out of 0.65 lakh) hectares in 1972-73 and 0.12 lakh (out of 1.50 lakh) hectares in 1979-80 and accounted for only 8 per cent of the area brought under the programme.

3.3.4.4. *Foliar spraying of urea*

For the purpose of boosting the yield of fibre, 3,643 tonnes of urea valuing Rs.41.96 lakhs were distributed to the cultivators of the three districts free of cost during 1972-73 (*921 tonnes), 1973-74 (2,282 tonnes), and 1977-78 (440 tonnes). In the remaining five years under review, urea was not distributed in those districts under this programme as funds were not made available by the Government of India.

According to the programme, foliar spraying of urea was to be done (with low-volume power sprayers) thrice (each time at the rate of 8.3 kg. per hectare), the first one being at the time when the age of the plant was 45 days and the rest at an interval of 10 days. Foliar spraying is not effective when done in rains and if done after 60 days. Where foliar spraying is not possible for dearth of sprayers or due

*Excluding figures of Murshidabad district which were not available.

to rains, top dressing (spreading of urea by hand at the rate of 48 kg. per hectare mixed with earth) was to be done in two spells : the first after 20 and the final after 40 days of sowing. The irregularities in foliar spraying as noticed during test check are given below :—

- (i) Urea was mostly (about 92 per cent) supplied to cultivators between mid-June and September when plants had already attained the age of 65 days.
- (ii) In Cooch Behar district, 210 tonnes of urea (value : Rs.2.09 lakhs) was distributed among the cultivators between June 1973 and August 1973 when the harvesting of Jute was completed and the entire quantity of urea received by the farmers was utilised for cultivation of boro paddy.
- (iii) In 1977-78, office furniture (cost : Rs.0.24 lakh) was purchased in Nadia district from funds placed for purchase of urea. The reasons for diversion were not furnished (April-August 1980).

3.3.4.5. Meagre irrigation facilities

As per the Project Report, cultivation of Jute in irrigated areas ensures timely sowing and as such priority was to be accorded in providing minor irrigation facilities for cultivation of jute in all the areas in Intensive Jute district. Irrigation facilities available between 1975-76 and 1979-80 in two districts viz.. Murshidabad and Nadia (Cooch Behar falling in assured rainfall areas) compared to total area under cultivation as revealed from the records of the district agricultural authorities are shown below :—

Year	Total area under cultivation under the programme	Area irrigated	Percentage of (c) to (b)
	(a)	(b)	(c)
	(In lakh hectares)		
1975-76	0.66	0.20	30
1976-77	1.18	0.21	18
1977-78	1.37	0.21	15
1978-79	1.44	0.27	19
1979-80	1.26	0.32	25

The district agricultural authorities, however, stated (June-August 1980) that no irrigation scheme was implemented under the programme in these districts.

3.3.4.6. Low volume power sprayers

For the purpose of spraying fertiliser, pesticides and insecticides on jute plants, requirement of low-volume power sprayers as assessed by the Additional Director for the three districts varied between 13,000 in 1972-73 and 32,400 in 1978-79 at the rate of one for 5 hectares. Against this requirement, 7,823 sprayers purchased in connection with implementation of the IJDP as well as the previous schemes on Jute were available during 1972-73. Of these, 6,946 sprayers (Cooch Behar-255, Murshidabad-6,266 and Nadia-425) valuing Rs.1,38.92 lakhs were reported (April to July 1980) to have been lying in unserviceable condition for about 5 years. No steps were taken either to repair those sprayers nor were new sprayers procured to meet the deficiency. Even 238 workable sprayers (value : Rs.3.57 lakhs) could not be utilised in Ranaghat Sub-division reportedly for want of adequate funds for operation, non-availability of particular brand of mobil oil and difficulties in transporting such oil in interior area.

3.3.4.7. Demonstration

According to Government orders issued from year to year, incentives in the shape of demonstrations of utilisation of full package of practices including improved seeds, line-sowing, soil application of fertilisers, etc., were to be given to the different farmers of different years. Between 1972-73 and 1979-80, 23,451 half-hectare demonstration centres were set up at a cost of Rs.65.38 lakhs in Cooch Behar (2,473), Murshidabad (11,835) and Nadia (9,143) districts.

(i) A test check of crop-cutting reports of the District Agricultural Officers showed that the yields in demonstration centres, which had received equal share of improved package of practices varied widely from district to district and year to year as detailed below :

District	Rainfed Centres		Irrigated Centres	
	Maximum yield	Minimum yield	Maximum yield	Minimum yield
	<i>(In bales per hectare)</i>		<i>(In bales per hectare)</i>	
Cooch Behar	20.24 (1974-75)	3.80 (1974-75)	..	..
Murshidabad	9.89 (1976-77)	5.02 (1976-77)	9.53 (1976-77)	6.87 (1976-77)
	12.05 (1978-79)	7.33 (1978-79)	14.91 (1978-79)	9.47 (1978-79)
Nadia	26.33 (1975-76)	8.86 (1975-76)	25.83 (1975-76)	8.69 (1975-76)
	18.31 (1979-80)	3.06 (1977-78 and 1979-80)	20.18 (1978-79)	3.06 (1978-79)

Such wide variations were ascribed by the Sub-divisional Agricultural Officers (June—August 1980) to lack of supervision due to shortage of staff.

(ii) In Murshidabad district, yields in demonstration centres in 14 sectors (of 17) were found to be even less than those in neighbouring plots where improved package of practices were not applied.

Instances are given below :

Name of the Sector	Year	Yield per hectare in	
		Demonstration centres (In bales)	Neighbouring plots
Lalgola (East)	1975-76	6.66	7.12
Bhagawangola I	1976-77	7.56	8.22
Berhampore (South)	1977-78	6.80	8.00
Hariharpara (East)	1977-78	9.44	10.66
Beldanga I	1977-78	11.38	11.56
Domkal (East)	1977-78	8.00	11.12
Hariharpara (East)	1978-79	8.06	11.12
Beldanga II	1978-79	7.62	8.88
Jalangi	1978-79	6.02	9.96

Insignificant results in demonstration centres were attributed (June 1980), by the Sub-divisional Agricultural Officers, to lack of initiative of the demonstration plot owners and also want of supervision by the field staff.

(iii) Sub-divisional Agricultural Officer, Ranaghat diverted Rs.0.76 lakh and Rs.0.77 lakh from the funds received for establishment of demonstration centres under the programme during 1977-78 and 1978-79 respectively for conducting demonstration on 'rai' crop. The diversion of fund was not adequately explained (August 1980).

3.3.4.8. Shortage of staff

According to the Project Report, the success of the Programme was to depend on the proper organisation of the field machinery, closer supervision and co-ordination for which adequate field staff (vide sub-paragraph 3.3.2.) was necessary. But the Additional Director of Agriculture stated (February 1980) that the extent of shortage of staff varied between 20 and 40 per cent from time to time. District and Sub-divisional Agricultural Authorities also stated (June—August 1980) that due to shortage of manpower, the operation could not be properly organised during the entire growth period of crop.

The position of shortage of staff for 1978-79 was as shown below :

District	Sanctioned strength		Men at position	
	Senior Field Supervisors	Jute Field Assistants	Senior Field Supervisors	Jute Field Assistants
Murshidabad	20	200	11	98
Nadia	20	200	15	124
Cooch Behar	10	100	5	42

Note : Figures for earlier years were not furnished by Nadia and Cooch Behar districts.

3.3.4.9. Grading of jute

The programme envisaged training of growers in jute grading to make them quality conscious so that they were not deprived of better prices by middlemen through underestimation of quality of fibres. For imparting training to the field staff who would, in turn train the cultivators in grading, grading instruments (value : Rs.0.43 lakh) were purchased in 1973-74 in three districts selected for detailed study, but those mostly remained unutilised (August 1980). In Cooch Behar district, no training was imparted to any of the field staff, while in Murshidabad and Nadia Districts, training was given to 7 and 9 members of the field staff respectively at a cost of Rs.0.02 lakh. But records to show that those trained staff had imparted training to the growers were not shown to Audit. The district agricultural authorities and the Assistant Registrars of Co-operative Societies admitted (June to August 1980) that the growers remained, as ever, dependent on middlemen who purchased jute on eye-estimation.

3.3.5. Other points of interest

(a) **Retting of Jute** As laid down in the Project Report, proper retting is the key to the production of high quality of fibre. For the purpose, jute, bound in bundles, after harvesting, are submerged in slow moving water. But retting facilities available in the districts selected for detailed study were stated by the District Agricultural Officers (June-September 1980) to be "inadequate". The details of existing facilities viz., *beels*, canals, tanks, etc. were, however, not furnished (September 1980). While Government of India was to bear the full cost of implementation of the feasible schemes for creation of retting facilities to be proposed by the State Government, no steps were taken by the district agricultural authorities, Murshidabad to come up with proposals for 'creating retting facilities' during the last eight years. The district agricultural authorities, Nadia had sent a proposal (1976-77) for re-excavation of 27 privately owned tanks estimated at Rs.0.95 lakh for retting purpose, but no

sanction for the works was received from the higher authorities. In Cooch Behar, the district agricultural authorities stated (July 1980) that retting does not pose any problem if there is sufficient rainfall in July-August.

A scrutiny of records of the District Agricultural Officer, Murshidabad showed that a scheme for re-excavation of 'Amdahara Beel' (12 miles long) in phases and Kishori Canal (5,000 feet) was mooted in 1971. In the first phase, excavation of 11,755 feet of the *beel* and the Kishori Canal was taken up and completed between May 1972 and June 1972 at a cost of Rs.1.40 lakhs. According to the scheme report, the work done was to be maintained annually in view of tendency of silting up of the bed of the *beel* and the canal and slipping of the side slopes. But it was noticed from the records that no steps were taken to re-excavate the remaining area of the *beel*, nor the length (11,755 feet) of the *beel* excavated was maintained during last seven years.

(b) Pricing and marketing For the purpose of encouraging the farmers to grow jute and assisting them in minimising the role of middlemen, the Government of India fixed a statutory support price of raw jute every year according to grades. According to the Project Report (May 1972), the Jute Corporation of India was expected to strengthen the marketing structure by procurement of jute through their purchasing centres established in the districts. Between 1975-76 and 1979-80, the quantity of raw jute purchased by the Corporation from the cultivators of the three districts and the total production thereagainst are given below :

Year			Number of districts	Total production of jute	Quantity purchased by the Corporation	Percentage of (d) to (c)
(a)			(b)	(c)	(d)	(e)
(In lakh bales)						
1975-76	..	..	2	8.67	1.26	14.5
1976-77	..	..	2	9.88	1.54	15.5
1977-78	..	..	2	13.42	0.11	0.8
1978-79	..	..	3	18.48	1.80	9.7
1979-80	..	..	3	17.58	1.35	8.0

(c) Availability of credit It has been stated in the Project Report that the success of the Programme would largely depend on the extent of institutional credit made available to the growers for purchase of inputs (i.e. seeds, fertilisers, etc.). None of the district agricultural authorities could furnish information on the amount of

credit made available to the growers, evolving steps for making the credit available and coordination, if any, established between the growers and the financial institutions.

3.3.6. *Summing Up*

To sum up, between 1972-73 and 1979-80, an expenditure of Rs.3,85.19 lakhs was incurred on the implementation of the programme and 1.90 lakh hectares were brought under it at the end of 1979-80 with a view to increasing production by two bales per hectare over the yield obtaining in 1969-70. The average yields of jute per hectare in the three districts of Murshidabad, Nadia and Cooch Behar not only fell short of the targets contemplated, but were even less than what was obtaining in 1969-70. The shortfall was mainly due to the reasons enumerated below :

- (i) Improved varieties of certified seeds were used to the extent of 13 per cent (1974-75 to 1976-77) and 6 per cent (1977-78 to 1979-80) of the total requirement.
- (ii) Soil application of fertilisers varied between 4 per cent (Cooch Behar) and 49 per cent (Nadia) of the required norm between 1975-76 and 1979-80.
- (iii) Non-availability of implements restricted line sowing to 0.05 lakh hectares (8 per cent) in 1972-73 and 0.12 lakh hectares (8 per cent) in 1979-80 against total area under cultivation of 0.65 and 1.50 lakh hectares respectively.
- (iv) Foliar spraying of urea became ineffective as urea was supplied late resulting in non-achievement of enhanced production.
- (v) Irrigation facilities were available in 15 to 30 per cent of total area under cultivation; no irrigation scheme was implemented under the programme.
- (vi) The number of low volume power sprayers available were 7,823 against the requirement of 13,000 in 1972-73 and 32,400 in 1978-79; power sprayers (238 nos.) valued at Rs.3.57 lakhs remained unserviceable.
- (vii) Yield of demonstration plots in some cases was less than those in neighbouring plots not provided with improved package of practices.
- (viii) The cultivation of jute throughout the period of growth was not adequately supervised and coordinated due to deficiency in field staff varying between 20 to 40 per cent.

Other points of interest are given below :

- (i) Adequate facilities of retting of jute were not created.**
- (ii) Only 8 to 15.5 per cent of jute was purchased by the Jute Corporation of India between 1975-76 and 1979-80.**
- (iii) The district agricultural authorities did not keep any watch over availability of institutional credits to the growers for purchase of inputs.**

The points mentioned above were reported to Government in November 1980; their reply is awaited (March 1981).

LABOUR DEPARTMENT

3.4. Unemployment assistance

Government introduced (July 1978) the scheme for payment (through paying branches of different banks in the State) of unemployment assistance of Rs.50 per month per head to persons (between 18 and 58 years of age) whose names had been appearing in the live registers of Employment Exchanges in the State continuously for a period exceeding five years and whose family (including parents, wife, sons and daughters, and dependent brothers and sisters) income did not exceed Rs.500 per month. The assistance would continue for three years in an individual case provided that he did not obtain gainful employment within the period or his registration did not lapse. The officers-in-charge of Employment Exchange were to draw bills for payment of this assistance after verification of eligibility of persons applying for such assistance in prescribed forms and send the cheques to the concerned paying branches which, in turn, would credit the amounts to the individual savings bank accounts to be opened by the persons eligible and submit certificates of crediting the amounts to the Exchanges.

The records of 7 Exchanges (out of total 39) in Calcutta, Chinsurah, Diamond Harbour, Dum Dum, Durgapur, Malda and Uluberia involving expenditure of Rs.3.26.24 lakhs in 1978-79 and Rs.4,73.57 lakhs in 1979-80 for payment of assistance to 54,648 and 78,833 persons respectively and defraying other expenditure were test checked and the following points were noticed :

(a) Certificates of payment by credit to the individual savings bank accounts of the persons concerned for Rs.4,65.06 lakhs were not received from the paying branches even after a lapse of 5 months to 2 years against cheques aggregating Rs.6,32.48 lakhs issued by 4 (four) exchanges (Calcutta, Dum Dum, Durgapur and Malda) during 1978-79 and 1979-80. Cheques for Rs.1.06 lakhs issued by one exchange (Dum Dum) during 1978-79 and 1979-80 had not even been acknowledged by five paying branches.

(b) The recipients of unemployment assistance were not eligible for such assistance on their getting gainful employment. The exchanges were to stop payment of assistance on the basis of information regarding employment to be received either from the employers (in the case of employment arranged through exchanges) or from the recipients (in the case of employment obtained by their own efforts). Owing to late receipt of such information, unemployment assistance amounting to Rs.0.44 lakh was paid (1978-79 and 1979-80) by 6 (six) exchanges (Chinsurah, Diamond Harbour, Dum Dum, Durgapur, Malda and Uluberia) to 255 persons even after their getting

employment. Of this, Rs.0.16 lakh remained unrealised (July 1980) from 101 persons. In the exchange in Calcutta, information about the amount of assistance paid to 550 persons even after their getting employment but remaining unrealised (July 1980) was not available. Of the amounts of refunds on this account, Rs.0.21 lakh received by 3 (three) exchanges (Calcutta, Dum Dum and Diamond Harbour) through treasury chalans were not verified from the records of treasuries.

(c) Amounts of assistance remitted in excess, if any, in respect of persons who became ineligible on account of employment or increase in their family income were to be refunded by the paying branches promptly to the Government account. Instead, the paying branches were keeping these amounts with them under a separate account ("Deposit Suspense Account") and intimating the fact thereof to the exchanges later on. Out of 487 paying branches under 4 (four) exchanges (Calcutta, Chinsurah, Dum Dum and Durgapur), no information about the money kept under "Deposit Suspense Account" was received from 446 paying branches. The information received from the remaining 41 paying branches revealed that a sum of Rs.0.27 lakh had been retained by them for 1 to 2 years. Under the remaining 3 (three) exchanges (Diamond Harbour, Malda and Uluberia), while the exact number of paying branches keeping such amounts with them was not available, the intimations received from certain paying branches (number not stated) disclosed the retention of Rs.0.05 lakh for 1 to 2 years.

(d) As per the scheme, cases of non-drawal of assistance by the persons concerned for a continuous period of one year were to be reported to the respective drawing officer by the concerned paying branches for stopping payments to them. According to the returns submitted by 66 paying branches (of 546) under 6 Exchanges, 92 persons did not draw (July 1980) Rs.0.58 lakh for more than a year. Of these cases (92), further drawing of assistance was stopped for 74 cases immediately after receipt of intimation for non-drawal of assistance by the beneficiaries from the paying branches. Steps were not taken by the paying branches to assess the amount refundable (Rs.0.47 lakh approximately) in respect of 74 cases.

(e) As laid down in the original scheme, the recipients of the assistance were expected to participate for 2 days in a week in any work sponsored by Government. From August 1979, the original scheme was modified and the recipients were to participate in any work|programme|scheme sponsored by Government for 100 days in a year (in two or three stretches of 50 or 33 days) in places near their residences for which they were to be paid Rs.200 per annum in addition to the assistance. In 6 (six) exchanges (Calcutta, Chinsurah, Diamond Harbour, Dum Dum, Durgapur and Uluberia), of 75,115

persons, only 2,341 (3 per cent) were stated to have rendered services in Family Welfare Works (1,011) and clerical works (1,330), but the information whether they worked for 100 days in a year was not available (July 1980). Besides, there was no system of assessment of the value of work done by them. In the remaining exchange (Malda), the number of persons rendering such services was not available. Thus, the expectation of Government to derive the incidental benefit of the services of the recipients in work programme as envisaged in the scheme remained materially unfulfilled.

(f) Sample verification of family income declared by the recipients of the assistance, enquiries into the complaints received by different exchanges and other follow-up works such as collection of wanting acknowledgment receipts and certificates of payment and reports on undisbursed amounts from the defaulting paying branches, necessary for the proper working of the scheme, could not be done as stated by the officers-in-charge of the exchanges owing to shortage of staff. Reasons for the delay in filling up the posts were not stated (January 1981).

To sum up, in the implementation of the scheme, the drawback noticed in test audit were non-obtaining of certificates of credit for Rs.4,65.06 lakhs from the paying branches; non-receipt of acknowledgements for receipt of cheques amounting to Rs.1.06 lakhs; non-receipt of reports and returns from the paying branches in respect of amounts retained in 'Deposit Suspense Account' and amounts retained due to non-drawal of assistance by the persons concerned continuously for a year; non-utilisation of services of the recipients of assistance to the prescribed extent. For looking after the implementation of the scheme and advising Government on the measures to be taken for effective implementation of the scheme, a steering committee was set up in July 1979 after a year of taking up of the scheme and the first meeting of the Committee was held in July 1980. The action taken on the advice of the Committee, if any, was not stated (January 1981).

While agreeing that there had been cases of non-receipt of certificates of payment, overdrawal, non-refund of amount kept in deposit and non-participation of recipients in any work programme, etc., Government stated (January 1981) that 'corrective measures have already been taken/proposed to be taken'.

COMMERCE AND INDUSTRIES DEPARTMENT**3.5. Non-utilisation of a block-making machine**

To equip the Government Press, Alipore with its own arrangements for block making and to avoid block making through private agencies, Government purchased (May 1976) one Automatic Electronic Engraver at a cost of Rs.1.03 lakhs. The machine was installed in November 1976, after satisfactory trials. The order placed had no guarantee clause but provided for after-sales service free of charge for one year. When, in August 1977, it was observed by Audit that the machine was not being put to use, the Superintendent of the Government Press clarified that for full operation of the machine, some other ancillary machines and articles were necessary and the same had since been procured and it was expected that the machine would start regular operation soon. But in August 1980 also, it was noted that the Press had not commenced using the machine. It was learnt that even the operator for the machine was appointed only in August 1979. Meanwhile, Rs.2.22 lakhs were spent in purchase of blocks and sets from private agencies between 1976 and March 1980.

Thus, the machine purchased at a cost of Rs.1.03 lakhs remained idle for more than 4 years.

The matter was reported to Government in September 1980; their reply is awaited (March 1981).

PANCHAYAT AND COMMUNITY DEVELOPMENT DEPARTMENT

3.6. Non-utilisation of administrative buildings and staff quarters

Ten staff quarters and 3 barracks were constructed at Nokari in Nadia district by the Executive Engineer, Construction Board, Krishnanagar Division (April 1964) at a cost of Rs.0.85 lakh for accommodation of staff employed in Ranaghat II Block. The quarters taken possession of in July 1964 were duly occupied by the respective members of the staff. But, consequent upon a dacoity in October 1973, these quarters were left vacant for want of security arrangements and had not been occupied till May 1980. In Nalhati II Block of Birbhum district, buildings to accommodate the administrative offices of the Block Head Quarters and quarters for 10 members of staff employed therein, were constructed (July 1967) by the Executive Engineer, Rural Reconstruction, Calcutta Division at a cost of Rs.1.07 lakhs. The Block Development Officer, Nalhati II, however, did not take possession of the buildings reportedly due to defects (like cracks in walls, roofs, etc.) in all the buildings; non-provision of ceilings under roofs, boundary walls, approach road to the administrative colony, etc.

While the Block Development Officer, Nalhati II reported to Government (September 1971) that in the opinion of the District Magistrate, Birbhum, the buildings were uninhabitable, the Executive Engineer intimated (May 1980) to Audit that the Block Development Officer had highlighted the dilapidated condition of the buildings to avoid taking over of the same. The administrative office of the Block is still being housed in a building at Lohapur rented at Rs.100 per month. Total expenditure involved in payment of rent from August 1967 to May 1980 was Rs.0.15 lakh which could have been avoided if the buildings meant for housing administrative offices were occupied in time. Further, the non-occupation of the quarters by the members of staff resulted in a loss of revenue of Rs.0.63 lakh due to non-realisation of rent.

An expenditure of Rs.1.92 lakhs (Rs.0.85 lakh plus Rs.1.07 lakhs) on construction of buildings and staff quarters has, thus, proved unproductive. Besides, Government had to incur an avoidable expenditure of Rs.0.15 lakh on rented building and sustain a loss of revenue of Rs.0.63 lakh due to non-realisation of rent.

While admitting that no effective results could be achieved in regard to the removal of defects in the buildings and staff quarters (Nalhati II) and that there were both avoidable expenditure and loss of revenue, Government stated (March 1981) that measures were

being taken to set right the defects in the buildings and staff quarters (Nalhati II) and the scope of letting out the quarters (Ranaghat II) for office purposes was being explored.

3.7. Extra expenditure

Two cases of extra expenditure involving an amount of Rs.3.01 lakhs are mentioned below :

According to orders of the Government (November 1966), rice, wheat and sugar were to be purchased from the Food Corporation of India for supply of foodstuff to the police personnel at concessional rates. Though the Superintendent of Police, Jalpaiguri procured rice and wheat from the Food Corporation of India, he purchased 536.13 quintals of sugar between January 1977 and May 1978 at rates (varying from Rs.320.00 to Rs.479.00 per quintal) fixed on the basis of tenders but much higher than the rate (Rs.230.00 per quintal) of Food Corporation of India resulting in an extra expenditure of Rs.0.99 lakh. The Superintendent of Police did not make any effort to obtain the supply from the Food Corporation of India.

The matter was reported to Government in September 1980; their reply is awaited (March 1981).

According to orders (February 1967) of the Police Directorate issued consequent upon decontrol of rice, Superintendents of Police (SP) of areas other than statutory rationed areas had been purchasing rice from open market on tender basis for distribution to the police personnel at concessional rates. Although the Police Directorate revised the order in January 1968 requiring the SPs to purchase rice from the Food Corporation of India and the neighbouring districts had been purchasing rice from the F.C.I., SP, Cooch Behar had been purchasing rice from open market on the ground that if the long practice of purchasing good quality of rice from open market was discontinued, it would create discontentment amongst police personnel. On test check, it was noticed that 5,697 quintals of rice were purchased by SP, Cooch Behar between May 1977 and September 1980 at rates (varying between Rs.187 and Rs.279 per quintal) which were higher than the rates (varying between Rs.166.80 and Rs.188.80 per quintal) prevailing with the FCI resulting in an extra expenditure of approximately Rs.2.02 lakhs. No orders for this deviation from the prescribed procedure had been obtained (August 1980).

Although rice was purchased from the open market for supply of ration to the police personnel on the ground of quality, it was noticed that rice for supply of diet to the patients of the police hospital under the control of the S.P. Cooch Behar was being procured from the F.C.I.

The matter was reported to Government in November 1979; their reply is awaited (March 1981).

RELIEF AND WELFARE DEPARTMENT

3.8. Wasteful expenditure and loss of wheat

Between 1975-76 and 1978-79 (up to 30th June 1978), some minor irrigation and flood protection schemes were undertaken in four districts of West Bengal with the foodgrains released by the Government of India under World Food Programme. The schemes were to be executed by the district authorities as test relief works with the technical supervision and assistance of the Irrigation and Waterways Department utilising the foodgrains received and the cash provided by the State Government as wages to the rural labourers.

In Uluberia sub-division of Howrah district, three block development officers received (between February 1977 and July 1977) Rs.1.91 lakhs and 211 tonnes of wheat from the sub-divisional officer for execution of ten minor irrigation and flood protection schemes under the programme. Out of these schemes, four were stated (August 1980) by the block development officers to have been completed between February 1977 and March 1978 at a cost of Rs.0.54 lakh and 93 tonnes of wheat but in execution of the schemes no technical supervision and assistance from the Irrigation and Waterways Department were found to have been obtained. While no records were maintained by the block development officers to watch the benefit accruing from the schemes, it was stated by them (February 1981) that re-excavation of canals was necessary in three out of the four schemes. The remaining six schemes in one block, the works on which were started between January 1977 and July 1977, were left incomplete and finally abandoned (March 1978) after incurring an expenditure of Rs.0.39 lakh and 73 tonnes of wheat (value : Rs.1.00 lakh). The works on the schemes also were not supervised by the technical staff of the Irrigation and Waterways Department. The Block Development Officer stated (September 1980) that the schemes had to be abandoned due to presence of water in the beds of the embankments during the major part of the year and the works done so far on the schemes would not serve any purpose

Out of the unutilised balance of 45 tonnes (211-166) of wheat, 3 tonnes (value : Rs.0.04 lakh) was diverted for distribution of gratuitous relief and 42 tonnes (including 29 tonnes damaged due to defective storage) valuing Rs.0.58 lakh were washed away by floods of October 1978.

Thus, the expenditure of Rs.1.39 lakhs (including cost of wheat) incurred on schemes abandoned proved wasteful and wheat worth Rs.0.58 lakh remaining unutilised was lost.

The matter was reported to Government (December 1980); their final reply is awaited (March 1981).

HOME (TOURISM) DEPARTMENT

3.9. Tourist Buses in Calcutta

For encouraging tourism, travelling facilities for tourists intending to visit places of interest in the State are provided by the Department of Tourism, West Bengal by conducted tours at fixed charges according to programmes chalked out by the Department from time to time and letting out vehicles on hire to tourists and other Departments of the State Governments at fixed rates. For this purpose, the department maintains a number of tourist buses and cars.

On an analysis on the performance of these vehicles during 1974-75 to 1979-80, the following were noticed :

(a) At the beginning of 1974-75, the Department had ten (5 buses and 5 cars) vehicles (cost of acquisition : Rs.6.01 lakhs) in operation. Between 1974-75 and 1979-80, three vehicles (cost of acquisition : Rs.0.99 lakh) were condemned and disposed of by auction and ten more vehicles (cost of acquisition : Rs.7.79 lakhs) were acquired leaving 17 (8 buses and 9 cars) road worthy vehicles at the end of 1979-80. It was observed from the table given below that while the extent of utilisation per vehicle was insignificant, the idle period per vehicle for repairing and servicing alone (leaving out the idle period due to other factors) was excessive :

Year	Number of vehicles available	Number of vehicles in respect of which records were produced to audit	Total number of days on which the vehicles were utilised	Average number of days of utilisation per vehicle	Total number of days on which the vehicles remained unutilised for repairing and servicing	Average number of days of non-utilisation per vehicle for repairing and servicing
1974-75 ..	12	9	506	56	1,262	140
1975-76 ..	13	10	482	48	1,116	112
1976-77 ..	13	9	513	57	419	47
1977-78 ..	14	14	1,224	87	835	80
1978-79 ..	15	15	1,551	103	1,287	86
1979-80 ..	17	17	2,418	142	2,175	128

A number of vehicles (2 in 1974-75, 1 in 1975-76, 2 each in 1976-77 and 1977-78, 1 in 1978-79 and 4 in 1979-80) were found to remain idle almost throughout these years. It was also noticed that out of 107 tours programmed in 1979-80, 34 had to be cancelled for want of requisite 80 per cent booking of total seats. Government stated in January 1981 that low utilisation of the vehicles was due mainly to persistent low tourist traffic to Calcutta. The reasons for

long time taken for repairing|servicing of the vehicles (ranging from 419 to 2,175 vehicle days) were, however, not available (January 1981) from the Department. Though the existing fleet of vehicles were not fully utilised, Government sanctioned Rs.9.45 lakhs in 1979-80 for purchase of seven more vehicles (six buses and one car) which were in the process of acquisition (October 1980).

(b) No *pro forma* accounts to show the results of the working of the Department at the end of each year are compiled. In the absence of the *pro forma* accounts, the actual quantum of profit|loss earned|sustained by the Department could not be ascertained in audit. However, the figures available in the statements showing 'Financial results of Important Commercial schemes of Government' prepared by the Finance Department as part of budget papers, indicated a total loss of Rs.15.75 lakhs, being the excess of 'working expenses' including depreciation and interest (Rs.34.29 lakhs) over 'Gross receipts' (Rs.18.54 lakhs) for five years ending 1978-79. Government stated (January 1981) that the tourist traffic to Calcutta had been very much low for various reasons beyond their control and this mainly accounted for the financial losses.

The rates of hiring of tourist buses which were fixed by the State Transport Authority before 1974 remained unchanged (January 1981) although prices of fuel, spare parts, etc. had been raised considerably during the subsequent years. The rate for tourist cars although revised in 1979 was not seen to be in conformity with the rising cost of running the vehicles. The Department accepted (July 1980) that the rates were low and needed immediate revision to avoid heavy loss being sustained at present.

Government stated (January 1981) that though an eye had been kept on the commercial viability of the scheme, an equal if not greater emphasis was also to be given to the purpose of promotion of tourism.

3.10. Misappropriation, losses, etc.

The cases of misappropriation, defalcation, etc. of Government money, reported up to 31st March 1980 and on which final action was pending at the end of 1979-80 were as follows :

				Number of cases	Amount (In lakhs of rupees)
Cases outstanding at the end of 1978-79	..	..	..	574*	68.00*
Cases reported during 1979-80	..	..	..	13	4.41
Cases disposed of during 1979-80	..	..	..	35	0.88
Cases outstanding at the end of 1979-80	..	..	..	552	71.53

*One item and Rs. 3,000 increased on receipt of further information from departments.

Department-wise analysis of the outstanding cases is given in Appendix VIII. Of the 552 cases outstanding at the end of 1979-80, 392 cases (Amount : Rs.34.57 lakhs) were outstanding for more than five years. Sixty-three per cent of the cases related to the Board of Revenue.

**PANCHAYAT AND COMMUNITY DEVELOPMENT
DEPARTMENT**

3.11. Misappropriation, theft, etc., of Government money

During test audit of the accounts of the Block Development Officer, Bhangore I in 24-Parganas district in September 1979, the following points were noticed :

(a) The Block Development Officer maintained two sets of cash books—one for bills drawn and disbursed by him and the other for bills either drawn by the Sub-divisional Officer, Alipore and made over to him for disbursement or drawn by him against sub-allotments made by the Sub-divisional Officer. These cash books were found to have been closed on 20th February 1979 and 23rd February 1979 with the closing balance as Rs.2,33,970.47 and Rs.85,003.45 respectively. Although transactions occurred between 21st February 1979 and 2nd March 1979, necessary entries were not made in the first cash book. Neither any transactions were recorded in the second cash book beyond 23rd February 1979 nor could the Block Development Officer state if any transactions occurred beyond that date. Meanwhile, as reported by the Block Development Officer to the Officer-in-charge, Bhangore Police Station on 2nd March 1979, a cash box containing Rs.60,769.95 (drawn on 1st March 1979), one Demand-at-call on the State Bank of India, Alipore Branch, for Rs.30,000 (included in Rs.2,33,970.47), the keys of the iron safe, other miscellaneous papers like vouchers, etc. were missing from the steel almirah placed in the room of the cashier-cum-storekeeper of the block: the keys of the almirah were, however, with the cashier and the night guard was on his duty. The Block Development Officer informed the Manager, State Bank of India on 2nd March 1979 to stop payment on the Demand-at-call reported to have been stolen. The cashier-cum-storekeeper, one Gram Sevak and the night guard of the block were placed under suspension from 2nd March 1979. The final report of the Police was awaited (November 1980). The reasons for keeping the cash box in the steel almirah instead of in the embedded iron safe were not clarified (November 1980). Both the cash books were seized by the Police on 2nd March 1979. Cash balances of the two cash books lying in the iron safe were physically verified by the B.D.O. on 27th March 1979 and found to be Rs.3,17,609.35 (Rs.2,32,605.90 plus Rs.85,003.45) instead of Rs.3,18,973.92 (Rs.2,33,970.47 plus Rs.85,003.45), resulting in shortage of Rs.1,364.57.

(b) Rs.33,525 were also shown in the cash book to have been paid to dealers towards the cost of fertilisers on 22nd and 23rd February 1979 but the amount was not actually found to have been disbursed to the dealers. Thus, Rs.33,525 was misappropriated.

(c) Rupees 4,440 realised (April 1978) as security deposits from the candidates of the Panchayat Election held in June 1978 were not accounted for in the cash book.

(d) The sum total of disbursements recorded in the cash book on 22nd February 1979 comes to Rs.67,050 but it was shown as Rs.66,950 leading to inflation of cash balance to the extent of Rs.100.

Thus, the total amount involved either in misappropriation, theft or shortage was Rs.99,999.42 (Rs.60,769.85 plus Rs.1,364.57 plus Rs.33,525 plus Rs.4,440 minus Rs.100).

Further the following irregularities in the maintenance of the cash books and the Bill Registers were noticed:

- (i) The closing balance of the second cash book was not taken in the main cash book to arrive at total cash balance remaining in the block on a particular day.
- (ii) Entries in the cash books were erased in some cases.
- (iii) The cash books were not signed by the Block Development Officer, the drawing and disbursing officer on a number of dates.
- (iv) All the entries in the second cash book for the period from April 1977 to 23rd February 1979 and from 5th March to August 1979 were not attested by the Block Development Officer.
- (v) The cash balances of the second cash book were not physically verified by the Block Development Officer each month.
- (vi) Entries on the receipt sides of the cash books were not made immediately after the receipt of cheques from the treasury but after encashment of those cheques from the Bank.
- (vii) Heavy cash balances were retained in cash chest without disbursement although the irregularity had been pointed out in the earlier local audit inspection report.
- (viii) All the columns of the Bill Registers were not filled in and the Bill Registers were not reviewed monthly by the Block Development Officer.

The Block Development Officer stated (December 1980) that the defects mentioned in (ii), (iv), (vi) and (vii) were rectified since 2nd November 1979. But it was noticed from the cash books that cash balances as per cash books exceeded Rs.1 lakh even in November 1980.

The matter was reported to Government in December 1979; their reply is awaited (March 1981).

EDUCATION DEPARTMENT

3.12. Shortage of cash

After the bifurcation of the Offices of the District Inspectors of Schools, Primary Education (DISPE) and Secondary Education (DISSE), 24-Parganas, the work of handling cash of both the offices was entrusted to the Accounts Clerk of the office of the DISSE for want of staff in the office of the DISPE. There was no separate cash chest and undisbursed cash balances of both the offices were kept in the same cash chest. The clerk entrusted with the work did not write the cash books of DISPE and DISSE from 2nd November 1975 to 14th February 1976 and 4th December 1975 to 14th February 1976. He committed suicide on 16th February 1976. The keys of the iron chest and steel almirah used by him were recovered by the police from the residence of the deceased on 18th February 1976 and handed over to the DISPE and DISSE. The cash transactions relating to the period from 2nd November 1975 to 14th February 1976 of DISPE and for the period from 4th December 1975 to 26th February 1976 in respect of the DISSE were recorded in the respective cash books in July and August 1976 and the closing balances as per cash books on 14th February 1976 in respect of DISPE and on 26th February 1976 in respect of DISSE were arrived at Rs.1.13.431.12 and Rs.9,29,834.58 respectively. On a physical verification conducted on 17th March 1976 by the DISPE and the DISSE, an amount of Rs.73,371.75 was found in the cash chest and the steel almirah used by that clerk. Amounts in bank drafts, cash in bank account and cash totalling Rs.8.44.228.25 were, however, traced out between 21st February 1976 and 2nd February 1978 from different sources and the total cash shortage was arrived at Rs.1.25.665.70 (Rs.1.13.431.12 plus Rs.9.29.834.58 minus Rs.73.371.75 minus Rs.8.44.228.25). Rupees 73,371.75 thus found on physical verification related to both the offices of the DISPE and DISSE and it had been kept under the joint custody without recording the same in the cash books of the offices. As the amount had not been apportioned between the two offices, the actual shortage of cash in each office could not be ascertained (December 1979).

In this connection, the following procedural irregularities were noticed :

- (i) The Accounts Clerk handled cash of both the offices and used the same cash chest but no security deposit was obtained from him.
- (ii) Both the sets of keys of the cash chest were kept by the Accounts Clerk, in contravention of the provisions of the Treasury Rules, West Bengal.

- (iii) The analysis of cash balances was not done with reference to bill numbers and dates of drawings. A total sum of Rs.16,094.86 representing unspent balance of moneys drawn by DISPE between December 1971 and July 1975 was kept in hand as on 14th February 1976.
- (iv) Heavy cash balances were kept by the DISSE all along from December 1971 onwards although the irregularity had been pointed out in previous local audit inspection reports.
- (v) A sum of Rs.6,10,000 (in bank drafts) was received by the DISSE from the Director of Public Instruction, West Bengal on 12th November 1975 for making payments to different institutions as grants-in-aid with the introduction of Life Science stream in secondary schools. The amount was not initially entered in the cash book and instead of making payment to the concerned institutions, a bank account (current account) in the designation of the DISSE was opened at the State Bank of India, Bakultala Branch without approval of Government. The DISSE stated (October 1980) that the amount remained undisbursed but the help of this account was taken for encashment of the drafts and disbursement by cheques.
- (vi) A sum of Rs.44,987.47 representing refund of money orders received in Postal Orders and Rs.36,180.00 representing two bank drafts for purchase of text books received by the DISPE from the DPI in July 1974 formed a part of the cash balances of his office. These postal orders and bank drafts although encashed on different dates were neither disbursed to proper payees nor refunded to Government account till May 1978.

Government stated (November 1980) that according to the report of the Vigilance Commission on investigation into the matter steps had been taken to proceed departmentally against the persons concerned.

Failure to abide by the rules/requirements of the procedural codes resulted in shortage of cash of Rs.1,25,665.70.

3.13. Losses, etc., written off

In 17 cases, Rs.1.23 lakhs mainly representing losses due to flood, fire, irrecoverable advance, unaccounted stock/stores, unserviceable items, etc. were written off during 1979-80. The details are given in Appendix IX.

CHAPTER IV

WORKS EXPENDITURE

HEALTH AND FAMILY WELFARE DEPARTMENT

4.1 Bulk procurement and improper storage of PVC and Polythene pipes resulting in deterioration of the pipes and consequent loss

Work orders for the procurement of high density PVC and Polythene pipes for use in 69 rural piped water supply schemes (13 schemes sanctioned in 1972 and 56 schemes in 1975) were placed by the Chief Engineer-I, Public Health Engineering (PHE) Directorate in November 1973 on two firms who were stated to be the only firms competent to supply the materials with I.S.I. certification marks. A total length of 7.66 lakh metres of PVC and Polythene pipes of different diameters valued at Rs.99.72 lakhs was received by the Resources Division, PHE for distribution to the various Divisions executing the schemes. There was nothing on record to indicate that pipes of the quality and specification prescribed in the purchase orders were suitable for use in the field conditions prevailing in the different areas of the State. The suppliers guaranteed to replace free of cost pipes and fittings which would reveal manufacturing and mechanical defects within a period of one year.

A review (July 1980) of the utilisation of the pipes procured up to 1975 revealed that almost 88 per cent. of the total supply of polythene pipes (90 mm and 110 mm) was remaining in stock unissued. In many districts where polythene and PVC pipes were utilised in laying work, these had to be replaced by pipes of other variety as these developed leakages and longitudinal cracks. The supplying firm disowned their responsibility for the defective performance of the pipes on grounds of improper storage and expiry of guarantee period. Later on (January 1978), when the samples of polythene pipes were got tested through a firm, it was found that the samples failed to meet the requirements of the vital 'creep rupture test' which was one of the important tests prescribed for ensuring the suitability of the pipes.

In view of the unsatisfactory experience of the executing divisions regarding the suitability of the polythene and PVC pipes, further pipes were not issued from stock to work after 1975. The value of the PVC and Polythene pipes stored with the department, excluding the value of pipes issued against work but remaining unutilised, amounted to Rs.63.00 lakhs (issue rate) in July 1980.

Owing to the failure of the department to (i) assess the suitability of these pipes in the prevalent field conditions through adequate tests before purchase, (ii) assess the actual requirement of these pipes in the water supply schemes since sanctioned, (iii) arrange for proper storage facility after ascertaining their shelf life and (iv) effect the complete utilisation of the supply of pipes obtained within the guarantee period, an expenditure of Rs.63.00 lakhs proved infructuous.

The matter was reported to Government in January 1980. Government in reply stated (November 1980) that PVC and Polythene pipes were purchased in bulk quantity to meet the immediate requirement of piped water supply schemes and to avoid exhaustion of stock in times of requirement. But a large number has been lying unutilised still and the defects of such pipes could not also be got rectified by the suppliers concerned. Government added further on the basis of the report submitted by the Chief Engineer that some of the schemes (24 schemes out of 69) had been completed. But out of the pipes issued from stock to different works, the quantity of pipes actually utilised in the water supply schemes as also an assessment of the quantity of damaged pipes could not be furnished by the Chief Engineer.

4.2. Baranagar-Kamarhati Joint Water Supply Augmentation Scheme

The Baranagar-Kamarhati Joint Water Supply Augmentation Scheme was planned in 1958 to be executed in two phases. The scheme was envisaged to cope with the increasing demand for potable water because of increase in population.

Phase I of the Augmentation Scheme was administratively approved in May 1959 at an estimated cost of Rs.33.00 lakhs. The execution of this phase of the scheme was taken up in 1966 and was commissioned on a trial basis in May 1973 at a cost of Rs.40.02 lakhs. But no improvement in water supply position in the two municipal areas could be effected and the scheme became inoperative mainly due to :

- (a) Non-construction of a new wash water tank and
- (b) Failure to undertake essential repairs.

Since the date of commissioning of the scheme under Phase-I, an expenditure of Rs.9.10 lakhs was incurred up to April 1979 on entertainment of idle staff.

Phase-II of the scheme which was necessary for the success of the Augmentation Scheme as a whole has not yet been sanctioned (March 1980) and its execution has to await completion of the Phase-I.

Owing to defective Planning and failure to construct necessary balancing facilities, the scheme as a whole could not be completed and benefits extended to the people even after a lapse of fourteen years. Thus, the expenditure of Rs.49.12 lakhs including Rs.9.10 lakhs on idle staff has been rendered unproductive.

The matter was reported to Government in June 1979; Government stated in reply (November 1980) that the provision for back wash water tank was not made in the scheme itself with the understanding that the same would be available from the old water works. but ultimately the back wash water was not available from the existing water works, which mainly accounted for delay in execution of the scheme.

IRRIGATION AND WATERWAYS DEPARTMENT

4.3. Excess payment for earthwork on the basis of incorrect calculation of lead

In the schedule of rates relating to Western Circle, Irrigation and Waterways Department prevalent during the period from 1st September 1976 to 23rd October 1978 the following rates in respect of earthwork were provided :

- (1) Earthwork in closing breaches in all kinds of soils by constructing embankment as per profile within initial lead of 30 metres and lift of 1.5 metres.....Rs.1.80 per m³.
- (2) Extra rate of earthwork for additional lead over item (1) above beyond the initial lead of—
 - (a) 30 metres and up to 60 metres.....Re.0.25 per m³
 - (b) 60 metres and up to 90 metres.....Re.0.35 per m³
 - (c) 90 metres and up to 120 metres.....Re.0.60 per m³
 - (d) 120 metres and up to 150 metres.....Re.1.00 per m³
 - (e) 150 metres and up to 200 metres.....Rs.1.80 per m³

In course of scrutiny of the detailed measurements of earthwork in R.A. bills and Final bills of some contractors relating to the work "Closing breaches, etc. in connection with flood damage (1978) restoration works", it came to notice that payments in respect of earthwork up to different leads beyond the initial lead were paid at higher rates as shown below :

			Rate as per schedule	Rate paid by Division	Extra amount involved
(a)	..	..	Re. 0.35	Re. 0.60	Re. 0.25
(b)	..	..	Re. 0.60	Rs. 1.20	Re. 0.60
(c)	..	..	Re. 1.00	Rs. 2.20	Rs. 1.20
(d)	—	..	Rs. 1.80	Rs. 4.00	Rs. 2.20

The extra payment is a result of the Executive Divisions cumulating the rates for different leads even though the rates prescribed are progressive rates after taking into account the leads involved and no cumulations of the rates are contemplated. The divisions were not able to provide any authority for this change made in the rates prescribed.

It was also noticed that the rates at which payments for earthwork beyond the initial lead of 30 metres were made were also much in excess of the rates provided in the subsequent Schedule of Rates of the same circle effective from 24th October 1978 and 1st November 1979.

On test check of vouchers relating to East Midnapore Division and West Midnapore Division (for four months and two months respectively) in respect of earthwork, excess payment made to contractors was to the tune of Rs.4.53 lakhs (Rs.1.07 lakhs for East Midnapore Division plus Rs.3.46 lakhs for West Midnapore Division).

The matter was reported to Government in March 1980; their reply is awaited (March 1981).

4.4. Avoidable purchase of costly machinery

Superintending Engineer, Western Circle (Irrigation) in November 1977 placed order on a firm directing them to supply 6 Flowmore pump-sets and 6 Ruston Diesel Engines to a division though the division did not place any indent for these. The value of this equipment was approximately Rs.7.90 lakhs. The division received supply of most of the equipment in March 1978 and the rest by December 1978 and paid Rs.7.22 lakhs. An officer, deputed in December 1978 to inspect and verify this equipment, pointed out damages of machinery parts, short supply of parts and also some discrepancies in specification of the pumps and accessories. The defects pointed by the Inspecting officer are yet (January 1981) to be rectified and as such no trial run of the pumps could be undertaken. As the only major work namely "The Outfall sluice of Amta Channel" under execution by the division since 1975-76 was almost complete, there was also no prospect of utilisation of these costly machinery in this division. The pumpsets continued to remain idle

The case was reported to Government in July 1979 and June 1980; their reply is awaited (March 1981).

4.5. Extra expenditure on excavation work

The work of excavation of Tarafeni South Main Canal (South) from chain 511 to chain 662 was awarded on 21st October 1970 to a contractor at Rs.6.56 lakhs with the stipulation that the work be completed within five months from the date of award. However, owing to (i) the delay in making over the requisite land, (ii) change in alignment of the canal during the course of excavation resulting in increased volume of work, (iii) failure of the department to provide the contractor with the land to borrow earth and hindrance by the local people to the contractor collecting necessary earth and other miscellaneous reasons, the work could be completed only on 31st

October 1973 at a cost of Rs.8.54 lakhs. The final bill could not be settled till November 1977 when the contractor approached the Chief Engineer with a claim for Rs.7.5 lakhs (including final bill amount and security deposit of Rs.0.11 lakh) on the grounds indicated above. The latter was asked to refer the claim to an Arbitrator in case it was unacceptable to him. In December 1977, the contractor moved the High Court which in the absence of any counterstatement by the Government appointed an Arbitrator in February 1978.

The contractor, however, submitted a claim for Rs.10.53 lakhs before the arbitrator. Barring security deposit and final bill amount of Rs.0.11 lakh, the claim was rejected by Government. On 29th March 1979, the arbitrator filed his award with the High Court for payment of Rs.4.64 lakhs in full settlement of the contractor's claim apart from Rs.0.03 lakh as his cost and 10 per cent interest. The department filed an application to the High Court on 4th May 1979 for setting aside the award. The High Court on 15th June 1979 issued an *ex parte* order (as no Government representative was present) directing the Government to pay the award amount in full together with interest at 6 per cent from 15th June 1979. The Advocate General of the State, who was consulted at last, was of the opinion that there was no ground to prefer an appeal against the High Court's order. So he came to a settlement with the contractor, through the High Court, agreeing to the payment of the decretal amount together with interest at 3 per cent from the date of award. Payment of Rs.4.75 lakhs (including interest) was accordingly made to the claimant on 17th January 1980. Against this, Rs.0.11 lakh only was payable towards final bill and security deposit.

The failure of the department to make over in time the requisite land to the contractor and the change in alignment of the canal made in course of execution of work resulted in the department incurring an avoidable expenditure of Rs.4.64 lakhs.

The matter was reported to the Government in July 1980; their reply is awaited (March 1981).

4.6. Avoidable expenditure due to suspension of revetment works

For saving a vast area of agricultural land from the ravages of flood, the work of construction of revetment by brick block pitching for a length of 3 miles of the Sunderban embankment was awarded to a contractor on 28th January 1970 at the rate of 1.69 per cent above the estimated cost of Rs.13.95 lakhs for completion within three years. The contractor prayed for extra carriage cost of Rs.1.61 lakhs on grounds of procurement of bricks from outside although there was provision in the tender for use of the locally manufactured bricks. The extra carriage cost was not, however, paid to the contractor as the same was not provided for in the tender. The contractor, after execution of 1 mile of the revetment work, left the

work and the same remained suspended since 11th September 1971. Tender was honourably terminated in May 1974 and the contractor was paid Rs.5.56 lakhs in August 1978 in final settlement of his claim.

The Executive Engineer had observed in November 1973 that the condition regarding use of the locally manufactured bricks was stipulated without ascertaining the quality of bricks manufactured from the local soil. The use of locally manufactured bricks could not also be approved due to salinity of the soil.

On an inspection of the affected area on 18th December 1973, Chief Engineer (Irrigation) felt the urgent necessity of the protective work in the remaining portion of the embankment. Accordingly, a fresh estimate of Rs.12.76 lakhs was submitted in December 1975, but the same has not been administratively approved as yet (May 1980). Some portion of the left out protective work was then got executed through separate agencies with bricks carted from outside at rates varying from 2.30 per cent above to 21.75 per cent above the revised estimated cost, arrived at after enhancement of the previous estimated rates by 40 per cent involving an avoidable extra expenditure of Rs.1.87 lakhs. Records further reveal that due to non-execution of the permanent revetment works, damages were occurring over Sunderban area every year since October 1971 and the total expenditure incurred for maintenance of the left out portion of the earthen embankment stood at Rs.0.87 lakh up to May 1980.

Failure of the Department to get the permanent revetment work executed in entire length through the original contractor resulted in a total avoidable expenditure of Rs.2.74 lakhs.

The matter was reported to Government in April 1979; their reply is awaited (March 1981).

4.7. Wasteful expenditure on a research scheme

The Chief Engineer, Calcutta Port Commissioners (CPC) requested the Chief Engineer, Irrigation and Waterways Department in November 1966 to make a study of the changes and interaction of the river Rupnarayan with the river Hooghly from Hooghly point to Calcutta and to suggest suitable remedial measures for proper maintenance of the navigability of the river Hooghly. Based on the report submitted by the Director, River Research Institute (RRI), the Chairman, CPC held in April 1967 that remedial measures rested, *inter alia*, in one or in a combination of the following :

- (i) Dredging and disposal of an optimum quantity of spoil from the bed of the river Rupnarayan at specific places;
- (ii) Realignment of the channel of the Rupnarayan for the first thirty nautical miles or so from the outfall so that the channel becomes self-maintaining; and

(iii) Construction of a barrier at further upstream so that self-maintaining tidal characteristics may be obtained.

Before the measures to be taken could be decided, the Chairman, CPC suggested the following studies :—

- (a) to make an assessment of the available headwater in future,
- (b) to make an analysis of tides, and
- (c) to test the proposed works on a hydraulic model.

As the responsibility for looking after the tributaries of the river Hooghly vested in the State Government, the Chairman, CPC urged the Irrigation and Waterways Department to take up the work against item (c) above and agreed to take up the works against items (a) and (b) which could be undertaken by the CPC without much financial burden.

In the report prefacing the estimate for Rs.2.15 lakhs submitted by the Director, RRI and sanctioned in March 1968, it was provided that CPC and RRI should work in close co-operation, complete the model study within two years and produce a joint report so that remedial measures might be decided upon.

The Director, RRI submitted a revised estimate to the department for Rs.5.58 lakhs in November 1971 and reported that the construction of hydraulic model had been completed and the work of proving the model was in progress. The model was proved in March 1975. By this time, CPC constructed their own model and intimated that they had no necessity to refer any problem to RRI. RRI, however, proceeded with their own programme of studying this model and submitted the second revised estimate for Rs.8.53 lakhs (works portion including contingency : Rs.1.89 lakhs, Establishment with T.A. for 8 years : Rs.6.58 lakhs and other items : Rs.0.06 lakh). Meanwhile, the transformers required in connection with the study of the model were stolen in September 1977, (the estimated cost of replacement of the transformers being Rs.2.70 lakhs) and study of the model could not be proceeded with.

The matter was reported to Government in July 1979. Government stated (December 1980). *inter alia* that the model would be needed to test the requirement of the final Lower Damodar Flood Control Scheme along with the requirements of navigation.

The fact, however, remains that no report of study of the model indicating "the causes and remedial measures necessary for the proper maintenance of the navigability of the river Hooghly" could be produced and submitted to Government even after a lapse of more than twelve years although an expenditure of Rs.8.07 lakhs had been incurred up to 1977-78.

PUBLIC WORKS (ROADS) DEPARTMENT

4.8. Wasteful expenditure

Two Crusher Units were installed at a cost of Rs.3.16 lakhs (including installation charges) in a division during 1975-76 for crushing boulders into stone metal departmentally. About 2,00,000 cft. of the boulders were collected by the department at a cost of Rs.0.71 lakh for crushing but only 1/3rd of the metal was crushed during the period February 1976 to June 1978 and thereafter, crushing was stopped since production was found unprofitable. The issue rate arrived at by the department, for the stone metal produced departmentally was found to be abnormally high as compared to the schedule of rates. As a result, the department had already incurred (up to August 1979) wasteful expenditure of Rs.2.00 lakhs (approx.) including Rs.0.46 lakh towards payment to staff for procurement and crushing of the boulders.

Apart from the wasteful expenditure already incurred, the crusher units installed at a cost of Rs.3.16 lakhs are lying idle and the department has to incur recurring expenditure of Rs.0.60 lakh annually for watch and ward arrangements. Besides, boulders worth Rs.0.47 lakh collected for crushing still remain unutilised.

The matter was reported to Government in September 1980: their reply is awaited (March 1981).

4.9. Incomplete work

Work order for construction of a bridge over Bhangar Kata Khal was issued by Superintending Engineer, Road Construction Circle No. 1 (now State Highway Circle No. I) to a contractor in December 1966 at 3.78 per cent below the estimated cost of Rs.3.52 lakhs put to tender (the estimate was not sanctioned). The contractor stopped the work in August 1968 after partly sinking two wells in a badly tilted position. The contract was terminated in November 1969 under clause 3(c) of the contract making the contractor responsible for extra cost, if any, of the unfinished work but later revoked as per award of the arbitrator in May 1973 and again rescinded (May 1973) under clause 3(a) of the contract with forfeiture of security deposit of Rs.0.14 lakh.

After termination of the above contract in November 1969, an estimate for balance work amounting to Rs.2.62 lakhs was prepared and sent to S.E., R.C.C.I. by the Executive Engineer in February 1970. But the work could not be taken up due to the suggestion of the Irrigation and Waterways Department to modify the design of the bridge to allow passage of greater volume of water in the canal bed.

A fresh contract was thereafter executed with another contractor in August 1973 for completion of the bridge on the basis of a modified design of the work put to tender viz., Rs.7.76 lakhs (estimate not sanctioned) providing for utilisation of the wells already sunk and also providing two new wells to cope with the extension of the bridge from original length of 146 feet to 274 feet with a minimum clear linear waterway of 182 feet.

In the course of execution of the work commencing from August 1973 according to modified design, the contractor expressed reluctance to take up the work of rectification of the badly-tilted wells and his contract was rescinded in August 1974 with forfeiture of security deposit. Against this, the contractor prayed for arbitration and was awarded Rs.0.09 lakh. Fresh tenders were called for again in June 1975 for the residual work and the lowest tender obtained in response thereto amounted to Rs.13.53 lakhs. But on a reference (October 1975) to Government for orders as to the acceptance of the lowest tender, the Directorate was advised (February 1976) to get the revised estimate for the work prepared early on the basis of prevalent schedule of rates, to get the work administratively approved and then to invite fresh tender. Government accorded in February 1979 a revised administrative approval for Rs.34.12 lakhs.

After incurring an expenditure of Rs.4.60* lakhs up to March 1980 (of which Rs.0.88 lakh had been spent by August 1968), the work which was started in December 1966 and for which no proper estimates were prepared at any stage remained incomplete (December 1980) and the expenditure of Rs.4.60 lakhs incurred on it proved unproductive.

The matter was reported to Government in June 1980. Public Works (Roads) Department had stated (November 1980) that the revised general drawing containing proposal for widening the canal and the waterway had taken an unusually long time to have the approval of Irrigation and Waterways Department. However, the approval had been received in July 1980 and steps were being taken by the Engineering Officers concerned to finalise the detailed project estimate. It has since been ascertained that no action has yet been taken by the Department (January 1981) for executing the left over work.

4.10. Extra expenditure

The work "Construction of Krishak Setu" over river Damodar at Sadarghat near Burdwan town was entrusted to a contractor in April 1973 at 18.73 per cent above the estimated cost of Rs.92.22 lakhs put to tender.

*Bridge Proper Rs 88,223, Arbitration award Rs 33,763, earth work in approach Rs 1,95,966, Culverts Rs 31,990, Sub-soil exploration Rs. 18,878, Test Pile Rs 17,773, Miscellaneous and work charged establishment Rs 73,578.

In the priced schedule of probable items with approximate quantities attached to tender, there was specific provision for supply of High Tensile wire by the contractor at the rate of Rs.4,200 per tonne at a price of Rs.4,62,000. The said tender also provided for procurement of High Tensile Steel wire for pre-stressed beams by the Department and issue to the contractor at the same rate i.e. Rs.4,200 per tonne.

In December 1975, the Divisional Officer requested the contractor to take up the work for supply of H.T. Steel wires for P.S.C. girders in-time so that the construction works of girders might not be hampered. Meanwhile, departmental supply of High Tensile wires was arranged by the Divisional Officer free of cost. The contractor claimed his contractual percentage on the value of H.T. wires supplied by the department. This was disallowed.

The contractor insisted on Arbitration in April 1977 on the ground that if this particular item was excluded from the agreement there would be gross violation of the terms of the contract. Moreover, there was no stipulation in the tender that H.T. wires would be supplied "free of cost".

The Arbitrator gave award in favour of the contractor. This resulted in payment of Rs.1.20 lakhs of cost towards contractual percentage increase on materials supplied free by the department. This could have been avoided if a specific provision had been made in the contract that the contractor shall not charge any contractual percentage increase on materials supplied by the department.

AGRICULTURE DEPARTMENT

4.11. Extra expenditure due to enhanced rates in tender schedules

The Chairman, West Bengal State Water Board accepted three tenders (Tenders numbered 2, 5 and 6 of 1976-77) for the sinking of 30 deep tubewells together with observation wells in different districts of West Bengal. In these tenders accepted at 5 per cent less than the estimated cost of Rs.1.06 lakhs per deep tubewell, the following two items were, *inter alia*, provided :

Item no. of tender	Particulars of works	Rate
5	Gravel treatment of tubewells with clean washed Gravel (departmental supply)	Rs. 141.55 per cu. m.
6	Development of tubewells as per specification, etc.	
	(a) Surging by Air Compressor	Rs. 300 per hour
	(b) Over pumping of Turbine pump	Rs. 150 per hour

In other tenders accepted by the Chairman, subsequently during the years 1977-78 and 1978-79, the rates in respect of the above two items were much less as shown below :

Item No.	Rate Rs.
5	10 per cu.m.
6(a)	133 per hour
(b)	87 per hour

Normally, the rates of subsequent years are found to be higher in comparison to those of earlier years due to increase in the cost of labour and materials. But in the cases under consideration, the rates during 1976-77 were appreciably higher than the rates shown against items put to tender during 1977-78 and 1978-79 though the specifications of works in these cases were stated to be same by the Executive Engineer.

Total quantities of works executed in respect of these items against tenders accepted during 1976-77 are shown below :

Item No.	
5	1,032.93 cu.m.
6(a)	706.5 hours
6(b)	529 hours

Calculated at the difference in rates, total extra expenditure involved was to the tune of Rs.2.87 lakhs.

The matter was reported to Government in July 1980; their reply is awaited (March 1981).

4.12. Avoidable expenditure on purchase of Rock Roller bits

Forty numbers of Tricon Rock Roller bits were purchased by the Chairman, State Water Board. Tenders were invited in February 1976 and a firm quoted to supply the required number of bits for Rs.6,90,260 F.O.R. (F.O.R. value is inclusive of C.I.F. value i.e. the amount to be paid to the principal, customs duty and other charges). The C.I.F. value quoted by the firm was Rs.3,96,912. On further negotiation, the firm reduced the C.I.F. price to \$ 40,664 converted to Rs.3,65,980 but retained the F.O.R. price at Rs.6,90,260 without proportionately reducing the figure. Work order with the F.O.R. rate at Rs.6,90,260 was issued by the Department on 24th February 1977. The supply was completed in May 1978 and payment made in June 1978. By the time the payment was made, C.I.F. value of the supply was, as stated by the Department, Rs.3,26,158. However, as per terms of the agreement, the full payment of Rs.6,90,260 was made to the firm. The Department realised in November 1978 that over-payment to the tune of Rs.1,24,150 was made to the firm. When the firm was contacted, they simply stated that the difference is attributable to agency charges, handling charges, etc.

The failure of the Department to scrutinise the firm's quotations effectively and bind the firm to reasonable terms resulted in the Government incurring an avoidable loss of above Rs.1.00 lakh.

The matter was reported to Government in January 1980; their reply is awaited (March 1981).

PUBLIC WORKS DEPARTMENT

4.13. Delay in recovery from contractor

Construction of Employees' State Insurance Hospital and few staff quarters at Budge Budge was awarded to a contractor in 1965-66 and 1966-67 with the scheduled time to complete the works fixed as September 1967 and November 1967 respectively. The contractor was, however, granted extension up to January 1971. The contractor abandoned the works in August 1969 when Rs.0.92 lakh were due from him on account of supply of departmental material and various other grounds. Both the contracts were terminated in February 1971, at the risk and cost of the contractor. The works were completed through other agencies during 1973 at an extra expenditure of Rs.1.11 lakhs. After adjustment of security deposit of the contractor, a net amount of Rs.1.20 lakhs stood recoverable from him.

After a lapse of about one year and a half from the date(s) of completion of the works through other agencies, a letter was issued for the first time in April 1975 to the contractor with the request to deposit the amount, but the same was returned undelivered. Till date (September 1980), no legal action has been taken by the department though the Superintending Engineer, Eastern Circle, had observed in July 1977 that the matter had been badly delayed and a case should be filed immediately to recover the amount.

The matter was referred to Government in August 1979; their reply is awaited (March 1981).

4.14. Avoidable expenditure

Construction of Asharu Bridge over river Kodalia at 10th mile of Bongaon-Bagda-Boira road was administratively approved for Rs.8.11 lakhs by the department in April 1973. The estimated cost for the construction of bridge proper and tendered value were Rs.11.09 lakhs and Rs.13.42 lakhs (21 per cent above estimates) respectively. The work was allotted on the 7th December 1974 and construction of the bridge was completed in December 1976.

Construction of the approach road was, however, awaiting completion. On one side (Boira side), construction was in progress and up to April 1980 an expenditure of Rs.1.20 lakhs was incurred against an estimated amount of Rs.2.60 lakhs. Construction of the approach road on other side has not been taken up even now (June 1980) owing to non-availability of the required land. The bridge completed in December 1976 at a cost of Rs.13.31 lakhs could not, therefore, be commissioned even by now (June 1980).

In the meanwhile, an expenditure of Rs.1.48 lakhs (1977-78 : Rs.0.05 lakh, 1978-79 : Rs.0.90 lakh and 1979-80 up to January 1980 : Rs.0.53 lakh) had to be incurred for repair and maintenance of the old Bailey bridge even after completion of the permanent bridge. Probable date for commissioning of the new bridge for traffic could not, however, be furnished by the Divisional Officer.

In terms of Rule 258 of Public Works Department Code, Volume I, land must be acquired first for starting non-emergent works. The failure of the department to ensure availability of land for construction of approach roads by taking possession of the required land so that the different components of the work could be completed simultaneously resulted in a valuable asset created at a cost of Rs.13.31 lakhs being not utilised so far. Further, an avoidable expenditure of Rs.1.48 lakhs (up to January 1980) had been incurred for maintenance of the old bridge besides normal deterioration of the newly constructed bridge.

Government stated (August 1980) that even though the department initiated the proposal for acquisition of land in approaches in May 1976, the land could not be taken possession of owing to reasons that could not be foreseen. However, it is seen that the construction of the bridge proper was targeted to be completed in October 1975.

PUBLIC WORKS (METROPOLITAN DEVELOPMENT) DEPARTMENT

4.15. Premature termination of contract resulting in avoidable expenditure

Tenders for construction of multi-storied office building (Pile foundation work only) in Sector-1, Salt Lake City, estimated to cost Rs.39.93 lakhs, were invited in April 1977 and opened in June 1977. Work order was issued in July 1977 on the basis of lowest rate offered at 9 per cent. below the estimated cost. Due to paucity of funds, the Chief Engineer (Adviser), Salt Lake Project, advised that the tender be kept in abeyance. But the Executive Engineer cancelled the work order in August 1977. It was, however, ascertained in September 1977 that funds to the extent of Rs.15.00 lakhs were immediately available to take up execution of the work. However, the original contractor refused to commence work at the rates quoted on the plea that his contract stood already rescinded in August 1977. The contractor prayed for release of his earnest money of Rs.0.20 lakh in September 1977 and the same was refunded to him.

The Department undertook to award the work on negotiation basis and after protracted negotiations, the work was reallocated to the original contractor at 1.75 per cent below the estimated cost which was the rate at which another tenderer had agreed to undertake the work.

Premature termination of a valid agreement without fully ascertaining the fund position resulted in the lowest tenderer being discharged from his legal obligation and imposing on the Department an additional liability of Rs.2.89 lakhs.

The matter was reported to Government in June 1980; their reply is awaited (March 1981).

PUBLIC WORKS (CONSTRUCTION BOARD) DEPARTMENT

4.16. Extra Cost

The work "Construction of Hospital Buildings and Staff Quarters including sanitary and plumbing work and water supply arrangement for the Primary Health Centre at Purpat under Udayanarayanpur Block, Howrah" was administratively approved in January 1975. The estimated cost and the tendered value (4.5 per cent. above the estimated cost) were Rs.7.49 lakhs and Rs.7.83 lakhs respectively. Work Order was issued in May 1978 and the work was to be completed by April 1979.

Tenders for the above work were invited on the basis of the schedule of land furnished by the Health and Family Welfare Department. It was then presumed by the Divisional Officer that the land would be available without any objection to commence the work. Since part of the land was not available because of disputes, the Public Works (Construction Board) Department could give to the contractor within November 1978 lay-out for only five buildings out of a total of fifteen buildings. The contractor started work in June 1978 in respect of the five buildings but was pressing hard for giving lay-out for rest of the buildings.

Subsequently (December 1978), revised lay-out plan had to be prepared within the available undisputed land by the Public Works (Construction Board) Department and that was approved (March

1979) by the Health and Family Welfare Department. Although the revised lay-out plan was handed over to the contractor immediately after getting approval of the Health and Family Welfare Department, the contractors expressed (May 1979) their unwillingness to execute the construction of the remaining ten buildings due to delay in receipt of lay-out plan. The contractor, however, continued work on the five buildings at the original tendered rates up to the value of Rs.3.06 lakhs. Thereafter, the department had to terminate the contract honourably in April 1980 due to Department's failure to give lay-out of all the buildings even within one year of issuance of the work order. Meanwhile, tender for residual work (i.e. construction of nine buildings in full and one building above plinth level) was invited in March 1980 and awarded to the same contractor. As a result, the cost of work increased from Rs.7.83 lakhs to Rs.10.64 lakhs.

Thus, failure of the Health and Family Welfare Department to furnish a schedule of land which undisputedly belonged to it, led to an extra cost of Rs.2.81 lakhs.

The matter was reported to Government in September 1980; their reply is awaited (March 1981).

CHAPTER V

STORES AND STOCK

5.1. Synopsis of important stores and stock accounts

A synopsis of stores and stock accounts in respect of Irrigation and Waterways, Public Works (including Construction Board), Public Works (Roads), Agriculture, Animal Husbandry and Veterinary Services, Commerce and Industries, Education, Health and Family Welfare, Home (Jails) and Information and Cultural Affairs departments for the latest years for which the accounts have been received is given below :

Department	Nature of main stores	Year of account	Opening balance	Receipts	Total	Issues	Closing balance
<i>(In lakhs of rupees)</i>							
Irrigation and Waterways	Small stores and building materials	1979-80	6,51.29	6,13.50	12,64.79	5,13.87	7,50.92
Public Works (including Construction Board)	Ditto	1979-80	6,11.86	12,92.42	19,04.28	10,16.83	8,87.45
Public Works (Roads)	Ditto	1979-80	3,01.24	7,05.09	1,0,06.33	5,30.73	4,75.60
Agriculture-Consolidated stores accounts of Intensive Food Production Scheme	Seeds, manures, implements, insecticides, etc.	1977-78	53.05	34.36	87.41	40.88	46.53
Animal Husbandry and Veterinary Services—Central Medical Stores (Veterinary), West Bengal	Medicines, chemicals and surgical equipment	1978-79	23.04	55.76	78.80	33.42	45.38
Commerce and Industries— ..							
(i) West Bengal Government Press and Raj Bhavan Press	Stationery articles, printing paper, binding materials, dead stock, etc.	1978-79	10.87	48.76	59.63	49.21	10.42
(ii) West Bengal Stationery Office ..	Stationery articles, paper and packing materials	1979-80	13.70	71.05	84.75	74.47	10.28

Education—

15	Bengal Engineering College, Shibpur ..	Oil, Coal, gresse, timber, small tools, chemicals, electrical goods, etc.	1979-80	1·87	2·22	4·09	2·04	2·05
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Health and Family Welfare—

(i)	Consolidated stores accounts of principal State Hospitals	Instruments and appliances, medicines, drugs and dressings, beddings and clothings, crockery, etc.	1974-75	43·30	1,78·66	2,21·96	1,63·64	58·32
(ii)	Central Medical Stores ..	Instruments and appliances, drugs, dressings, beddings and clothing, crockery, packing materials, etc.	1976-77	1,49·17	8,76·72	10,25·89	8,63·75	1,62·14
(iii)	Infectious Diseases Hospital, Calcutta	Equipment and medicines ..	1976-77	3·78	12·15	15·93	12·91	3·02
(iv)	Netaji Subhas Sanatorium, Kalyani (formerly Kanchrapara T.B. Hospital)	Instruments, medicines, drugs, dressings, beddings and clothings, crockery, etc.	1977-78	2·73	9·42	12·15	9·41	2·74
(v)	Central Family Welfare Store, State Family Welfare Bureau, Directorate of Health Services, West Bengal	Equipment and medicines ..	1979-80	12·20	13·19	25·39	17·97	7·42

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Home (Jails)—

(i)	Consolidated Stores accounts of Presidency and Central Jails	Tools and plant, raw materials and finished goods	1977	25·62	61·93	87·55	54·37	33·18
(ii)	Jail Depot, Calcutta ..	.. Dusters, towels, clothes, strings and ropes, curtains, teak wood furniture, cane articles, mustard oil, coir articles, umbrellas, etc.	1978	0·16	0·77	0·93	0·66	0·27
(iii)	Alipur Central Jail Press ..	.. Machinery and equipment, tools and plant, dead stock articles, stationery articles, binding materials, etc.	1978-79	24·42	1·75	26·17	4·16	22·01

Department	Nature of main stores	Year of account	Opening balance	Receipts	Total	Issues	Closing balance
<i>(In lakhs of rupees)</i>							
Information and Cultural Affairs—							
(i) Consolidated stores accounts (other than Distribution section)	Photographic chemicals, films, camera and accessories, radios, and accessories, 35 and 16 m.m. projectors and accessories, bulbs, valves, transistors, generator and spare parts, batteries, news reels, art materials, carpentry materials, wooden materials and exhibits etc.	1978-79	95.28	18.89	114.17	14.25	99.92
(ii) Distribution Section ..	.. News journals of the State Government, Government of India publications, posters etc.	1977-78	Value account not maintained by the department				

5.2. Non-receipt of Stores and Stock accounts

The stores and stock accounts of the following departments required to be submitted to Audit by 5th September each year had not been received (March 1981) :

Sl. No.	Department	Year of account	Type of stores	Reasons for non preparation of stores accounts
(1)	(2)	(3)	(4)	(5)
1. Agriculture—				
(i)	Consolidated stores accounts of Intensive Food Production Scheme	1978-79 and 1979-80	Seeds, manures, pesticides and agricultural implements	Reasons not intimated
2.	Animal Husbandry and Veterinary Services—Central Medical Stores (Veterinary), West Bengal	1979-80	Medicines, chemicals and surgical requisities	Ditto
3. Commerce and Industries—				
	West Bengal Government Press and Raj Bhavan Press	1979-80	Stationery articles, printing paper, binding materials, dead stock, etc.	Reasons for non-preparation not intimated
4. Education—				
	Scheme for the supply of text books	1979-80	Text books for Primary Schools, printing and cover paper required for production of those books	Reasons not intimated
5. Health and Family Welfare—				
* (i)	Consolidated stores accounts of principal State Hospitals	1975-76 to 1979-80	Instrument and appliances, medicines, drugs and dressings, beddings and clothings, crockery, etc.	Non-receipt of accounts from the constituent hospitals
(ii)	Central Medical Stores	1977-78 to 1979-80	Instruments and appliances, drugs, dressings, beddings and clothings, crockery, packing materials etc.	Reasons not intimated
(iii)	Infectious Diseases Hospital, Calcutta	1977-78 to 1979-80	Equipment and medicines	For want of staff
(iv)	Netaji Subhash Sanatorium, Kalyani (formerly Kanhrapara T. B. Hospital)	1978-79 and 1979-80	Instruments, medicines, drugs, dressings, beddings and clothings, crockery, etc	Reasons not intimated
(v)	Central Medical Stores of Employees' State Insurance (Medical Benefit)	1979-80	Medicines and equipment	Ditto.

*Stores accounts of the R. G. Kar Medical College and Hospital, Calcutta and Chittaranjan National Medical College and Hospital, Calcutta for the period from 1972-73 onwards, have not been prepared and submitted to Audit for check.

Sl. No.	Department	Year of account	Type of stores	Reasons for non-preparation of stores accounts
(1)	(2)	(3)	(4)	(5)
6. Home (Jails)—				
(i)	Consolidated stores accounts of Presidency and Central Jails	1978 and 1979	Tools and plant, raw materials and finished goods	Ditto
(ii)	Jail Depot, Calcutta ..	1978 to 1979	Dusters, towels, clothes, strings and ropes, teak wood, furniture, curtains, cane articles, mustard oil, coir articles, umbrellas, etc.	Ditto
(iii)	Alipur Central Jail Press	1979-80	Machinery and equipment, tools and plant, dead stock articles, stationery articles, binding materials, etc.	Ditto
7. Home (Police)—				
	Consolidated stores accounts in respect of distribution of food stuff at concessional rates to Police and National Volunteer Force Personnel	1979-80	Rice, wheat, sugar, dal and edible oil	Reasons not intimated
8. Information and Cultural Affairs—				
(i)	Consolidated stores accounts (other than Distribution Section)	1979-80	Photographic chemicals, films, cameras and accessories, radios and accessories, 35 m.m. and 16 m.m. projectors and accessories, bulbs, valves, transistors, generator and spare parts, batteries, news reels, art materials, carpentry materials, wooden materials and exhibits, etc.	Ditto
(ii)	Distribution Section ..	1978-79 and 1979-80	Different news journals of the State Government, Government of India publications, posters, etc.	Ditto

5.3. Reserve Stock

(i) Under the financial rules, the reserve stock limit of each division has to be sanctioned by the competent authority, viz. Chief Engineers of Public Works Department and Irrigation Department.

(ii) Out of 286 divisions (Public Works 66, Irrigation 79, Public Works (Roads) 54, Public Works (Construction Board) 19, Agriculture 30, Housing 13 and Public Health 25), 117 divisions had been holding stock during 1979-80. Of these, in 35 divisions (Public Works 10, Public Works (Roads) 4, Public Works (Construction Board) 6, Irrigation 14 and Housing 1) which supplied the

information, reserve stock limit had not been sanctioned in the case of 3 divisions (Public Works 1, Public Works (Construction Board) 1 and Housing 1). These 35 divisions held stock worth Rs.6,79.88 lakhs of which 13 divisions (Public Works 4, Public Works (Roads) 1, Public Works (Construction Board) 2 and Irrigation 6) held stock exceeding Rs.10 lakhs in each case.

(iii) 21 divisions (Public Works 9, Public Works (Roads) 3, Public Works (Construction Board) 2 and Irrigation 7) held stock worth Rs.5,10.38 lakhs which exceeded the sanctioned limit by Rs.3,57.90 lakhs as detailed below :

Department	Number of divisions	Amounts in excess of the reserve limit on 31-3-80	Remarks
(1)	(2)	(3)	(4)
<i>(In lakhs of rupees)</i>			
Irrigation and Waterways	7	90.27	In Lower Damodar Construction Division, which has been exceeding the limit since 1975-76 the excess on 31-3-1980 was Rs. 37.30 lakhs (75 per cent). In East Midnapore Division, which has been exceeding the limit since 1973-74 the excess stood at Rs. 13.68 lakhs (351 per cent) on 31-3-80. In Kangsabasti Canals Division IV, which has been exceeding the limit since 1966-67, the excess on 31-3-80 was Rs. 11.27 lakhs (225 per cent). In Canals Division, which has been exceeding the limit since 1974-75, the excess stood at Rs. 17.65 lakhs (392 per cent).
Public Works ..	9	173.11	In Central Mechanical Division, which has been exceeding the limit since 1972-73 the excess on 31st March 1980 was Rs. 50.39 lakhs (3359 percent). In Alipour Division-I, which has been exceeding the limit since 1977-78 the excess on 31st March 1980 was Rs. 38.95 lakhs (779 per cent). In Workshop Electrical Division, which has been exceeding the limit since 1976-77 the excess stood at Rs. 71.86 lakhs (206 per cent).
Public Works (Roads)	3	63.80	In Burdwan Highway Division I, which has been exceeding the limit since 1975-76, the excess on 31st March 1980 stood at Rs. 57.45 lakhs (574 per cent).
Public Works (Construction Board)	2	30.72	In Burdwan Division, which has been exceeding the limit since 1975-76, the excess was Rs. 20.96 lakhs on 31st March 1980 (761 per cent).
Total ..	21	357.90	

The replies of the Divisional Officers for holding stock beyond the sanctioned limit and the steps taken by them for regularising the excess holding are yet to be received.

5.4. Closing of stock registers

The register of stock in a Public Works division is required to be closed at the end of each year and reviewed by the Divisional Officer to ensure that the stores consist only of necessary and serviceable articles and that the stores are priced within the prevailing market rates. Of the 35 stock holding divisions from which information was available, closing of stock registers was in arrears in 33 divisions as indicated below :

Department	Number of divisions in which closing of stock registers was in arrears	Remarks
(1)	(2)	(3)
Irrigation and Waterways	14	In Basirhat Irrigation Division, stock register was not closed since 1958-59 and in Canals Division since 1962-63. In Cooch Behar Irrigation Division, Jaynagore Irrigation Division, Kangsabati Canals Division-IV, Kangsabati Canal Division-I, stock registers were in arrears since 1968-69. In two divisions, stock registers were not closed for over 5 years.
Public Works	11	In Calcutta Construction Division, stock register had not been closed since 1969-70. In Central Mechanical Division, stock registers had not been closed since 1970-71. In two other divisions, stock registers had not been closed for over 5 years.
Public Works (Roads)	4	In Burdwan Highway Division-I and in Mechanical Division-II, Stock registers had not been closed since 1970-71. In Mechanical Division No. IV, stock registers had not been closed since 1971-72,
Public Works (Construction Board)	4	In North Bengal Division-I, and in Burdwan Division, stock registers had not been closed since 1969-70.

5.5. Physical verification of stock

The Divisional Officers are required to ensure that physical verification of stock in the division is conducted at least once a year. In 27 of the 35 divisions from which information was available, physical

verification of stock was not conducted during 1979-80; in some cases it was not conducted in earlier years also. The department-wise position is indicated below :

Department	Number of divisions in which physical verification of stock was not done	Remarks
(1)	(2)	(3)
Irrigation and Waterways	13	In Kangsabati Mechanical Division, physical verification of stock had not been done since inception (April 1956), the value of stock held by the division on 31-3-80 was Rs. 1,09.55 lakhs. In Kangsabati Canals Division-IV, physical verification of stock had not been done since 1968-69; the value of stock held by the division on 31st March 1980 was Rs. 16.27 lakhs. In Siliguri Irrigation Division, physical verification of stock had not been done since 1973-74; the value of stock held on 31st March 1980 was Rs. 8.19 lakhs.
Public Works ..	6	In Central Mechanical Division, physical verification of stock had not been done since 1971-72, the value of stock held on 31st March 1980 being Rs. 51.89 lakhs. In Alipur Division-I, physical verification of stock had not been done since 1973-74; the value of stock held by the division on 31st March 1980 was Rs. 43.95 lakhs.
Public Works (Construction Board)	6	In North Bengal Division-I, physical verification of stock had not been done since 1975-76; the division held a minus balance of stock to the tune of Rs. 1.44 lakhs on 31st March 1980.
Public Works (Roads) ..	2	In Mechanical Division-II, physical verification of stock had not been done since 1970-71, the value of stock held on 31st March 1980 being Rs. 7.11 lakhs.

Some of the important irregularities noticed in the course of audit of stock ledgers and the stores and stock accounts of the departments are mentioned in succeeding paragraphs.

5.6. Excess purchase of stores

Animal Husbandry and Veterinary Services Department

Central Medical Stores under Director of Veterinary Services, West Bengal

Medicines and chemicals worth Rs.3.29 lakhs were purchased in 1978-79 although those actually consumed (Rs.2.04 lakhs) could have been met from the existing stock (Rs.2.54 lakhs). Moreover, the stores had a stock of consumable articles, viz., bar soap, detergent powder, etc. (Rs.0.84 lakh) at the end of 1977-78. Although the

consumption of such articles (Rs.0.39 lakh) could have been met from the existing stock, additional quantity of articles (Rs.1 lakh) was purchased during 1978-79. Thus, stores (Rs.5.24 lakhs) accumulated in stock due to purchase of stores in excess of requirements.

5.7. Idle machinery|equipment

Machinery, equipment, etc. costing about Rs.0.68 lakh remained idle for periods from 2 to 11 years. The department-wise details are given in Appendix X.

5.8. Loss of stores due to fire

In March 1980, a fire broke out in the premises of Central Medical Stores, Calcutta under the Health and Family Welfare Department where medicines, equipment, chemicals, etc. were stored. Total loss on account of stores apart from the cost of building was provisionally assessed at about Rs.25 lakhs. The loss on account of damage to building due to fire was stated to be under assessment by the Public Works Department.

No complete list of all items lost due to fire was available in the local office (December 1980).

CHAPTER VI

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

6.1. General

(a) (i) **Grants :** During 1979-80, Rs.1,11.50 crores were paid as grants to local bodies (Rs.44.05 crores), private institutions and individuals (Rs.61.73 crores) and co-operative institutions (Rs.5.72 crores); this formed 11.41 per cent of Government's total expenditure on revenue account. The grants were paid mainly for maintenance and construction of buildings of educational institutions, maintenance of hospitals and charitable institutions, maintenance and improvement of roads and communications under municipalities and development of co-operative societies. Amounts by broad purposes are shown below :

	Building grants	Maintenance grants	Other grants	Total grants
(In lakhs of rupees)				
Local bodies-Recurring .. .. .	..	27,09.71	2,94.72	30,04.43
Non-recurring	8.36	3,46.75	10,45.76	14,00.87
Co-operative institutions-Recurring .. .. .	..	21.40	5,47.65	5,69.05
Non-recurring .. .. .	..	..	3.00	3.00
Others-Recurring .. .. .	..	37,88.76	1,09.99	38,98.75
Non-recurring	16,86.39	2,19.84	3,67.67	22,73.90
Total	16,94.75	70,86.46	23,68.79	1,11,50.00

(ii) **Utilisation certificates of grants :** Departmental Officers sanctioning grants are required to certify to Audit proper utilisation of the grants. Utilisation certificates for grants aggregating Rs.49.55 crores were received during 1979-80; those for Rs.2,29.10 crores (in 31,669 cases) paid as grants up to March 1979 were awaited (September 1980). The department-wise details are given in Appendix XI. Of these, 22,483 certificates for Rs.1,22.81 crores were awaited for more than three years.

Utilisation certificates of over Rs.25 lakhs were outstanding for more than three years against each of the departments mentioned below :

Department	Number of certificates	Amount
(In lakhs of rupees)		
Education	20,902	1,13,95.61
Agriculture	197	3,80.05
Relief and Welfare	305	1,19.94
Co-operation	207	1,17.33
Health and Family Welfare	642	1,15.72
Refugee Relief and Rehabilitation	200	1,01.56
Cottage and Small Scale Industries	7	29.59

The utilisation certificates have not been received although considerable time has elapsed after the payment of the grants. In the absence of utilisation certificates, it is difficult to be satisfied, even in a broad way, about the extent to which the recipients spent the grants for the purpose or purposes for which they were given

(b) **Utilisation certificates of loans and advances :** Out of 936 utilisation certificates (Rs.57.25 crores) due to be received by Audit for loans given by Government up to 31st March 1979, 64 certificates (Rs.9.09 crores) were received leaving 872 certificates (Rs.48.16 crores) to be received (September 1980). Department-wise break-up of wanting utilisation certificates is given below :

Department	Number of outstanding utilisation certificates	Amount	Year to which the earliest outstanding certificates relate
<i>(In lakhs of rupees)</i>			
Co-operation	266	33,34.82	1960-61
Cottage and Small Scale Industries	269	7,97.42	1957-58
Health and Family Welfare	50	2,78.89	1958-59
Local Government and Urban Development	104	1,60.40	1970-71
Animal Husbandry and Veterinary Services	26	1,36.27	1974-75
Panchayats	141	91.01	1968-69
Fisheries	16	16.93	1975-76
Total	872	48,15.74	

In the absence of these certificates, it is not possible to state, even in a broad way, that the recipients have spent the loans for the purpose of purposes for which they were given.

(c) According to the provisions of section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the accounts of bodies and authorities substantially financed by grants or and loans from the Consolidated Fund are to be audited by the Comptroller and Auditor General of India. For this purpose,

a body or an authority is deemed to have been substantially financed in a year if the total amount of grants and loans received by it during the year, including the unutilised balance of similar grants and loans of the previous year(s), is not less than Rs.5 lakhs and is also not less than 75 per cent of the total expenditure of the body or authority in that year. As in the previous years, for identification of such bodies and authorities, all administrative departments of the State Government were asked in April 1980, to furnish information about grants and loans given by them and their subordinate offices to the bodies and authorities during 1979-80 and the total expenditure for the year of such bodies and authorities. This requirement of Audit was also brought to the notice of the Finance Department with the request also for making available the relevant information for the previous years from the defaulting departments or offices. However, no information for 1979-80 was received (January 1981) from several departments, important among them being the Departments of Education, Health and Family Welfare, Co-operation, Agriculture, Panchayat and Community Development, Local Government and Urban Development, Relief and Welfare, Commerce and Industries, Cottage and Small-Scale Industries, etc., which normally release large grants. Of these, the Department of Education did not furnish information for 1978-79 also, the Departments of Co-operation, Relief and Welfare and Cottage and Small Scale Industries from 1977-78 and the Department of Health and Family Welfare since 1971-72.

Where any grant or loan is given to any body or authority for any specific purpose from the Consolidated Fund, Section 15 of the Comptroller and Author General's (Duties, Powers and Conditions of Service) Act, 1971, requires that the Comptroller and Auditor General shall scrutinize the procedure by which the sanctioning authorities had satisfied themselves as to the fulfilment of the conditions subject to which such grants or loans were given.

The results of audit conducted under Section 14 and Section 19(3)|20(1) and scrutiny made under Section 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 are mentioned in the succeeding paragraphs.

EDUCATION DEPARTMENT

6.2. District School Boards

6.2.1. District School Boards had been set up under the Bengal (Rural) Primary Education Act, 1930 in all the 15 districts of West Bengal. Mention was made of their principal sources of revenue and main items of expenditure, total amounts of grants received and expenditure incurred by certain School Boards and various other points in paragraph 6.3. of the Report of the Comptroller and Auditor General of India for the year 1977-78 (Civil).

During the years 1978-79 and 1979-80 the accounts of 14 District School Boards were audited under Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of service), Act, 1971; total amounts of grants received from Government and the expenditure incurred by the District School Boards whose accounts were audited, are given in Appendix XII.

6.2.2. Unutilised Government grant

(a) Grants placed at the disposal of the District School Boards for payment of Scholarships to the girl students to make them school minded remained unutilised in some Boards to the extent of Rs.30.73 lakhs shown below :

Name of the District School Board	Unspent grant accumulated		Earliest year from which unspent	Grant released during the year	Expenditure incurred during the year	Balance remaining unutilised at the end of the year
	At the commencement of the year	Amount				
<i>(In lakhs of rupees)</i>						
Hooghly	1977-78	3.69	1970-71	1.11	nil	4.80
Jalpaiguri	1975-76	1.50	1972-73	0.85	0.60	1.75
Midnapore	1976-77	5.76	1974-75	3.12	0.96	7.92
Murshidabad	1977-78	2.57	prior to 1972-73	0.74	nil	3.81
Nadia	1977-78	3.51	1970-71	0.99	0.42	4.08
24-Parganas	1975-76	4.44	prior to 1972-73	3.36	nil	7.80
West Dinajpur	1975-76	0.59	1970-71	0.48	nil	1.07

(b) A few cases where Government grants placed at the disposal of the District School Boards for other purposes remained wholly unutilised are shown below :

Name of the District School Board	Purpose of grant	Amount (In lakhs of rupees)	Year of release	Amount remaining unutilised (In lakhs of rupees)	Position as in
Hooghly	.. For providing 33 additional class rooms under the scheme of employment of the educated un-employed in rural areas	1.65	1972-73	1.65	October 1979
Do.	.. For providing school facilities to the children in areas predominantly dominated by scheduled castes and scheduled tribes	1.70	{ 1974-75 1975-76	1.70	October 1979
Do.	.. For the benefit of the tribal people and for providing educational facilities to the students of that community	1.00	{ 1976-77 1977-78	1.00	October 1979
Purulia	.. For construction of 24 numbers of additional class rooms in areas inhabited by the scheduled castes and scheduled tribes	1.20	1975-76	1.20	March 1978
Do.	.. For free supply of text books and other articles to the scheduled castes and scheduled tribes students and to girl students of other communities	0.49	{ 1972-73 1973-74	0.49	March 1978
Jalpaiguri	.. For providing equipment and furniture to several selected schools	0.29	{ 1969-70 1971-72	0.29	March 1976
Midnapore	.. For the benefit of the tribal people and for providing educational facilities to the students of that community	2.96	{ 1975-76 1976-77	2.96	March 1977
Murshidabad	Ditto	1.15	{ 1975-76 1977-78	1.15	October 1971

No reason was forthcoming from the local office for non-utilisation of the grants.

6.2.3. *Diversion of Government grant*

Murshidabad District School Board could not incur expenditure for the implementation of the various educational schemes and programmes assigned to them resulting in accumulation of unspent balances of grants in their hands as shown below :

Year				Government grant received including unspent balance	Total expenditure during the year	Unspent balance at the close of the year
<i>(In lakhs of rupees)</i>						
1976-77	..	..	..	5,21.88	3,59.11	1,87.61
1977-78	..	..	..	5,11.78	3,35.71	1,85.84

The cash balance of the Board on 31st March 1978 was Rs.20.20 lakhs against the unutilised balances of grants of Rs.1,85.84 lakhs. It indicates that the grant for specific purposes to the extent of Rs.1,65.64 lakhs was diverted for purposes other than those for which the grants were received from the Government.

6.2.4. *Arrear contribution to the building depreciation fund*

Government directed the District School Boards to make contribution at certain rates to the building depreciation fund created for the repair, upkeep and reconstruction of the Junior Basic Schools in the district. Contribution to the said fund was in arrear to the extent of Rs.7.79 lakhs in the Jalpaiguri District School Board (Rs.4.94 lakhs from 1964-65 to 1975-76) and in the Bankura District School Board (Rs.2.85 lakhs from 1969-70 to 1977-78).

6.2.5. *Overdrawal of Government grant*

The management of a school previously under the grants-in-aid schemes was taken over by the Murshidabad District School Board (April 1971) and the Board drew grant from Government for the maintenance of the school managed by it. The Board, however, did not discontinue to draw grants-in-aid under the grants-in-aid scheme from Government for that school. The total amount of such drawal of grant from the Government was Rs.0.78 lakh up to March 1977.

6.2.6. *Unauthorised expenditure*

Under the provisions of the Bengal (Rural) Primary Education Act, 1930, the District School Boards are not authorised to incur any expenditure in respect of any primary school situated in any municipal area within the district. Mention was made in paragraphs 45(II)(d) and 59(10) of the Reports of the Comptroller and Auditor General of India for 1972-73 (Civil) and 1974-75 (Civil) of unauthorised

expenditure incurred by the Burdwan District School Board (Rs.15.81 lakhs) and the Jalpaiguri District School Board (Rs.1.70 lakhs) respectively. Such expenditure for Rs.11.96 lakhs was also found to have been incurred by the Midnapore District School Board (Rs.9.91 lakhs during the years 1975-76 and 1976-77) for several primary schools in the Kharagpur and Contai municipal areas of the district and the Hooghly District School Board (Rs.2.05 lakhs during the years 1976-77 and 1977-78) for several primary schools in the Tarakeswar municipal area of the said district.

LOCAL GOVERNMENT AND URBAN DEVELOPMENT DEPARTMENT

6.3. Municipalities

6.3.1. The accounts of 20 (twenty) municipalities which attracted audit under Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 for one or more of the years from 1975-76 to 1978-79 as indicated in Appendix XIII were audited during 1979-80. The extent of financial assistance received by them in those years also is indicated in that Appendix *vis-a-vis* their total expenditure:

6.3.2. Collection of revenue

Demand, collection including remission and rebates of the revenue of the municipalities for one or more of the years from 1975-76 to 1978-79 and the balances outstanding at the end of the latest year are given below :

Particulars of revenue	Ref. to the municipalities as per Appendix XIII	DEMAND			Collection including remission and rebates	Outstanding
		Arrear	Current	Total		
(In lakhs of rupees)						
(i) Rates and taxes	All municipalities except Purulia*	1,43.11	95.80	2,38.01	1,09.63	1,29.28
(ii) Taxes on trades, professions and licence fees.	All the municipalities	10.46	8.61	19.07	8.40	10.67
(iii) Lease rent and other dues.	All municipalities except Alipurduar, Balurghat and Burdwan	9.60	6.57	16.17	6.63	9.54

*Collection accounts of Purulia Municipality were in arrears.

The percentage of collection of rates and taxes of all the municipalities fell below the minimum standard of good collection (85 per cent) prescribed by Government (June 1954). The percentage of collection of other revenues for most of the municipalities was equally unsatisfactory. The position in this respect has been indicated in Appendix XIV.

6.3.3. *Financial position*

The liabilities (including unspent grants and loans) exceeded the cash balance of the municipalities (except Barrackpore and New Barrackpore) at the end of the latest year by Rs.1,54.64 lakhs as shown in Appendix XV.

In this connection, the following points were noticed :

(a) The unspent amounts of grants and loans aggregating Rs.77.52 lakhs received from Government for specific purposes, *viz.*, improvement of roads and drains, sinking of tubewells, etc., were diverted by 17 (seventeen) municipalities to other purposes.

(b) A few cases where Government grants and loans, placed at the disposal of the municipalities for specific purposes, remained unutilised are shown below :

Name of the Municipalities	Loan/Grant	Purpose	Amount	Year of receipt	Amounts remaining nutilised	Position as in
					(In lakhs of rupees)	
Katwa	Grant ..	For distribution of books to deserving students of free primary schools	0.07	1973-74	0.07	December 1980
Khardah	Ditto	Ditto	0.20	1971-74	0.20	March 1979
Alipurduar	Ditto	For construction of Harijan quarters ..	0.14	1963-64	0.14	March 1978
Burdwan	Ditto	Ditto	0.20	1964-65	0.20	March 1977
Cooch Behar	Ditto	Ditto	0.03	1965-66	0.03	March 1977
Kanchrapara	Ditto	Ditto	0.04	1969-70	0.04	March 1978
Balurghat	Ditto	For improvement of the working conditions of sweepers	0.42	1968-69	0.42	March 1977
Rampurhat	Ditto	Ditto	0.02	1966-67	0.02	March 1977
Bongaon	Loan ..	For sinking of tubewells in the municipal area	0.99	1972-73	0.78	March 1978
Katwa	Ditto	For flood relief	3.62	1970-71 and 1971-72	1.58	December 1980

(c) 11 (eleven) municipalities had not repaid to Government instalment of loans with interest accrued thereon to the extent of Rs.28.59 lakhs. Year-wise break-up of the overdue loans was not available with the municipalities. The extent of default in repayment of the instalments of loan by the Burdwan, Cooch Behar and Jiaganj-Azimganj Municipalities was not available in the municipality.

(d) 8 (eight) municipalities had defaulted in payment of provident fund amount deducted from the salaries of the employees and of their own contributions to the employees' provident fund to the extent of Rs.5.70 lakhs. Besides, Rs.3.02 lakhs were withdrawn from the employees' provident fund account by Burdwan Municipality in 1974-75 and 1975-76 (Rs.2.86 lakhs) and Murshidabad Municipality (Rs.0.16 lakh) for the general purpose of the municipality.

Purulia Municipality too defaulted in payment of provident fund deduction from the employees together with municipal contribution, but the extent of default could not be ascertained from the municipality as the employees' Provident Fund Account was maintained in a perfunctory manner.

The fund balance as per abstract of ledger was Rs.6.00 lakhs whereas that as per Provident Fund Pass Book and investment was Rs.2.00 lakhs. The shortage of Rs.4.00 lakhs could not be explained.

6.3.4. Irregularities in Government Grants

Despite failure of the municipalities to spend Development grants received from Government for expenditure on approved development schemes, further grants were paid to them without ascertaining their capability to undertake the scheme :

Municipalities	Unspent grant		Earliest year from which unspent	Further grant released during the year	Expenditure during the year	Balance at the end of the year
	At the commencement of the year	Amount				
		(In lakhs of rupees)				(In lakhs of rupees)
Basirhat	1977-78	0.25	1968-69	0.35	0.16	0.44
Bishnupur	1977-78	1.51	1966-67	0.38	0.56	1.33
Bongaon	1977-78	2.53	1962-63	0.35	0.30	2.58
Burdwan	1976-77	10.00	1966-67	7.37	nil	17.37
Kalna	1977-78	2.12	1971-72	0.25	0.75	1.62
Katwa	1977-78	2.65	1963-64	0.13	nil	2.78
Jiaganj-Azimganj	1977-78	1.62	1963-64	0.24	nil	1.86

Development grant remained unspent in the Kanchrapara municipality (Rs.0.83 lakh received between 1962-63 and 1969-70), Nabadwip municipality (Rs.3.20 lakhs received between 1964-65 and 1974-75) and Rampurhat municipality (Rs.0.91 lakh received between 1964-65 and 1970-71). No expenditure was incurred during the year/years last audited.

6.3.5. *Non-payment of Government dues*

As per terms of agreement, water rate collected by the Cooch Behar municipality less collection charges was payable to the State Government. Collection of water rate less collection charges during 1963-64 to 1976-77 amounted to Rs.5.41 lakhs.

The municipality paid Rs.0.60 lakh pertaining to 1975-76 in March 1978 and July 1979. The balance of Rs.4.81 lakhs has not been paid to Government (November 1980).

6.3.6. *Irregular write-off*

Bengal Municipal Act provides that the municipal commissioners at a meeting may order to be struck off any amount due which may appear to them to be irrecoverable but in passing such order they shall, in each case, briefly record the reasons therefor and the statement of the steps taken to recover the amount ordered to be struck off. Bishnupur Municipality struck off a demand of Rs.1.59 lakhs as irrecoverable for 1976-77 (Rs.0.79 lakh) and 1977-78 (Rs.0.80 lakh) without recording the steps taken for its recovery.

The points mentioned above were reported to Government in November 1980; their reply is awaited (March 1981).

PANCHAYATS AND COMMUNITY DEVELOPMENT DEPARTMENT

6.4. **Zilla Parishads**

6.4.1. Zilla Parishads were set up in the State under the West Bengal Zilla Parishads Act, 1963, as the apex of four-tier Panchayati Raj with a view to associating the local authorities with the development activities and bringing about democratic decentralisation and people's participation in planning and development. The four-tier set up was reduced to a three-tier one under the West Bengal Panchayat Act, 1973 which came into effect in the year 1978-79 after election in June 1978 to the reconstituted Panchayati Raj Bodies; but till such reconstitution, the Zilla Parishads in the State continued to be governed by the Act of 1963.

6.4.2. Source of finance

The main sources of finance of the Zilla Parishads are a share of land revenue and cess given as grant by the Government and other grants and loans for specific purposes. The total amount of grants and loans received from Government and expenditure incurred by the 12 Zilla Parishads for one or more of the years from 1976-77 to 1977-78 as indicated in Appendix XVI were audited during 1979-80.

6.4.3. Collection of Revenue

The income of the Zilla Parishads from their own sources of revenue which included mainly rent of land, lease of cattle pounds and ferries amounted to 1.68 and 1.95 per cent of the receipts from Government in the shape of grants and loans during 1976-77 and 1977-78 respectively. The amount of revenue collected by the Zilla Parishads was 22.31 and 23.74 per cent respectively of their total demand during the years as shown below :

Year	Receipts			Percentage of collection to	
	Loans and grants from Government including unspent balance of previous year	Revenue		Government grants and loans	Total demand
		Demand	Collection	(a)	(b)
		(a)	(b)	(a)	(b)
(In lakhs of rupees)					
1976-77 .. (9 Zilla Parishads)	2,77.63	20.93	4.67	1.68	22.31
1977-78 .. (9 Zilla Parishads)	2,55.53	21.02	4.99	1.95	23.74

An analysis of the total demand of revenue of the Zilla Parishads concerned for the years disclosed that revenue out of lease of ferries was the main source of income of the Zilla Parishads (vide Appendix XVII). Against the total demand of Rs.20.93 lakhs during the year 1976-77, demand from ferries was Rs.17.71 lakhs which was 84.62 per cent of the total demand for revenue; and for the year 1977-78 against the total demand of Rs.21.02 lakhs, demand from ferries was Rs.17.73 lakhs i.e. 84.35 per cent of the total demand. As against such demand, the collection was Rs.3.95 lakhs and Rs.4.03 lakhs respectively during the years which worked out to 22.30 per cent and 22.73 per cent of the total demand of revenue out of lease of ferries by the Zilla Parishads concerned.

The Government of West Bengal in their Finance Department circular issued instructions for realisation of ferry receipts wherein it was indicated that such receipts were realisable in advance and defaulters should be disqualified from bidding in subsequent

settlements; and the state of collections should be frequently reviewed by the Executives of the Zilla Parishads. But the aforesaid instructions of the Government had not been followed by the Parishads resulting in heavy accumulation of arrears and making the Zilla Parishads dependent on the Government, to a great extent, for their maintenance.

6.4.4. *Internal Audit*

The internal audit of the accounts of the Parishads which is normally a function of their Standing Finance Committee devolved on the Administrators of the Parishads appointed by the State Government. But the accounts of the Darjeeling and Malda Zilla Parishads (1976-77), Birbhum (1977-78) and Jalpaiguri, Midnapore and 24-Parganas (1976-77 and 1977-78) were not subjected to any internal audit.

6.4.5. *Non-payment of loan instalments*

As detailed in Appendix XVIII, the loan liability of the 9 Zilla Parishads to the Government, whose accounts were audited for the year 1976-77, was Rs.1,99.45 lakhs on the 1st April 1976; and that of the 9 Zilla Parishads to the Government, whose accounts were audited for the year 1977-78, was Rs.1,47.44 lakhs on the 1st April 1977. Out of the aforesaid heavy amount of outstanding loans, Jalpaiguri and Birbhum Zilla Parishads repaid a meagre amount of Rs.0.14 lakh and Rs.0.03 lakh during the years. While releasing the grant in lieu of cess collection for the years 1976-77 and 1977-78, Government adjusted a sum of Rs.7.67 lakhs and Rs.2.14 lakhs respectively towards overdue instalments of loans in respect of 4 Zilla Parishads for 1976-77 and 2 Zilla Parishads for 1977-78.

The bulk of the amount of Rs.1,91.71 lakhs and Rs.1,45.20 lakhs remained outstanding at the end of each of the years 1976-77 and 1977-78 respectively in respect of the 9 Zilla Parishads whose accounts were audited in each of the years under report. The amount of overdue instalments of loan could not, however, be ascertained from the records of the local offices nor could it be ascertained from the records maintained in the Panchayats Department.

6.4.6. *Diversion of Government grants and loans*

Grants and loans given by Government for specific purposes (such as construction of roads, drains, culverts, improvement of tanks, etc.) but remaining unspent should be reflected in the cash balance (including investment) to indicate that the funds were available for the purpose for which assistance had been rendered. In Bankura and Purulia Zilla Parishads, such balances fell short of the unutilised

grants and loans to the extent shown below, indicating that the grants had been appropriated towards general expenses of the Zilla Parishads :

Name of the Zilla Parishad	Unspent balance of Government grants and loans as on 31st March 1978	Cash balance (plus investments) as on 31st March 1978	Amount diverted for general expenses
	(In lakhs of rupees)		
Bankura	3.16	1.85	1.31
Purulia	2.47	2.38	0.09

6.4.7. Scheme unexecuted

Government (Development and Planning Department) sanctioned an estimate of Rs.1.05 lakhs for the construction of a fountain at Old Malda Municipality by the Public Health Engineering Directorate and made an allotment of Rs. 0.70 lakh (March 1977) for the execution of the scheme within the year. The district administration of Malda re-allotted the amount to the Malda Zilla Parishad by transfer credit (March 1977) who in turn disbursed the amount to the executing agency (May 1977) but the said agency refunded the amount to the Zilla Parishad (September 1979). The amount remained unutilised in the Zilla Parishad up to June 1980 and in the next month the said amount was re-allotted to the Old Malda Municipality who in turn deposited the same to the Executive Engineer, Public Health Engineering, Malda. Thus, the scheme which was to be executed within March 1977 by the Public Health Engineering Directorate could not be taken up for execution by them even within three years and the allotment remained dormant in the hand of different agencies as below for want of clear direction by the district administration.

Malda Zilla Parishad	..	March 1977 to April 1977
Public Health Engineering	..	May 1977 to August 1977
Malda Zilla Parishad	..	September 1979 to June 1980
Old Malda Municipality	..	July 1980

6.4.8. Non-rendition of accounts of advances

For execution of schemes under the Special Employment and Rural Production Programmes, a total sum of Rs.32.33 lakhs was placed at the disposal of the District Engineer, 24-Parganas Zilla Parishad between January 1976 and July 1977 out of Government grant received for the purposes. Of the above advance, Rs.25.64 lakhs were paid between January 1976 and January 1977 and the balance of Rs.5.69 lakhs during the period of his re-employment from

February 1977 to July 1977 after his retirement from service in January 1977. Against the above advance, an amount of Rs.30.97 lakhs (including refund of Rs.1.79 lakhs) was adjusted leaving a balance of Rs.1.36 lakhs. A money suit has been instituted (January 1979) by the Zilla Parishad against the engineer for recovery of the amount.

The points mentioned above were reported to Government in November 1980; their reply is awaited (March 1981).

PUBLIC WORKS (METROPOLITAN DEVELOPMENT) DEPARTMENT

Calcutta Metropolitan Development Authority

6.5. Avoidable expenditure of Rs.23.98 lakhs due to defective planning

The work of inter-connecting the 60" dia. pressure main of the old plant and the 72" dia. pressure main of the new plant at Palta Water Works to facilitate diversion of filtered water from one plant to the other, was awarded to a firm in July 1971, by the Calcutta Corporation, acting as an implementing agency of the CMDA, at a cost of Rs.21.76 lakhs. The work was almost at the completion stage in November 1972, when it was stopped by the Calcutta Corporation pending sanction of the revised estimate by the CMDA. Till then, the value of the work done by the firm and paid for by the Calcutta Corporation, amounted to Rs.21.60 lakhs.

The left over portion was, thereafter, got completed by the CMDA through another agency (in February 1977), at a cost of Rs.2.38 lakhs. The total cost of the work came to Rs.23.98 lakhs.

In spite of the existence of the inter-connection between the two transmission mains of the two plants referred to, the work of providing another inter-connection between the two plants by connecting the respective sump wells by means of a 72" dia. gravity line (i.e. through which filtered water would flow from one sump well to the other by means of gravity), was taken up in November 1976, and completed in August 1978 at a cost of Rs.23.50 lakhs.

In this connection, the Executive Engineer, Tallah Division, CMDA stated, *inter alia*, that the 72" dia. gravity inter-connection was undertaken to remove the uncertainties of the earlier inter-connection arising out of break-downs of the pumps in either pumping station as also failure of electrical power, as the earlier inter-connection was dependent on operation of the electrical pumps in both the pressure stations.

Had the aforesaid limitation of the 48" dia. inter-connection, connecting the transmission mains been taken into account earlier, and the 72" dia. gravity inter-connection between the respective sump wells been planned and constructed at the beginning, the expenditure of Rs.23.98 lakhs on the 48" dia. inter-connection could have been avoided.

Government stated (August 1980) that both the inter-connections were found necessary and unavoidable since the 48" inter-connection between the two transmission mains would facilitate transfer of filtered water from one pressure station to the other, while the 72" gravity inter-connection between the respective sump wells would facilitate transfer of filtered water, before pumping, from one plant to the other in the case of break down of the filtration unit in any one plant, so that normal supply could be maintained. Government did not, however, elucidate how the 48" inter-connection between two transmission mains was necessary in addition to the 72" gravity inter-connection through which filtered water could be diverted from one plant to the other independent of pumping, and thereafter could be pumped directly into the respective transmission main.

The matter was reported to Government in November 1980; their reply is awaited (March 1981).

6.6. Nugatory expenditure of Rs.2.62 lakhs on acquisition of equipment of doubtful utility

In terms of the agreement executed by the Calcutta Corporation (as an implementing agency of the CMDA) with a firm in January 1972 for renovation of the slow sand filter beds at Palta Water Works, the filter beds were to be treated by taking out the existing sand from the beds and replacing it after washing and cleaning. As provided for in the same agreement, the firm also supplied seven new sand washing machines and repaired and remodelled nine existing machines (all hand operated) at a cost of Rs.1.20 lakhs. The management and control of the work was taken over by CMDA from Calcutta Corporation in March 1974 and thereafter, it was decided that the renovation of the filter beds would be done by using new sand only.

Even so, with a view to expeditious completion of the renovation work of the filter beds, an agreement was entered into in July 1976, through negotiation with a firm for supply of five Kem Dyne Hydraulic Rake Classifiers (a type of electrically operated sand washing machine) together with five steel hoppers at a total cost of Rs.2.60 lakhs (Rs.2.50 lakhs plus Rs.0.10 lakh) with a stipulated delivery period of 30 days from the 25th July 1976 (the date of issue of work order). The firm could, however, complete the supply only in April 1979 and no penalty was imposed on it for this inordinate delay.

As sixteen hand operated machines were already available for normal maintenance work, acquisition of the Hydraulic Rake Classifiers was of doubtful utility and the expenditure of Rs.2.62 lakhs incurred on it was nugatory.

Government stated (August 1980) that the electrically operated machines were purchased on the recommendation of experts to augment the work of sand washing as with the increased output from the filter beds (after renovation), the quantum of scrapped sand required to be used after rewashing had increased to a great extent.

Although acquisition of the machines was, thus sought to be justified on the ground of increased requirement of sand washing in the course of normal maintenance of the filter beds, the quantum of sand so required to be washed monthly, and to what extent this exceeded the capacity of the 16 hand operated machines already existing, were not mentioned by Government to indicate the specific utility of the new machines over and above the existing ones.

6.7. Extra expenditure due to lack of co-ordination

In March 1977, the Senior Director, Tallah-Palta System, Calcutta Metropolitan Development Authority, sanctioned an estimate for Rs.10.77 lakhs for laying a 335 metre length of 72" | 1800 mm dia brick conduit in a portion of the gravity inter-connection between the sump wells of the old and the new pressure stations of Palta Water Works. Before acceptance of the lowest tender obtained in May 1977, the Senior Director intimated the tendering firm that due to a change in design necessitated by the site condition, the length of the conduit to be laid would be restricted to 160 metres only, and on the firm's conveying its agreement to the reduction in the quantum of work, without any change in the rate offered, the tender was accepted by the Senior Director (June 1977) at a cost of Rs.5.16 lakhs (3.21 per cent above the reduced estimated cost of Rs.5.00 lakhs).

It was seen that originally, as provided in the project estimate, this portion of the work was to be done by using 72" | 1800 mm dia RCC Class NP—4 pipes for which, based on the indent of the Tallah-Palta system, supply order for 350 metre length of pipes and 280 Collars had been placed with a firm by the Directorate of Materials, CMDA in June 1976, with the stipulation that the supply should be completed by November 1976. The firm failed to supply any material within the stipulated period. In view of this, brick conduit in place of NP—4 pipe was decided upon and the estimate for Rs.10.77 lakhs for the work was sanctioned in March 1977. It had also been stated that brick conduit was a better substitute both functionally, and from the point of view of durability.

Even so, the length of the brick conduit was reduced and the remaining portion of the inter-connection executed with the NP—4 pipes supplied by the firm during the period from June 1977 to November 1977. The supply order of June 1976 was not cancelled by the Directorate of Materials either immediately after the firm's failure to supply the material within the stipulated time, or even in March 1977 when the estimate for executing the work with brick-conduit was sanctioned by the Senior Director, Tallah Palta System. Nor did the authorities of the Tallah Palta System request the Directorate of Materials to cancel the said supply order. Till completion of the work (June 1979), the length of the RCC pipeline laid came to 187.14 metres (172.50 metres NP—4 pipe and 14.64 metres NP—4 pipe) at a cost of Rs.5.59 lakhs *vis-a-vis* 188.58 metres of brick conduit laid at a cost of Rs.4.89 lakhs. The cost of the RCC pipe line exceeded that of equivalent length of brick conduit by Rs.0.74 lakh.

According to the Additional Director, Tallah Palta System, there was no alternative to taking delivery of at least 50 per cent of the pipes ordered for as the supply order was not cancelled by the Director of Materials. Lack of proper co-ordination between the two wings of the CMDA resulting in non-cancellation of order for supply of material no longer required was, therefore, responsible for the avoidable extra expenditure of Rs.0.74 lakh.

Government to whom the matter was reported, stated (August 1980) that even though, in view of the delay in supply of NP—4 pipes the authorities of the Tallah Palta System, CMDA prepared an estimate for laying brick-conduit in place of NP—4 pipes, called for tenders and were about to finalise the matter, the firm with whom the supply order for NP—4 pipes had been placed earlier approached the Director of Materials for accepting the NP—4 pipes which were ready by that time and it was decided to accept half the quantity of NP—4 pipes ordered, considering the fact that otherwise the supplier would incur a heavy loss.

6.8. Loss due to acceptance of higher rate

For supply of 16,725 cubic metres of medium coarse sand for renovation of the slow sand filters at Palta Water Works, the Senior Director, Talah-Palta System, CMDA accepted the lowest rate of Rs.38 per cubic metre tendered by a firm and issued the work order on

3rd July 1976, with the stipulation that the supply should be completed within 6 months from that date.

While the above contract was in force, the Senior Director entered into two other contracts with another firm, each for supply of 1,150 cubic metres of medium coarse sand of the same specifications, at a much higher rate of Rs.60 per cubic metre and issued work orders on 29th July 1976 and 4th September 1976 respectively, with the stipulation that the supplies should be made within 3 weeks from the dates of the respective work orders.

Against the total quantity of 2,300 cubic metres stipulated in the contracts with the higher rate of Rs. 60 per cubic metre, supply of 2,280.23 cubic metres was obtained (1,128.51 cubic metres by 24th August 1976 and 1,151.72 cubic metres by the 26th October 1976) while the supply against the contract at the cheaper rate of Rs.38 per cubic metre was curtailed by 2,927 cubic metres (actual supply being 13,798 cubic metres *vis-a-vis* the stipulated quantity of 16,725 cubic metres).

Acceptance of the higher rate of Rs.60 per cubic metre soon after acceptance of the rate of Rs.38 per cubic metre and that too, during the currency of the contract with the cheaper rate, therefore, lacked justification and resulted in a loss of Rs.0.50 lakh on 2,280.23 cubic metres sand procured at the higher rate. Government stated (August 1980) that the second and the third contracts were necessary as more and more filter beds were expected from Calcutta Corporation for renovation* before the Puja holidays when increased supply of city water was a must, and that it would not have been possible for one contractor to supply the increased quantity of sand that would have been required due to increase in the volume of work to be done by CMDA within a short time.

Government also stated that due to subsequent change of programme by the Calcutta Corporation, CMDA could not consume the entire supply of sand forthcoming from three sources and this resulted in accumulation of huge stock of sand covering the entire stacking area available, and led to stoppage of the supply (against the contract with cheaper rate).

*Under the existing arrangement, Calcutta Corporation which is responsible for running and maintenance of the filters, hands over filter beds in phases to CMDA for renovation and takes over the same from CMDA after renovation.

AGRICULTURE DEPARTMENT

6.9. Non-utilisation of subsidy for ground water exploitation in the three command areas

With a view to assisting the small and marginal farmers in the three command areas of West Bengal, for exploiting ground water with the help of shallow tubewells, masonry wells, dug wells and auto flows, Government of India released grants aggregating Rs.1,00.53 lakhs to the State Government between March 1977 and March 1979. The grants were to be utilised against sanctions issued by the State Government from time to time. The Administrators, Command Area Development Authorities (CADA) were to draw funds for giving subsidy to the small and marginal farmers at the rates varying between 25 and 50 per cent of the total cost of the work undertaken by the farmers by credit to their loan accounts with the banks financing the remaining cost of the works. Release of subsidy was subject to availability of bank loans and the progress of works.

Based on tentative programme of works, grants were released in advance by the Government of India. A total sum of Rs.58.01 lakhs was, however, allotted by the State Government to the three CADAs between 1976-77 and 1978-79 on the basis of specific proposals submitted by them. Of the amount aggregating Rs.47.74 lakhs drawn by Administrators, CADAs and the Block Development Officers during the period, Rs.39.04 lakhs were disbursed for sinking of 1,364 shallow tubewells, 2 deep tubewells, 51 masonry wells and 12 dug wells (up to September 1980), Rs.0.28 lakh was refunded to the treasury between February and August 1980 and Rs.8.42 lakhs were retained (September 1980). The detailed particulars of the balance amount of grants for Rs.52.79 lakhs (Rs.1,00.53 lakhs *minus* Rs.47.74 lakhs) received from the Government of India could not be furnished by the Department. The Department, however, stated (October 1980) that unutilised grants were carried forward to the account of the following year.

The points, *inter alia*, noticed during test check (September-October 1980) in audit of the working of the scheme are mentioned in the succeeding paragraphs.

(i) Although allotments were found to have been made by Government on specific purposes proposed by the CADAs, Rs.8.42 lakhs were stated (September 1980) by the CADAs to have been retained due to delay in sanction of loans by banks (Rs.4.20 lakhs), non-finalisation of schemes by banks (Rs.3.28 lakhs) and non-receipt of the claim for release of subsidy for sinking of deep tubewells (Rs.0.94 lakh) from the concerned bank,

(ii) Rs.6.18 lakhs were drawn by CADA, Kangsabati (Rs.1.07 lakhs in March 1978), Block Development Officer, Sainthia (Rs.2.16 lakhs in March 1977) and Block Development Officers, Bharatpur I and II (Rs.2.95 lakhs in March 1977) for payment of subsidy for sinking 168 shallow tubewells but the same could not be disbursed to the beneficiaries and no tubewells were sunk. Of this, Rs.1.07 lakhs, though released to a bank (July 1979), remained undischarged with it (October 1980) on the ground of failure on the part of the beneficiary to repay earlier loans sanctioned by the bank (not within the ambit of this scheme) and the balance of Rs.5.11 lakhs remained unspent with the drawing officers (September 1980) because of adverse (technical) report of the State Water Board (Rs.2.16 lakhs) and reluctance on the part of the beneficiaries to participate in the scheme (Rs.2.95 lakhs).

(iii) Eight hundred and seven shallow tubewells (109 under CADA, Kangsabati and 698 under CADA, Mayurakshi) sunk between March 1979 and December 1979 against subsidy for Rs.20.39 lakhs released during March 1977 to July 1979 were not energised (September 1980) and utilised for irrigation purposes.

(iv) Contrary to the provisions of the scheme, subsidies of Rs.2.39 lakhs and Rs.0.61 lakh were released by the Administrator, CADA, Mayurakshi (1979-80) and Administrator, CADA, Damodar Valley Corporation (1979-80) for sinking 127 diesel run shallow tubewells and two deep tubewells respectively.

(v) Out of 12 dug wells, for which subsidy of Rs.0.30 lakh was released by the Administrator, CADA, Mayurakshi in December 1979, 5 dug wells were stated (September 1980) by the Administrator to have been completed and of 110 shallow tubewells (involving subsidy of Rs.2 lakhs released) stated to have been completed, completion certificates for 50 tubewells only were received (October 1980) and accepted. Also, according to the Administrator, CADA, Kangsabati (September 1980), 16 masonry wells out of 51 wells for which subsidy for Rs.2.55 lakhs was released (March 1979) could be completed. No records showing subsidy admissible for the works completed could be shown to audit (September 1980).

(vi) Records showing total cost and total subsidy admissible for sinking of 279 shallow tubewells (101 under CADA, Damodar Valley, 51 under CADA, Kangsabati and 127 under CADA, Mayurakshi vide sub para vii) completed between December 1979 and September 1980 against subsidy for Rs.7.01 lakhs (Rs.2.06 lakhs, Rs.2.56 lakhs and Rs.2.39 lakhs respectively) released during June 1979 to December 1979 could not be shown to audit (September 1980).

Regarding the reasons for delay and non-execution of some of the works, the Administrators of the CADAs stated (September-October 1980) that the reluctance of beneficiaries to take advantage of the

scheme as well as delayed sanction of loans by the banks were the main handicaps for the progress of the works.

To sum up, out of Rs.39.04 lakhs disbursed (against Rs.47.74 lakhs drawn) for sinking of 1,364 shallow tubewells, 2 deep tubewells, 51 masonry wells and 12 dug wells, subsidy of Rs.6.18 lakhs for 168 shallow tubewells was lying unspent (September 1980), 807 shallow tubewells (subsidy : Rs.20.39 lakhs) sunk between March 1979 and December 1979 remained un-energised (September 1980) and 127 diesel run shallow tubewells and 2 deep tubewells (subsidy : Rs.3.00 lakhs) were not contemplated under the scheme. Completion certificates for 60 out of 110 shallow tubewells (subsidy : Rs.2.00 lakhs) stated to have been completed were not received. Seven out of 12 dugwells (subsidy : Rs.0.30 lakh) and 35 out of 51 masonry wells (subsidy : Rs.2.55 lakhs) were stated to be incomplete (September 1980). No records showing the total cost and subsidy admissible for sinking 279 shallow tubewells could be shown to audit. Rupees 8.42 lakhs were retained (September 1980) without utilising the same on any specific schemes.

The matter was reported to Government in October 1980; their reply is awaited (March 1981).

ANIMAL HUSBANDRY AND VETERINARY SERVICES DEPARTMENT

6.10. Financial assistance to organisations

Government, in the Department of Animal Husbandry and Veterinary Services, sanctioned, from time to time, financial assistance in the form of grants, loans and investments to non-Government organisations and corporations mainly for the purpose of meeting the cost of development works, replenishing deficit and implementing specific schemes and projects. Financial assistance given to four such organisations was test-checked between June 1980 and July 1980 with reference to records of the department in order to scrutinise the procedure by which the sanctioning authority satisfied itself as to the fulfilment of the conditions subject to which financial assistance was sanctioned. Points noticed in audit are as under :

6.10.1. *Milk Producers' Unions*

Under a scheme for enhancement of milk production in the state, sponsored and financed (as grants and loans in the ratio of 30 : 70) by the Indian Dairy Corporation (a Government of India undertaking), the State Government released between 1974-75 and 1979-80 financial assistance to the extent of Rs.43.85 lakhs as grants and Rs.1,02.32 lakhs as loans (as received from the Corporation) to three Co-operative Milk Producers' Unions in the state for giving technical

inputs (i.e. animal health cover, artificial insemination services, supply of balanced cattle feed, etc.) to the farmer members of the primary societies. The unit-wise break-up of the grants and loans is as under :

Sl. No.	Name of Milk Union	Period	Amount		
			Grants	Loans	Total
<i>(In lakhs of rupees)</i>					
1.	The Himalayan Co-operative Milk Producers' Union Ltd. (HIMUL)	1974-75 to 1979-80	22.90	53.45	76.35
2.	The Bhagirathi Co-operative Milk Producers' Union Ltd.	1974-75 to 1979-80	14.05	34.87	49.82
3.	Midnapore Co-operative Milk Producers' Union Ltd.	1977-78 to 1979-80	6.00	14.00	20.00
			43.85	1,02.32	1,46.17

According to Government orders, the loan was repayable by the Unions in 10 equal annual instalments commencing from the 5th anniversary and interest (8 per cent) annually from the first anniversary of the drawal of principal. An additional interest of 2 per cent was also payable in the event of default of timely payment of principal and/or interest.

(i) The department stated (August 1980) that the milk unions were required to submit periodical expenditure statements showing utilisation of financial assistance. The expenditure incurred by the milk Unions up to March 1980 was not available with the department as the up to date statements were awaited. However, the statements of expenditure for different periods received from the milk unions and available with the department indicated that the three milk unions spent Rs.83.23 lakhs towards the project (HIMUL—Rs.36.48 lakhs up to June 1979; Bhagirathi—Rs.34.76 lakhs up to October 1979; Midnapore—Rs.11.99 lakhs up to December 1979).

Two milk unions namely, Midnapore and HIMUL to whom grants for Rs.4.80 lakhs between 1977-78 and 1978-79 and Rs.3 lakhs during 1978-79 respectively were paid, did not furnish utilisation certificates to the department (July 1980), although the maximum time limit for submission of utilisation certificates was one year as per rules of the State Government.

(ii) The department confirmed (August 1980) that up to March 1979 a milk union (HIMUL) diverted a sum of Rs.26.04 lakhs for other purposes i.e., to meet the "operational loss" (revenue deficits) of Matigara dairy without the approval of the department.

(iii) Two milk unions (HIMUL and Midnapur) did not pay any interest to the department since inception (March 1976 and February 1979 respectively) and the other (Bhagirathi) since November 1977.

Interest to the extent of Rs.18.34 lakhs became due from the milk unions for the period March 1975 to July 1980. The department, however, raised a demand (July 1980) for Rs.18.71 lakhs being the interest for the period March 1975 to November 1980. Demand for additional interest of 2 per cent (Rs.4.59 lakhs approximately) payable by the milk unions as per agreement was not raised by the department (July 1980).

(iv) Rupees 0.49 lakh which fell due for repayment of first instalment of loan between March 1980 and July 1980 from two milk unions (HIMUL : Rs.0.26 lakh and Bhagirathi : Rs.0.23 lakh) were not repaid (August 1980).

(v) The department repaid Rs.10.85 lakhs as principal and paid Rs.19.02 lakhs as interest to Indian Dairy Corporation up to March 1980 against loans (Rs.1,02.32 lakhs) received to finance the project.

(vi) Government had envisaged in respect of each milk union to cover about 1.25 lakhs breedable cows under artificial insemination services and to bring milk production to the extent of 1 lakh litre per day after four years from the introduction of the project. Of the three milk unions, two (HIMUL and Bhagirathi) had completed four years since introduction of the scheme and the achievements of those up to May 1980 against the above targets as furnished (August 1980) by the department is given below :

Service	Target	Achievement		Shortfall	
		HIMUL	Bhagirathi	HIMUL	Bhagirathi
Breedable animals under artificial insemination (Number)	1,25,000	23,934	30,750	1,01,066	94,250
Milk Production .. (In litres per day)	1,00,000	13,024	14,953	86,976	85,047

The reasons for the huge shortfall were, however, not stated (August 1980) by the department.

6.10.2. Calcutta Zoological Gardens

Grants given by the department and utilised by the Calcutta Zoological Gardens during the period 1976-77 to 1979-80 were as under :

Year	Unspent balance of previous year on 1st April	Grants released during the year	Expenditure during the year	Unspent balance as on 31st March
(In lakhs of rupees)				
1976-77 ..	9.47	10.43	10.35	9.55
1977-78 ..	9.55	6.93	7.58	8.90
1978-79 ..	8.90	6.35	4.47	10.78
1979-80 ..	10.78	15.20	10.11	15.97

Grants were given mainly for the upkeep of the gardens, meeting the cost of development works and repairs and replenishing deficit. Out of the unspent balance of grants of Rs.15.97 lakhs lying with the Zoological Gardens at the end of 1979-80 released for meeting works expenditure and cost of repairs, a sum of Rs.5.51 lakhs related to the periods ending 1978-79.

Between 1967-68 and 1970-71, the department had released Rs.2 lakhs as grants to the Zoological Gardens, Calcutta for sinking of a deep tubewell with overhead and underground reservoirs and laying of distribution pipe lines to ensure supply of one lakh gallons of additional water per day from tube well resources in the gardens. A further grant of Rs.1.50 lakhs was paid in 1975-76 (Rs.1 lakh) and 1976-77 (Rs.0.50 lakh) for meeting the increased cost due to upward revision of the estimate. The construction work was actually undertaken in 1971-72. In November 1975, the original scheme relating to construction of deep tubewell was dropped and in its place the reservoir was connected with the main pipe line of Calcutta Corporation for obtaining supplies of additional water. According to the Government (March, 1981), the change in decision was made to minimise the expenditure and to complete the work within the sanctioned limit. The work could not be completed up to the end of 1979-80 and a sum of Rs.0.85 lakh out of grants totalling Rs.3.50 lakhs remained unspent (March 1980).

6.10.3. *The West Bengal Dairy and Poultry Development Corporation Limited*

(i) Under a scheme sponsored and financed (as grants and loans in the ratio of 30 : 70) by the Indian Dairy Corporation, the State Government released (January 1977) Rs.11.79 lakhs (grants : Rs.4.79 lakhs, loan : Rs.7 lakhs) to the West Bengal Dairy and Poultry Development Corporation Limited for implementation of a pilot project for resettlement of city-kept milch animals outside Calcutta city. Out of Rs.11.79 lakhs, grant of Rs. 1.79 lakhs was earmarked as implementation cost (*i.e.*, salary of staff, contingencies, etc.) of the project and the rest (Rs.10 lakhs) was fixed for advancing to city-cattle keepers at the rate of Rs.1,000 per milch animal as grants and loans in the ratio of 30 : 70. No agreement regarding loan was executed till July 1980.

According to the information furnished (July 1980) by the department, the Corporation did not implement the pilot project till June 1980 and the Corporation was asked (June 1980) to refund the entire amount of Rs.11.79 lakhs together with interest (amount not stated). However, as per records of the Corporation, it was found that a sum of Rs.0.99 lakh was spent towards implementation cost by the Corporation till June 1980.

Although the department did not furnish (July 1980) any reason for non-implementation of the project by the Corporation, it was seen from the records of the Corporation that the following bottlenecks in the operation of the scheme were pointed out to Government by the Corporation in December 1977 :

- (i) *khatal* owners were not interested in resettling their cattle in the places earmarked in the scheme and wanted to refund the loan amount in cash instead of by supplying milk.
- (ii) available security of *khatal* owners was less than the amount of loan applied for.

The comments of the Department in this regard were awaited (September 1980).

The department had already paid (October 1979) Rs.1.98 lakhs and Rs.0.83 lakh towards interest and principal of loan respectively to the Indian Dairy Corporation.

(ii) In another State sponsored scheme, namely resettlement of city-kept *khatal*s outside the prohibited areas, the department released (April 1977) Rs.4 lakhs to the Corporation as loan for advancing in turn to the *khatal* owners at a rate not exceeding Rs.3,000. The department was not aware (July 1980) whether the amount of Rs.4 lakhs was utilised by the corporation for the purpose for which it was paid. As per terms and conditions, the entire loan with interest (8 per cent) was repayable within one year from the date of drawal. No agreement specifying the terms and conditions of the loan was, however, entered into. A sum of Rs.4.96 lakhs (principal : Rs. 4 lakhs; interest : Rs.0.96 lakh) was due from the Corporation in April 1980. Demand for the amount was not made (July 1980) by the department.

6.10.4. *The West Bengal Live-stock Processing Development Corporation Limited*

Grants of Rs.2.50 lakhs were released (July 1976) to the Corporation for disbursement of loans to the pig breeders for rearing and fattening of pigs intended for use in its bacon factory at Haringhata. Up to November 1979, Rs.0.94 lakh were advanced to the pig breeders. The scheme was abandoned in November 1979 owing to lack of response from the pig breeders. Meanwhile, Government diverted (April 1979) Rs.1.30 lakhs and decided (May 1980) to divert the balance amount also (Rs.1.20 lakhs) to the West Bengal Dairy and Poultry Development Corporation Limited for expansion of its feed milling plant. Up to March 1981, a further amount of Rs.0.85 lakh (of the balance of Rs.1.20 lakhs) was so diverted leaving Rs.0.35 lakh which were lying unrealised from the

loanees. The transfer of the amounts has taken place between the two Corporations without being reflected in budget and Government accounts.

The points mentioned above were referred to Government in November 1980; their complete reply is awaited (March 1981).

CO-OPERATION DEPARTMENT

6.11. Financial assistance to Co-operative Societies

6.11.1. The number of co-operative institutions in West Bengal as at the close of the co-operative year 1978-79 (ending June 1979) and their salient features were as below :

	At the close of the co-operative, year 1978-79*
Total number of societies—	
Living	20,619
Under liquidation	7,720
Total membership	49.57 lakhs
Total paid-up share capital	Rs. 83,48 lakhs
Contribution of Government to paid-up share capital ..	Rs. 31,80 lakhs
Percentage of Government contribution to total paid-up share capital	38.09
Total working capital	Rs. 6,62,83 lakhs
Percentage of population covered by the co-operatives in the State	55.93
Percentage of agricultural population covered by the agricultural societies	58.29

6.11.2. Government have been providing financial assistance to the co-operative institutions in the form of (a) investment in share capital, (b) loans, (c) grants-in-aid/subsidies and (d) guarantees. The particulars of such assistance to co-operative institutions are given below.

(a) Investment in share capital—

Investment made during 1978-79	Amount invested to the end of 1978-79	Dividend received during the year	Percentage of dividend to capital invested
(In lakhs of rupees)			
10,62.18	**40,42.78	7.30	0.18

*Details, as furnished (July 1981) by the Registrar of Co-operative Societies, West Bengal

**Include investments by co-operation and other departments also,

The amount, if any, of dividend declared but not received could not be stated by the Registrar of Co-operative Societies (December 1980). Information regarding the receipt of share scrips against the investments made by Government in the share capital of the co-operative institutions was also not available as the registers of the directorate showing value of share scrips and other matters were not made up to date. Mention was made of non-receipt of share scrips in respect of investments made in earlier years in paragraphs 7.10.1.2.(a) and 7.11.1.2.(a) of the Reports of the Comptroller and Auditor General of India for the years 1975-76 and 1976-77 respectively. The Registrar of Co-operative Societies stated (December 1980) that by a special drive taken in August 1980, share scrips of the face value of Rs.3.20 crores had been obtained from the defaulting societies and that the special drive was still continuing. The balance of share scrips yet to be obtained, however, could not be stated (December 1980).

(b) **Loans**—The position of loans paid by Government to Co-operative institutions was as detailed below :

Balance as on 1st April 1978	Amount Advanced during the year	Total	Amount repaid during the year	Balance as on 31st March 1979	Interest received and credited to revenue as on 31st March 1979
<i>(In lakhs of rupees)</i>					
24,49.92	21,02.02	45,51.94	6,00.42	39,51.52	9.36

Information regarding the amounts of loans repayable, loans overdue, interest payable and unpaid up to March 1976, as available from the Directorate, was incorporated in paragraph 7.11.1.2(b) of the Report of the Comptroller and Auditor General of India for the year 1976-77. Such information as on 31st March 1979 could not be furnished (December 1980) by the Registrar of Co-operative Societies.

The points noticed during test check of the records in connection with loan sanctioned by the Registrar of Co-operative Societies, West Bengal and Assistant Registrars of Co-operative Societies, 24-Parganas (North) and Howrah are given below :

- (i) Government paid during 1963-64 to 1972-73 a total sum of Rs.10.11 lakhs to the Howrah Wholesale Consumers' Co-operative Society Limited, as different kinds of loans for purchase of trucks, construction of godowns, etc. The loans were to be repaid in 5 to 14 annual instalments with interests at the rates varying from 6 to 8 per cent per annum with moratorium in some cases of repayments.

The society did not repay any instalments of principal and/or interest thereon. According to the Assistant Registrar of Co-operative Societies, Howrah (December 1980), the entire amount of loans advanced with interests due thereon had fallen due as the society was closed and placed under liquidation (April 1979).

(ii) Government paid a total sum of Rs.6.45 lakhs as different kinds of loans between April 1966 and October 1975 to the K. P. K. Wholesale Consumers' Co-operative Society Limited, 24-Parganas for financial assistance towards its working capital, purchase of truck, construction of godown, etc. Out of the said amount, Rs.5.70 lakhs as principal and Rs.3.92 lakhs as interest were due for repayment by 30th June 1977. The society failed to repay the overdue amount (July 1977) due to paucity of fund.

(iii) Government paid between August 1963 and April 1979 a total sum of Rs.20.20 lakhs to the Kharagpur Wholesale Consumers' Co-operative Society Limited, Midnapur as financial assistance (share capital : Rs.10.05 lakhs: loans : Rs.9.26 lakhs and grants : Rs.0.89 lakh). Out of the total financial assistance paid to the society, sums of Rs.6.23 lakhs, Rs.2.15 lakhs and Rs.0.74 lakh were paid as share capital, loans, and grants respectively between 1976-77 and 1978-79 for expansion of its business although the audit of the accounts of the society was pending since 1975-76. The society was also in default of repayment of Rs.6.82 lakhs and Rs.3.78 lakhs due by 31st March 1979 towards principal and interest of loans received from Government.

(c) **Grants|subsidies**—Rupees 2,51.92 lakhs were paid as grants and subsidies to 4,776 co-operative societies during 1978-79 for different purposes including assistance for toning up the management, construction of godowns, etc. Of the grants and subsidies mentioned above, the amount for which utilisation certificates were not received in the office of the Registrar of Co-operative Societies, could not be stated (December 1980) by the Registrar. Besides, of the total amount of grants and subsidies paid to the societies prior to 1978-79, utilisation certificates in respect of Rs.88.18 lakhs (including amounts drawn in 1963-64) have not been received (October 1980) by the Registrar.

(d) **Guarantees**—Government stood guarantees on behalf of different co-operative institutions for repayment of loans, etc. Information about the maximum amount guaranteed, sums guaranteed

and outstanding as on 31st March 1979 was awaited (March 1981) from the Registrar of Co-operative Societies. This constitutes contingent liability of Government.

6.11.3. Approximately, 27.24 per cent (7,720) of the total number of co-operative societies (28,339) as on 30th June 1979 were reported by the Registrar to be in the process of liquidation as shown below :

Co-operative year	Number of societies under liquidation at the beginning of the year	Societies under liquidation for two years or more	Societies brought under liquidation during the year	Societies wound up during the year	Number of societies under liquidation at the end of the year
1978-79 ..	7,576	6,423	503	359	7,720

Information regarding the total financial assistance provided by Government by way of participation in share capital and as loans, grants and subsidies to the societies liquidated during 1978-79 was not available (September 1980) with the Registrar. The value of the total assets of the liquidated societies was not also furnished (September 1980) by the Registrar. The reasons for placing the societies under liquidation were mainly due to, as reported (September 1980) by the Registrar, mismanagement and financial condition of the societies turning alarmingly bad.

6.11.4. The working results of the active co-operative societies during the year ending June 1979 are shown in the table below. It would be seen that about 44.67 per cent of the societies worked at a profit, another 29.98 per cent just broke even and the rest had run at a loss.

Co-operative year	Total number of societies	Societies earning profit		Societies incurring loss		Societies with 'no profit no loss' (Number)
		Number	Aggregate profit	Number	Aggregate loss	
			(In lakhs of rupees)		(In lakhs of rupees)	
1978-79 ..	20,619	9,210	5,93.53	5,227	3,47.73	6,182

6.11.5. As on 30th June 1979, there were 7,782 agricultural credit societies (excluding grain banks) comprising two State level banks, 41 district and sub-divisional level banks and 7,739 primary credit societies at the village level for providing short and medium term loans to the agriculturists for seasonal agricultural operations as well as long term loans for reclamation and development of land, purchase of machinery and implements, construction of godowns, etc. The total number of members of these banks and credit societies at the end of June 1979 was 23.45 lakhs and the total share capital was Rs.36.36 crores out of which Government's contribution was Rs.12.30 crores (33.83 per cent).

Government had advanced in May 1977 a sum of Rs.6.00 crores as loan to the West Bengal State Co-operative Bank Ltd. for purchase and distribution of chemical fertilisers, seeds, pesticides, etc. through the Central Co-operative banks and their affiliated primary units. The loan carried interest at 7½ per cent per annum with a rebate of 2½ per cent per annum for timely repayment of principal and/or interest. The loan together with interest was repayable in one instalment by 12th October 1977. The loan was actually repaid in three instalments between February and May 1978. A sum of Rs.29.23 lakhs was paid as interest against Rs.43.23 lakhs due (calculated at the rate of 7½ per cent).

During 1978-79, of the 7,782 societies, 4,023 earned profit of Rs.2.94 crores, 2,452 incurred loss of Rs.1.61 crores and the remaining 1,307 societies neither earned profit nor incurred loss.

The Co-operative banks and the primary societies had advanced Rs.2.17.58 crores as loans to the agriculturists during 1978-79. Loans outstanding and loans overdue to the end of 1978-79 were Rs.3,15.61 crores and Rs.92.38 crores respectively.

6.11.6. Under the provision of the Co-operative Societies Act, the Registrar is responsible for audit of the accounts of the co-operative institutions every year by auditors authorised by him. Audit of the Accounts of 10,645 societies was, according to the Registrar, in arrears as on 30th June 1979 as indicated below :

	Total number of auditable societies as on 1st July 1978	Number of societies audited during the co-operative year 1978-79	Number of societies audit of which remained pending on 30th June 1979
Societies	21,425	15,343	6,082
Societies under liquidation	6,660	2,097	4,563
Total	28,085	17,440	10,645

Information about the periods for which audit of the accounts of a particular society had been in arrear could not be furnished (September 1980) by the Registrar.

The arrears in audit were attributed (September 1980) by the Registrar mainly to :

- (i) Want of adequate staff,
- (ii) Incomplete accounts of the societies and
- (iii) Seizure of records of the societies by police and cases pending with courts.

6.11.7. The co-operative societies are required to pay to Government, fees for audit which, if not paid within the scheduled time are recoverable in the same manner as arrears of land revenue. The arrears in realisation of audit fees as on 31st March 1979, as reported (September 1980) by the Registrar, were Rs.41.45 lakhs as indicated below :

As on	Audit fees in arrears	Out of column 2 fees outstanding from liquidated societies
(1)	(2)	(3)
<i>(In lakhs of rupees)</i>		
31st March 1979	41.45	4.88

The reasons for non-realisation of audit fees were mainly due to the fact that a good number of co-operative societies on which audit fees were being assessed every year had become either defunct or financially weak.

The points were brought to the notice of Government in February 1981; reply is awaited (March 1981).

CHAPTER VII

COMMERCIAL ACTIVITIES

7.1. This chapter deals with the results of audit of departmentally managed Government commercial and *quasi-commercial* undertakings.

7.2. **Delay in preparation of *pro forma* accounts**

Out of the 26 undertakings as on 31st March 1980, 7 have not prepared their *pro forma* accounts since inception and the accounts of the remaining 19 undertakings are in arrears (November 1980) for different periods, *vide* Appendix XIX.

In respect of *pro forma* accounts of certain undertakings like Integrated Wood Industries Scheme at Durgapur and Kalyani, Training-cum-production centre for wood industries, Siliguri, Government Sales Emporia in Howrah and Calcutta, Industrial Estate, Saktigarh and Silk Reeling Schemes under the Deputy Director of Industries (Cottage), task forces set up by Government are reported to be engaged in compiling the accounts. In respect of many other undertakings, the reasons for arrears in preparation of *pro forma* accounts are awaited from the departments.

In addition, the *pro forma* accounts for the period from April 1973 to October 1975 of the three undertakings, *viz.*, Tourist Lodges at Darjeeling, Santiniketan and Durgapur which were taken over by the West Bengal Tourism Development Corporation Limited with effect from 1st November 1975, are in arrears (November 1980).

A synoptic statement showing the summarised financial results of three undertakings based on their latest available accounts is given in Appendix XX.

CHAPTER VIII

OUTSTANDING AUDIT OBSERVATIONS AND INSPECTION REPORTS

8.1. Outstanding audit observations

(a) Audit observations on financial transactions of Government are reported to the departmental authorities concerned so that appropriate action is taken to rectify the defects and omissions. Half-yearly reports of such observations outstanding for more than six months are also forwarded to Government to expedite their settlement.

The following table shows the number of audit observations issued up to the end of March 1980 and outstanding at the end of September 1980 as compared with the corresponding position indicated in the two preceding reports.

				As at the end of September 1978	As at the end of September 1979	As at the end of September 1980
Number of observations	..	..	..	7,541	5,993	6,114
Amount	..	..	..	34.70	32.63	51.09
<i>(In crores of rupees)</i>						

Year-wise break-up of the items is as follows :

Year					Number of observa- tions	Amount <i>(In crores of rupees)</i>
1977-78 and earlier years	..	..	..	..	3,794	22.80
1978-79	..	..	..	..	622	2.48
1979-80	..	..	..	..	1,698	25.81
			Total	..	6,114	51.09

(b) The following departments have comparatively heavy outstanding observations :

Department	Number	Amount (In lakhs of rupees)
Relief and Welfare	1,531	35,32.36
Health and Family Welfare (Public Health Branch)	607	3,88.61
Agriculture	1,579	2,89.53
Panchayats and Community Development	261	2,02.88
Animal Husbandry and Veterinary Services	90	1,50.06
Home (Police)	256	94.41
Information and Cultural Affairs and Youth Services	222	77.82
Education	200	75.95
Fisheries	41	45.01
Irrigation and Waterways	46	40.61
Refugee Relief and Rehabilitation	90	39.42
Development and Planning	17	31.25

(c) The following are some of the major reasons for which audit observations have remained outstanding :

Nature of observation	Number	Amount (In lakhs of rupees)
Detailed contingent bills for lump sum drawals not received	2,991	44,71.87
Payees' receipts, vouchers etc. not received	1,003	2,40.64
Sanctions for contingent and miscellaneous expenditure not received	667	1,76.31

(d) The facility of drawing money on abstract contingent bills by disbursing officers is intended to expedite payments in certain cases, but these are to be followed by detailed contingent bills (containing full particulars of expenditure with supporting documents) which should be sent to the Audit Officer by the 25th of the month succeeding that to which the abstract contingent bills relate.

In respect of such advances drawn up to 31st March 1980, detailed bills had not been received in Audit (September 1980) for 2,991 cases of advances aggregating Rs.44,71.87 lakhs. In the absence of the detailed contingent bills, it is not possible for Audit to know whether the whole amount has been spent on the purpose or

purposes for which the advances were drawn. The departments with comparatively heavy outstandings on this account are mentioned below :

Department	Number	Amount (In lakhs of rupees)
Relief and Welfare	1,531	35,32.36
Health and Family Welfare (Public Health Branch)	573	3,83.22
Animal Husbandry and Veterinary Services ..	53	1,41.58
Panchayats and Community Development ..	20	1,20.02
Information and Cultural Affairs and Youth Services	101	61.68
Education	102	58.16
Agriculture	162	52.61
Development and Planning	16	31.21

(e) The departments with comparatively heavy outstandings in submission of payees' receipts and vouchers, etc., are :

Department	Number	Amount (In lakhs of rupees)
Agriculture	453	1,52.20
Home (Police)	85	27.46
Panchayats and Community Development ..	96	20.30
Information and Cultural Affairs and Youth Services	39	11.84

(f) The departments with comparatively heavy outstandings for want of sanctions to contingent and miscellaneous expenditure are .

Department	Number	Amount (In lakhs of rupees)
Agriculture	497	53.45
Panchayats and Community Development ..	53	52.98
Irrigation and Waterways	1	40.00

8.2. Outstanding inspection reports

(a) Audit observations on financial irregularities and defects in initial accounts, noticed during local audit and not settled on the spot, are communicated to the Heads of Offices and to the next higher departmental authorities through audit inspection reports. The more important irregularities are reported to the Heads of Departments and Government. Government have prescribed that first replies to inspection reports should be sent by the Heads of Offices to the respective Heads of Departments within three weeks from the

date of receipt of the inspection reports. The Heads of Departments are required to transmit such explanations along with their comments to the Accountant General within two months from the date of receipt of the explanations from their subordinate offices.

At the end of September 1980, 12,892 inspection reports issued up to March 1980 contained 61,991 paragraphs not settled as shown below with corresponding figures for the earlier two years :

	As at the end of September 1978	As at the end of September 1979	As at the end of September 1980
Number of Inspection reports with paragraphs not settled	11,846	12,485	12,892
Number of paragraphs	56,240	59,730	61,991

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

Up to					Number of inspection reports	Number of paragraphs
1975-76	..	..	..	..	8,391	34,565
1976-77	..	..	..	..	999	4,663
1977-78	..	..	..	..	1,267	6,594
1978-79	..	..	..	..	994	6,649
1979-80	..	..	..	..	1,241	9,520
			Total	..	12,892	61,991

(b) The following departments had comparatively heavy outstanding inspection reports :

Department	Number of inspection reports	Number of paragraphs
Panchayats and Community Development	1,693	9,876
Health and Family Welfare	1,255	6,979
Agriculture	1,066	5,473
Irrigation and Waterways	500	4,823
Public Works	668	4,784
Board of Revenue	641	4,456
Education	997	3,040
Public Works (Roads)	397	2,626
Judicial	770	2,130
Refugee Relief and Rehabilitation	680	2,045
Relief and Welfare	426	1,505
Housing	386	1,473
Public Works (Construction Board)	248	1,417
Home (Police)	346	1,363
Animal Husbandry and Veterinary Services	329	1,280
Labour	318	1,232
Cottage and Small Scale Industries	214	1,002

(c) An analysis of 472 inspection reports (14 per cent of 3,363 inspection reports) relating to the five departments viz., Education (138), Panchayats and Community Development (138), Animal Husbandry and Veterinary Services (73), Commerce and Industries (48) and Cottage and Small Scale Industries (75) showed that the pending paragraphs related to the following categories :

Nature of irregularities	Number of cases in which the irregularities were noticed					Money value (In lakhs of rupees)
	Edu- cation	Pan- chayats and Com- munity Deve- lopment	Animal Hus- bandry and Vete- rinary Ser- vices	Com- merce and Indus- tries	Cottage and Small scale Indus- tries	
(i) Non-recovery of loans, rents, electricity and other charges	26	47	38	18	44	8,52.08
(ii) Shortages/Losses not recovered/not written off	41	73	20	9	19	3,48.22
(iii) Avoidable/Infructuous/Extra expenditure	27	44	13	21	18	2,59.72
(iv) Non-adjustment of advances granted to departmental officers	3	10	17	2	2	56.22
(v) Delay in depositing Government money	15	11	1	2	3	45.27
(vi) Expenditure incurred without sanction of competent authority	6	3	1	6	2	27.40
(vii) Irregular release of grants such as payment of grants in excess of the admissible amounts or for unapproved schemes/objects or without the requirement of proper utilisation of earlier grants	22	..	..	..	..	25.33
(viii) Wages to idle staff, defective manufacture, irregularities in billing/metre reading, excess issue/injudicious purchase of stores, damages to and shortage of stores, non-registration of units, non-allotment/irregular allotment/delay in allotment and unauthorised occupation of sheds	..	..	..	11	34	24.06
(ix) Non-disposal of unserviceable articles lying in stores	20	28	10	3	18	11.72
(x) Loss due to acceptance of higher tender rates/sale at lower rates	5	1	4	4	..	4.75
(xi) Outstanding Railway claims and non-realisation of amounts pertaining to dishonoured cheques	..	..	..	4	..	0.76
(xii) Security deposits not furnished by employees handling cash and stores	21	13	24	3	7	..

Nature of irregularities	Number of cases in which the irregularities were noticed					Money value (In lakhs of rupees)
	Edu- cation	Pan- chayats and Com- munity Deve- lopment	Animal Hus- bandry and Vete- rinary Services	Com- merce and Indus- tries	Cottage and Small Scale In- dustries	
(xiii) Non-maintenance of initial records like muster rolls, utilisation certificates, payees' stamped receipts, advance registers, contingent registers, security deposit registers, registers showing position of stock and stores etc.	29	14	8	7	12	..
(xiv) Non-adherence to the prescribed procedure of dealing with cash such as retention of heavy cash balance, non-refund of unidischarged cheques/bank drafts, non-inclusion of transactions in the cash book and failure to analyse or conduct physical verification of the cash balance.	42	11	5	3	8	..

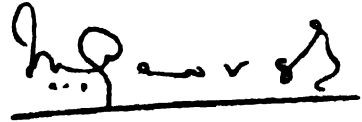
These irregularities have persisted even after having been pointed out in successive inspection reports. The possibility of loss of Government money, fraud, misappropriation, etc., cannot be ruled out unless appropriate action is taken promptly in settling the outstanding paragraphs.

(d) Of the 12,892 reports outstanding at the end of September 1980, first replies in respect of 1,995 reports had not been received.

The year-wise break-up of such reports is as follows :

Year	Number of reports
Up to 1975-76	101
1976-77	137
1977-78	313
1978-79	535
1979-80	909
Total	1,995

The departments which had yet to send the replies were mainly Health and Family Welfare (283 reports), Education (203 reports), Agriculture (188 reports) and Judicial (166 reports).



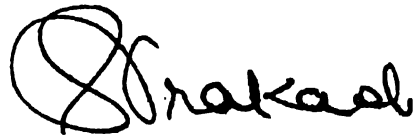
(T. M. GEORGE)

Accountant General I, West Bengal

CALCUTTA,

The 1982
13 AUG 1982

Countersigned ' .



(GIAN PRAKASH)

Comptroller and Auditor General of India

NEW DELHI,

The 1982
23 AUG 1982

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APPENDIX I

(Reference : Paragraph 1.4, page 5)

Statement showing significant variations in revenue expenditure during 1979-80 over the previous year under broad sectors

Sector/Sub-sector of expenditure	Variation	Remarks
	Increase (+)	
	Decrease (-)	
	(In crores of rupees)	
A General Services	(+) 40.29	Increase was mainly under Election (Rs. 6.31 crores) and Police (Rs. 8.09 crores) owing to expenditure on mid-term General Election to Lok Sabha in January 1980 and rise in establishment cost, Interest (Rs. 12.00 crores) owing to increased liability on account of loans from Central Government and Public Works (Rs. 5.95 crores) due to less credit transactions under 'Suspense' during the year.
B Social and Community Services	(+) 33.09	Increase was mainly under Education (Rs. 29.69 crores) owing to increased expenditure on primary and secondary education by way of assistance to non-Government Schools and local bodies, Medical (Rs. 11.66 crores) due to increased expenditure on medical relief and Employees' State Insurance Scheme, Social Security and Welfare (Rs. 10.93 crores) due to increased expenditure on new schemes for social welfare and Rural Works Programme and Urban Development (Rs. 4.04 crores) due to increased expenditure on account of grants to Calcutta Corporation, Municipalities, C.M.D.A. etc for maintenance of Civic assets created in the C.M.D.A. The increase was partly counter-balanced by less expenditure under Housing (Rs. 22.78 crores).
C Economic Services—		
(a) General Economic Services	(+) 2.04	Increase was mainly under Co-operation.
(c) Industry and Minerals	(-) 7.12	Decrease was mainly due to less expenditure under Village and Small Industries.
(d) Water and Power Development	(-) 11.02	Decrease was due to less expenditure under Irrigation, Navigation, Drainage and Flood Control Projects and Multipurpose River Projects.
D Grants-in-aid and Contributions	(+) 4.45	Increase was due to payment of larger grants to Municipal Bodies out of taxes on vehicles.

APPENDIX II

(Reference : Paragraph 1.5, page 7)

Statement showing significant variations in capital expenditure during 1979-80 over the previous year under broad sectors

Head of expenditure	Variation	Remarks
	Increase (+)	
	Decrease (-)	
	(In crores of rupees)	
C Economic Services—		
(a) General Economic Services	(-) 6.64	The shortfall was mainly due to less expenditure on Co-operation (Rs. 7.10 crores) partly counter-balanced by more expenditure on other General Economic Services (Rs. 0.38 crore).
(c) Industry and Minerals	(+) 2.58	The increase was mainly due to more expenditure on Petroleum, Chemicals and Fertilizers Industries (Rs. 2.00 crores) and investments in Industrial Financial Institutions (Rs. 0.60 crore).
(d) Water and Power Development	(+) 2.13	The increase was mainly due to more expenditure on Irrigation, Navigation, Drainage and Flood Control Projects (Rs. 2.50 crores) partly offset by less expenditure on Multipurpose River Projects (Rs. 0.37 crore).
:		
(e) Transport and Communications	(+) 5.98	The increase was mainly due to more expenditure on Roads and Bridges (Rs. 5.20 crores) and Road and Water Transport Services (Rs. 0.75 crore).

APPENDIX III

(Reference : Paragraph 1·11, page 15)

Statement showing position of the extent of delay (in days) in submission of Treasury Accounts for 1979-80

	(1979-80)	April 1979	May 1979	June 1979	July 1979	August 1979	Sep- tember 1979	Octo- ber 1979.	Novem- ber 1979	Decem- ber 1979	Janu- ary 1980	Febru- ary 1980	March 1980	March 1979
1. Alipore	139	174	174	220	203	200	186	201	201	184	177	181	113
2. Asansol	2	29	43	87	77	77	91	110	115	115	107	103	2
3. Alipurduar	2	2	7	11	19	12	12	15	23	15	16	..	11
4. Barasat	18	38	62	127	112	125	112	104	83	68	70	61	1
5. Barrackpore	65	79	144	110	150	152	142	174	165	151	140	116	20
6. Bankura	13	2	22	69	85	120	106	110	119	114	133	129	19
7. Burdwan	2	3	4	3	5	34	23	50	31	14	16	23	6
8. Birbhum	63	46	46	68	100	153	141	140	136	118	113	108	56
9. Calcutta Col- lectorate	11	8	22	16	22	39	53	65	55	34	37	30	22
10. Cooch Behar	2	2	1	3	5	10	4	8	13	3	9	6	6
11. Darjeeling	9	10	13	9	8	34	24	62	68	62	65	75	13
12. West Dinajpur	12	8	7	4	8	14	10	28	46	30	28	30	14
13. Durgapur	17	8	8	5	5	19	4	15	37	33	29	20	11
14. Hooghly	89	98	143	116	110	153	144	169	174	169	169	160	98
15. Howrah	2	1	2	5	5	2	5	9	6	6	6	4
16. Jalpaiguri	5	7	8	13	20	55	46	71	74	67	83	100	6
17. Kalna (from November 1979)	14	16	16	14	37	..

18.	Malda	..	..	..	..	1	8	33	39	78	75	65	55	72	17	
19.	Midnapore	..	..	26	17	25	28	55	66	46	65	45	24	20	16	39
20.	Murshidabad	..	..	2	2	1	1	5	12	2	9	19	7	12	12	1
21.	Nadia	..	..	..	2	..	1	2	21	7	10	20	13	16	17	2
22.	P.A.O. Calcutta	..	..	100	108	126	124	114	125	122	119	120	114	121	121	90
23.	Purulia	..	..	46	50	102	117	141	143	127	126	114	97	92	90	53
24.	Ranaghat	..	..	30	24	11	1	1	28	9	19	44	36	34	45	18
25.	Raigun i	..	..	17	3	4	4	5	13	7	9	33	18	15	13	33
26.	Siliguri	..	..	51	58	81	107	87	112	105	104	88	4	94	110	44

APPENDIX IV

(Reference : Paragraph 2.4, page 22)

Cases where savings (more than Rs 25 lakhs in each case) exceeded 10 per cent of the total provision**A—Voted grants—**

Sl. No.	Number and name of grant	Total provision	Expenditure (In lakhs of rupees)	Saving	Percentage of saving
1.	8—Stamps and Registration ..	3,04.70	2,53.70	51.00	16.74
2.	11—Sales Tax	2,60.30	2,09.91	50.39	19.36
3.	16—Interest Payments ..	1,80.02	67.38	1,12.64	52.57
4.	20—Treasury and Accounts Administration	2,50.45	2,00.07	50.38	20.12
5.	22—Jails	5,93.21	4,85.86	1,07.35	18.10
6.	26—Fire Protection and Control ..	2,23.38	1,90.58	32.80	14.68
7.	32—Education (Sports) ..	2,26.96	94.28	1,32.68	58.46
8.	39—Housing	15,29.66	11,66.19	3,63.47	23.76
9.	41—Information and Publicity ..	4,55.36	3,87.80	67.56	14.84
10.	44—Social Security and Welfare (Relief and Rehabilitation of Displaced Persons)	13,45.07	9,57.31	3,87.76	28.88
11.	46—Social Security and Welfare (Excluding Civil Supplies, Relief and Rehabilitation of Displaced Persons and Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes)	49,19.84	41,05.82	8,14.02	16.55
12.	48—Other Social and Community Services	1,91.60	1,30.95	60.65	31.65
13.	49—Secretariat—Economic Services	2,12.77	1,76.32	36.45	17.13
14.	50—Co-operation	21,80.21	14,35.36	7,44.85	34.16
15.	52—Agriculture	62,94.28	44,83.38	18,10.90	28.77
16.	53—Minor Irrigation, Soil Conservation and Area Development:	63,91.72	48,87.61	15,04.11	23.53
17.	54—Food	22,50.90	16,15.85	6,40.05	28.44
18.	55—Animal Husbandry ..	13,78.00	9,36.44	4,41.56	32.04
19.	56—Dairy Development (Excluding Public Undertakings)	23,89.96	20,72.27	3,17.69	13.29
20.	57—Fisheries	7,11.33	2,98.59	4,12.74	58.02
21.	59—Community Development (Panchayat)	12,99.13	9,18.03	3,81.10	29.33
22.	63—Village and Small Industries (Excluding Public Undertakings)	9,00.73	6,69.84	2,30.89	25.63
23.	67—Loans for Power Projects	59,53.00	49,98.91	9,54.09	16.08

Sl. No.	Number and name of grant	Total provision	Expenditure	Saving	Percentage of saving
			<i>(In lakhs of rupees)</i>		
24.	74—Compensation and assignments to Local Bodies and Panchayati Raj Institutions (Excluding Panchayats)	34,18.07	23,09.32	11,08.75	32.44
25.	76—Public Undertakings ..	18,28.27	12,95.13	5,33.14	29.16
26.	79—Capital Outlay on Petroleum, Chemical and Fertiliser Industries (Excluding Public Undertakings)	2,50.93	2,05.46	45.47	18.13
27.	80—Capital Outlay on Consumer Industries (Excluding Public Undertakings and Closed and Sick Industries)	75.00	41.66	33.34	44.45

B—Charged appropriation—

Sl. No.	Number and name of appropriation	Total provision	Expenditure	Saving	Percentage of saving
1.	44—Social Security and Welfare (Relief and Rehabilitation of Displaced Persons)	25.69	0.22	25.38	99.14

APPENDIX V -

(Reference : Paragraph 2.7, page 28)

Drawal of funds in advance of requirements

Sl. No.	Name of department/Drawing Officer	Amount and month of drawal from treasury	Purpose	Month of disbursement/refund
(1)	(2)	(3)	(4)	(5)
Agriculture—				
1.	Executive Engineer, Calcutta (AM) Division	1,92.00 (March 1978)	Construction of river lift irrigation works.	Entire amount was paid to the West Bengal State Irrigation Corporation Limited. The Corporation refunded the principal amount in January 1980. Information about refund of interest is still awaited (March 1981).
2.	Collector, Nadia	9.22 (March 1979)	Supply of inputs to the cultivators.	Rs. 2.95 lakhs kept in Postal Savings Bank Account on 27th March 1979.
Finance—				
3.	Collector, Nadia	4.00 (March 1979)	Cash reward for achieving targets of small savings.	Kept in Postal Savings Bank Account on 10th March 1979.
Fisheries—				
4.	Superintendent, Coastal Mechanised Fishing Scheme, Diamond Harbour.	6.20 (March 1980)	Purchase of land, construction of buildings, hostel, etc. for 2 training centres.	Kept in deposit-at-call (March 1980).
5.	District Fishery Officer, Nadia	8.25 (March 1979)	Relief, restoration and rehabilitation measures of flood affected fishermen.	Rupees 3.60 lakhs disbursed up to December 1979. Rupees 4.65 lakhs kept in a current account with State Bank opened in March 1979.
Development and Planning—				
6.	Collector, West Dinajpur	0.32 (March 1978)	Construction of office buildings	Rupees 0.08 lakh advanced to an Executive Engineer (3rd April 1978). Rs. 0.24 lakh kept in a sealed bag (23rd March 1978).

Home(Transport)—					
7.	Collector, West Dinajpur	1.00 (March 1978)	Construction of pool car garage	Rupees 0.05 lakh advanced to an Executive Engineer; Rupees 0.95 lakh kept in a sealed bag on 28th March 1978.	
8.	Collector, Nadia	1.11 (March 1978)	Contingent expenditure for maintenance of vehicles	Rupees 0.15 lakh spent, Rupees 0.96 lakh kept (May 1978) in Postal Savings Bank Account.	
Co-operation—					
9.	Assistant Registrar, Co-operative Societies, Burdwan-I.	5.85 (March 1978)	Grants/loans to - Co-operative Societies.	Lying in the form of bank draft.	
10.	Registrar, Co-operative Societies, West Bengal	38.30 (March 1978)	Ditto - - -	Ditto.	
Relief and Welfare—					
11.	Sub-divisional Officer, Sadar, Howrah (September 1977 to December 1978)	30.90	Flood contingencies, cattle feed, dry food, etc.	Rupees 23.72 lakhs disbursed up to 31st December 1978; Rupees 7.18 lakhs lying in cash (31st December 1978).	
12.	Collector, Nadia	10.51 (March 1979)	Famine relief.	Kept in Postal Savings Bank Account (27th March 1979).	
Health and Family Welfare—					
13.	Collector, Nadia	2.14 (March 1979)	Flood relief.	Kept in Postal Savings Bank Account on 21st March 1979.	
Panchayat and Community Development—					
14.	Collector, Nadia	4.00 (March 1979)	Construction of huts.	Kept in Postal Savings Bank Account on 27th March 1979.	
Total ..		3,13.80			

APPENDIX VI

(Reference : Paragraph 3.1.5.2., page 36)

Statement showing Budget Provisions and expenditure incurred there against

Year	Cash component	
	Budget Provisions	Expenditure
(In lakhs of rupees)		
Rural Works Programme—		
1977-78	8,50.00	5,95.57
1978-79	15,01.00	7,57.04
1979-80	19,54.00	14,35.12
Total	43,05.00	27,87.73
Food for Work Programme—		
1977-78	4,44.90	3,33.17
1978-79	4,00.00	3,90.28
1979-80	4,50.00	4,63.92
Total	12,94.90	11,87.37
Composite Rural Restoration Programme 1978-79 (From October 1978).	39,00.00	31,96.27
Total	39,00.00	31,96.27
Drought Relief Works Programme 1979-80 (from September 1979)	3,60.00	3,55.61
Total	3,60.00	3,55.61
Grand Total	98,59.90	75,26.98

Note : (a) Total expenditure for 1978-79 under all the programmes includes grants-in-aid of Rs. 3,924.63 lakhs paid to Gram Panchayats and Rs. 390.27 lakhs relates to Relief Works taken up under '289—Relief on account of natural calamities'.

(b) Expenditure for 1979-80 for the programmes other than that for FWP was grants-in-aid paid to Gram Panchyats.

(c) The figures of Budget Estimates and actuals under RWP include figures on salaries, office expenses, travelling allowances, etc.

APPENDIX VII

(Reference : Paragraph 3·1·7·1, page 39)

Details of scheme executed in four districts selected for detailed study

Block	Name of the programme	Year	Number of schemes sanctioned	Estimated cost			Number of schemes taken up	Number of schemes completed	Cost		
				Cash	Food-grains	Value			Cash	Food-grains	Value
				(In lakhs of rupees)	(In tonnes)	(In lakhs of rupees)			(In lakhs of rupees)	(In tonnes)	(In lakhs of rupees)
..	RWP	1977-78 to 1979-80	367	1,39·23	5,429	62·43	356	259	72·15	3,288	37·81
	FWP	Ditto	N.A.	N.A.	N.A.	N.A.	7,073	4,180	43·24	10,504	1,20·80
							7,429		115·39	13,792	1,58·61
Green Panchayats.	RWP	1978-79 and 1979-80	N.A.	N.A.	N.A.	N.A.	1,436	1,436	21·40	..	..
							807 km	807 km	18·74	1,599	19·79
	FWP		N.A.	N.A.	N.A.	N.A.	..	..	2·65	379	4·55
			N.A.	N.A.	N.A.	N.A.	794	794	5·31	799	9·58
			N.A.	N.A.	N.A.	N.A.	556 km	556 km	5·68	957	11·48
	CRRP		N.A.	N.A.	N.A.	N.A.	481 km	481 km	10·55	876	10·51

N.A.—Not available

APPENDIX VII—Contd.

Name of the programme	Year	Number of schemes abandoned	Estimated cost			Actual cost			Number of schemes in progress	Estimated cost			
			Cash	Food-grains	Value	Cash	Food-grains	Value		Cash	Food-grains	value	
			(In lakhs of rupees)	(In tonnes)	(In lakhs of rupees)	(In lakhs of rupees)	(In tonnes)	(In lakhs of rupees)		(In lakhs of rupees)	(In tonnes)	(In lakhs of rupees)	
Block	RWP	1977-78 to 1979-80	14	6.41	347	3.99	3.55	171	1.96	68	58.24	1,578	17.15
	FWP	Ditto	2,893			..	45.01	9,010	1,08.12				
							48.56	9,181	1,10.08				

APPENDIX VII—*Concl.*

Block	Name of the programme	Year	Actual cost			Number of schemes not taken up	Cash	Food-grains	Value
			Cash	Food-grains	Value				
			(In lakhs of rupees)	(In tonnes)	(In lakhs of rupees)				
..	RWP	1977-78 to 1979-80	....	..	..	11	2.43	216	2.48

APPENDIX VIII

(Reference : Paragraph 3·10, page 80)

Cases of misappropriation remaining to be finalised at the end of 1979-80

Sl. No.	Name of Department	Reported up to 31st March 1975		Reported in 1975-76		Reported in 1976-77		Reported in 1977-78		Reported in 1978-79		Reported in 1979-80		Total	
		No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
			Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.
1.	Agriculture ..	19	1,28,190	4	4,760	7	13,963	6	7,10,225	..	..	..	..	36	8,57,138
2.	Animal Husbandry and Veterinary Services	4	54,471	1	60,783	2	24,476	..	..	..	..	..	..	7	1,39,730
3.	Board of Revenue	247	8,18,357	8	66,783	46	3,80,911	8	1,17,339	4	6,959	3	43,029	316	14,33,378
4.	Closed and Sick Industries	..	..	..	..	..	..	..	..	..	..	1	20,000	1	20,000
5.	Commerce and Industries	1	1,81,000	..	..	..	..	..	..	..	..	..	..	1	1,81,000
6.	Co-operation ..	1	557	..	..	..	..	..	..	..	..	..	..	1	557
7.	Cottage and Small Scale Industries	5	92,001	1	4,780*	..	..	..	..	..	..	1	1,82,661	7	2,79,442
8.	Education ...	26	3,22,678	..	..	1	1,96,174	2**	1,25,666	1	25,840	..	..	30	6,70,358
9.	Excise ..	1	39,120	2	34,350	..	..	1	2,978	..	..	..	..	4	76,448
10.	Finance ..	6	1,04,797	1	37,450	1	85,923	..	..	..	..	..	..	8	2,28,170
11.	Fisheries ..	..	..	3	11,733	4	11,642	6	1,13,092	..	..	..	..	13	1,36,467
12.	Food and Supplies	4	99,333@	..	..	..	..	..	..	..	..	..	..	4	99,333
13.	Health and Family Welfare	14	7,39,349	..	..	5	53,317	4	1,87,344**	3	66,838	2	24,762	28	10,71,610
14.	Home (Police) ..	5	26,448	2	37,054	..	..	1	93,762	..	..	1	27,110	9	1,84,374

15. Information and Cultural Affairs	..	..	1	2,734	1	15,000	..	..	..	..	..	..	2	17,734
16. Irrigation and Waterways	3	4,169	1	203	4	95,833	2	2,638	3	41,728	2	27,839	15	1,72,410
17. Judicial	..	146	..	..	..	..	..	..	1	35,428	..	..	2	35,574
18. Labour	..	94,795	2	2,15,175	1	18,371	..	..	..	..	..	..	4	3,28,341
19. Land and Land Reforms	..	..	..	..	..	..	..	..	..	..	1	9,067	1	9,067
20. Local Government and Urban Development	1	10,500	..	..	..	..	..	..	..	..	..	..	1	10,500
21. Panchayats and Community Development	22†	2,85,654	1	23,488	..	..	..	..	2	34,200†	2	1,06,171	27	4,49,513
22. Public Works	..	..	1	10,292	..	..	1	49,206	..	..	..	..	2	59,498
23. Public Works (Construction Board)	1	78,900	..	..	..	..	..	..	..	..	..	..	1	78,900
24. Public Works (Roads)	1	18,000	..	..	..	..	..	..	..	..	..	..	1	18,000
25. Public Works (Metropolitan Development)	2	1,49,920	..	..	..	..	..	..	..	..	..	..	2	1,49,920
26. Refugee, Relief and Rehabilitation	1	18,268	..	..	..	..	1	2,32,084	..	..	..	..	2	2,50,352
27. Relief and Welfare	25	73,905	1	6,125	..	..	..	..	..	..	..	..	26	80,030
28. Tourism	1	1,15,628	..	..	..	..	..	..	..	..	..	..	1	1,15,628
Total	392	34,56,186	29	5,15,710	72	8,95,610	32	16,34,334	14	2,10,993	13	4,40,639	552	71,53,472

*One item for Rs. 4,780 transferred from Commerce and Industries Department.

**One item and Rs. 3,000 increased on receipt of further information from the Departments.

@On receipt of further information from the Department.

†24 items for Rs. 3,19,854 transferred from Agriculture Department due to the re-organisation of the Department.

APPENDIX IX

*(Reference : Paragraph 3.13., page 84)***Cases of losses, etc. written off in 1979-87**

Department	Number of cases	Amount Rs.
Home (Defence)	7	98,945
Fisheries	2	22,912
Land and Land Reforms	4	1,206
Home (Police)	2	244
Refugee Relief and Rehabilitation	2	165
Total	17	1,23,472

APPENDIX X

(Reference : Paragraph 5-7, page 110)

Statement of idle machinery, equipment, etc.

Sl. No.	Name of office	Particulars of machinery, equipment, etc.	Number and total cost of each category (In rupees)	When purchased
(1)	(2)	(3)	(4)	(5)
1. Animal Husbandry and Veterinary Services Department—				
	Central Medical Stores (Veterinary) under the Directorate of Veterinary Services, West Bengal.	(1) Electrolux Refrigerator	3 Nos. 6,600=00	1975-76
		(2) Microscope Binocular	7 Nos. 25,336=64	1977-78
		(3) Refrigerator 290 litre capacity	2 Nos. 16,960=00	1976-77
		(4) Voltage Stabiliser ..	3 Nos. 1,140=00	1977-78
		(5) Hot Air Oven 3½' × 4' × 2½'	2 Nos. 7,643=20	1976-77
		(6) Hot Air Oven 24" × 24" × 36"	1 No. 2,282=30	1976-77
		(7) Refrigerator 200 litre capacity	1 No. 5,335=70	1977-78
		(8) Refrigerator 10 · 1 cft. capacity	1 No. 2,889=60	1968-69
		Total ..	68,137=44 i.e. 0·68 lakh	

APPENDIX XI

(Reference : Paragraph 6.1, page 111)

Utilisation certificates awaited in September 1980 for grants paid by Government up to March 1979

Department	Up to 1974-75		1975-76		1976-77		1977-78		1978-79		Total	
	Number of certificates	Amount	Number of certificates	Amount	Number of certificates	Amount	Number of certificates	Amount	Number of certificates	Amount	Number of certificates	Amount
1	2	3	4	5	6	7	8	9	10	11	12	13
	<i>(Amounts in lakhs of rupees)</i>											
Education	12,458	57,75.66	4,243	25,65.37	4,201	30,54.58	4,135	23,45.72	3,526	47,38.78	28,563	184 80.11
Agriculture	88	1,39.32	43	1,01.63	66	1,39.10	103	7,36.93	140	5,17.21	440	16,34.19
Co-operation	15	0.91	81	36.92	111	79.50	71	4,28.53	15	0.80	293	5,46.66
Scheduled Castes and Tribes Welfare.	..	..	..	..	..	..	68	7.67	345	5,07.49	413	5,15.16
Panchayats and Community Development.	3	0.16	3	0.80	7	0.90	1	0.10	25	4,50.00	39	4,51.96
Cottage and Small Scale Industries.	..	..	..	..	7	29.59	17	48.87	38	3,40.15	62	4,18.61
Health and Family Welfare	347	37.62	170	34.11	125	43.99	116	1,06.82	264	1,49.38	1,022	3,71.92
Relief and Welfare ..	153	82.26	78	20.77	74	16.91	91	18.70	123	31.70	519	1,70.34
Refugee Relief and Rehabilitation.	80	24.97	104	14.59	16	62.00	12	12.36	36	7.72	248	1,21.64
Fisheries .. ..	..	..	..	..	..	..	1	5.23	41	1,09.95	42	1,15.18
Commerce and Industries	..	..	..	..	..	..	..	..	10	61.82	10	61.82
Animal Husbandry and Veterinary Services	2	0.60	3	3.52	4	15.60	..	..	4	1.09	13	20.81
Information and Cultural Affairs	..	..	1	0.10	..	..	3	1.65	1	0.01	5	1.76
Total ..	13,146	60,61.50	4,726	27,77.81	4,611	34,42.17	4,618	37,12.58	4,568	69,16.10	31,699	229,10.16

APPENDIX XII

(Reference : Paragraph 6·2·1, page 114)

Statement showing the total amounts of grants received from Government and expenditure incurred by the District School Boards

Sl. No.	Name of the District School Board	Year of account	Total Government grants including unspent balance	Total expenditure for the year	Percentage of Government grant to the total expenditure
<i>(In lakhs of rupees)</i>					
1.	Bankura	1974-75	2,34·90	2,06·35	113·84
2.	Birbhum	1975-76	2,21·01	2,01·17	109·86
3.	Cooch Behar	1974-75	1,44·47	1,41·81	101·88
4.	Darjeeling	1976-77	1,23·78	1,03·78	119·27
		1977-78	1,06·05	1,06·76	99·33
5.	Hooghly	1976-77	3,24·03	3,09·91	104·56
		1977-78	3,59·05	3,26·81	1,09·87
6.	Howrah	1976-77	2,62·68	2,49·71	105·19
7.	Jalpaiguri	1974-75	1,91·22	1,38·02	138·55
		1975-76	2,20·64	1,71·81	128·42
8.	Malda	1974-75	1,84·68	1,64·31	112·40
9.	Midnapore	1975-76	5,72·12	6,55·95	87·22
		1976-77	7,19·60	7,37·68	97·55
10.	Murshidabad	1976-77	5,20·18	3,59·11	144·85
		1977-78	5,11·78	3,35·71	152·45
11.	Nadia	1976-77	3,36·64	2,87·44	117·12
		1977-78	3,09·06	3,13·84	98·48
12.	Purulia	1976-77	1,99·89	2,06·28	96·90
		1977-78	2,41·28	2,23·60	107·91
13.	24 Parganas	1974-75	6,08·22	5,90·01	103·09
		1975-76	6,95·10	5,96·11	116·61
14.	West Dinajpore	1975-76	1,87·21	1,91·27	97·88

APPENDIX XIII

(Reference : Paragraph 6.3.1, page 117)

Statement showing financial assistance received by municipalities from Government and their total expenditure

Sl. No.	Municipalities	Year	Total grants/loans from Government including unspent opening balance	Total expenditure	Percentage of grants and loans to total expenditure
<i>(In lakhs of rupees)</i>					
1.	Alipurduar	1977-78	7.57	8.20	92.32
2.	Balurghat	1975-76	11.61	10.89	106.61
		1976-77	21.48	16.59	129.48
3.	Barrackpore	1976-77	16.80	13.46	124.81
4.	Basirhat	1977-78	8.91	7.60	117.24
5.	Bishnupur	1976-77	10.41	9.60	108.44
		1977-78	12.22	12.74	95.92
6.	Bongaon	1977-78	11.90	8.44	141.00
7.	Burdwan	1976-77	46.00	39.46	116.57
8.	Cooch Behar	1976-77	21.70	27.78	78.11
9.	Ghatal	1977-78	9.95	7.85	126.75
10.	Kalna	1977-78	10.56	11.95	88.37
11.	Kanchrapara	1977-78	15.37	14.48	106.15
12.	Katwa	1977-78	16.93	16.65	101.68
13.	Khardah	1978-79	17.27	21.17	81.58
14.	Murshidabad	1977-78	5.34	5.29	100.95
15.	Nabadwip	1976-77	20.85	19.73	105.68
		1977-78	23.41	21.52	108.78
16.	New Barrackpore	1977-78	7.11	8.38	84.84
17.	Purulia	1977-78	27.79	27.26	101.94
18.	Rampurhat	1976-77	9.51	5.07	187.57
19.	Santipur	1977-78	17.53	12.41	141.26
20.	Ziaganj-Azimaganj	1977-78	9.70	7.68	126.30

APPENDIX XIV

(Reference : Paragraph 6.3.2, page 118)

Statement showing percentage of collection of municipal revenue .

Sl. No.	Name of the municipalities	Year	Percentage of collection over demand		
			Rates and Taxes	Taxes on trades, Professions and licence fees	Lease rent and other dues
1.	Alipurduar	1977-78	17.50	18.84	..
2.	Balurghat	1975-76	29.42	38.36	..
		1976-77	39.36	28.95	..
3.	Barrackpore	1976-77	36.03	43.33	40.00
4.	Basirhat	1977-78	38.86	33.77	36.81
5.	Bishnupur	1976-77	36.34	20.75	78.72
		1977-78	33.58	20.69	37.04
6.	Bongaon	1977-78	29.40	55.03	30.00
7.	Burdwan	1976-77	61.95	35.00	..
8.	Cooch Behar	1976-77	63.71	24.29	47.52
9.	Ghatal	1977-78	42.69	81.25	25.00
10.	Kalna	1977-78	70.94	30.51	15.51
11.	Kancharapara	1977-78	18.47	76.60	33.33
12.	Katwa	1977-78	52.33	61.90	34.76
13.	Khardah	1978-79	46.37	48.78	5.77
14.	Murshidabad	1977-78	30.57	62.50	29.47
15.	Nabadwip	1976-77	41.56	91.80	36.24
		1977-78	26.32	88.71	34.46
16.	New Barrackpore	1977-78	15.10	7.40	60.00
17.	Purulia	1977-78	..	66.67	80.00
18.	Rampurhat	1976-77	53.07	58.82	3.70
19.	Santipur	1977-78	33.18	77.78	81.25
20.	Ziaganj-Azimgang	1977-78	44.92	58.82	31.25

APPENDIX XV

(Reference : Paragraph 6·3·3, page 118)

Statement showing liabilities of municipalities as against Cash Balance

Municipalities	Position as on the 31st March of the year	Cash balance	Total amount of unspent balance of grants and loans from Government	Cash balance less unspent balance of Government grants and loans	Arrears in repayment of loans (Principal and Interest) due	Unpaid Provident Fund subscription and contribution/ withdrawal from P.f. A/c. for general purposes		Other liabilities	Total liabilities	Total deficit
						Subscription	Withdrawal			
<i>(In lakhs of rupees)</i>										
Alipurduar	1977-78	0·49	1·77	(-)1·28	1·79	0·21	..	2·82	4·82	6·10
Balurghat	1976-77	7·32	12·08	(-)4·76	1·00	..	..	0·57	1·57	6·33
Barrackpur	1976-77	20·18	6·29	(+)13·89	1·82	..	..	0·63	2·45	..
Basirhat	1977-78	3·16	3·83	(-)0·67	3·07	..	..	2·52	5·59	6·26
Bishnupur	1977-78	1·30	3·02	(-)1·72	..	..	..	1·39	1·39	3·11
Bongaon	1977-78	3·89	6·66	(-)2·77	4·27	..	..	0·29	4·56	7·33
Burdwan	1976-77	9·02	29·79	(-)20·77	..*	0·33	2·86	13·90	17·09	37·86
Cooch Behar	1976-77	5·85	7·22	(-)1·37	..*	..	..	5·84	5·84	7·21
Ghatal	1977-78	2·12	3·01	(-)0·89	..	..	..	..	..	0·89
Kalna	1977-78	2·76	3·78	(-)1·02	..	0·36	..	0·54	0·90	1·92
Kancharapara	1977-78	5·37	5·89	(-)0·52	..	..	..	2·24	2·24	2·76
Katwa	1977-78	1·62	9·39	(-)7·77	1·52	0·27	..	2·75	4·54	12·31
Khardah	1978-79	5·69	7·72	(-)2·03	..	2·24	..	..	5·04	7·07

Murshidabad	..	..	1977-78	1.60	2.49	(-)0.89	0.16	0.12	0.16	0.82	1.26	2.15
Nabadwip	..	..	1977-78	2.93	11.74	(-)8.81	4.43	2.00	..	2.34	8.82	17.63
New Barrackpore	..	..	1977-78	3.87	0.57	(+)3.30	..	..	..	0.12	0.12,	..
Purulia ..	..	..	1977-78	0.95	11.86	(-)10.91	4.36	..	..	1.03	5.39	16.30
Rampurhat	..	..	1976-77	1.80	1.51	(+)0.29	1.11	..	..	0.10	1.21	0.92
Santipur	..	..	1977-78	2.20	10.28	(-)8.08	5.01	..	..	1.66	6.67	14.75
Zicganj-Azimganj	..	..	1977-78	2.12	5.38	(-)3.26	..*	0.17	..	0.31	0.48	3.74

*The amount of default in repayment of the instalments of loan was not available in the municipality.

APPENDIX XVI

(Reference : Paragraph 6.4.2, page 122)

Statement showing details of the transactions of Zilla Parishads in respect of grants and loans received from Government

Name of the Zilla Parishad	Year of accounts	Unspent balance of previous year		Government grant received during the year					Loan received during the year	Total loans and grants including unspent balance of previous year	Total expenditure during the year	Percentage of loan and grants to the expenditure
		Loan	Grant	Land Revenue	Cess	Augmentation	Grant for specific purpose	Total				
1	2	3	4	5	6	7	8	9	10	11	12	13
<i>(Figures in columns 3 to 12 are in lakhs of rupees)</i>												
Bankura ..	1977-78	..	3.93	0.57	2.60	0.07	1.71	4.95	..	8.88	10.37	85.63
Birbhum ..	1977-78	3.68	23.21	0.52	3.50	..	3.00	7.02	..	33.91	21.70	156.27
Cooch Behar	1976-77	0.01	9.70	0.04	0.84	..	0.24	1.12	..	10.83	3.25	333.23
	1977-78	0.01	9.54	0.09	1.82	..	0.19	2.10	..	11.65	3.43	339.65
Darjeeling ..	1976-77	..	15.69	0.14	1.40	0.03	12.77	14.34	..	30.03	19.00	158.06
Hooghly ..	1976-77	0.94	54.38	0.42	8.20	0.06	4.51	13.19	..	68.51	13.03	525.79
	1977-78	0.29	57.26	0.85	7.27	0.06	5.15	13.33	..	70.88	12.72	557.23
Howrah ..	1976-77	4.96	19.79	0.27	2.00	0.04	3.83	6.14	..	30.89	18.01	171.52
Jalpaiguri ..	1976-77	..	3.78	0.31	2.40	0.08	4.72	7.51	..	11.29	10.86	103.96
	1977-78	..	2.30	0.63	5.40	0.08	10.17	16.28	..	18.58	9.68	191.94

24	Malda	..	1976-77	..	4.21	0.21	1.20	0.03	2.25	3.69	..	7.90	7.96	99.25
	Midnapore	..	1976-77	3.75	17.03	0.51	6.86	0.14	5.84	13.35	..	34.13	24.22	140.92
			1977-78	2.07	18.10	1.05	10.91	0.14	5.13	17.23	..	37.40	21.05	177.67
	Purulia	..	1977-78	..	3.89	0.69	1.48	0.05	2.62	4.84	..	8.73	8.58	101.75
	24-Parganas	..	1976-77	..	47.58	0.70	11.39	0.13	7.72	19.94	..	67.52	68.64	98.35
			1977-78	..	34.56	1.42	10.60	0.13	8.12	20.36	..	54.92	47.93	114.58
	West Dinajpur		1976-77	0.30	7.49	0.27	4.69	0.05	3.73	8.74	..	16.53	13.26	124.66
			1977-78	0.11	3.09	0.57	2.30	0.05	4.46	7.38	..	10.58	10.02	105.56

APPENDIX XVII

(Reference : Paragraph 6·4·3, page 122)

Statement showing demand, collection and balance of the items of receipts and of own sources of revenues of Zilla Parishads

Name of the Zilla Parishad	Year of account	Ferry					Pound					Other miscellaneous items				
		Arrear demand	Current demand	Total demand	Collection	Balance	Arrear demand	Current demand	Total demand	Collection	Balance	Arrear demand	Current demand	Total demand	Collection	Balance
<i>(In lakhs of rupees)</i>																
Cooch Behar ..	1976-77	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Darjeeling ..	1976-77	..	0·01	0·01	0·01	..	..	0·03	0·03	0·02	0·01	0·10	0·08	0·18	0·08	0·10
Hooghly ..	1976-77	1·45	0·26	1·71	0·19	1·52	..	..	..	..	..	0·24	0·06	0·30	0·05	0·25
Howrah ..	1976-77	2·19	1·05	3·24	0·53	2·71	..	..	..	..	..	0·45	0·26	0·71	0·08	0·63
Jalpaiguri ..	1976-77	0·06	0·18	0·24	0·14	0·10	0·05	0·11	0·16	0·10	0·06	..	..	..	..	..
Midnapore ..	1976-77	0·52	0·35	0·87	0·23	0·64	0·07	..	0·07	..	0·07	0·81	0·39	1·20	0·27	1·93
Malda ..	1976-77	0·18	0·77	0·95	0·73	0·22	0·26	..	0·26	..	0·26	0·09	0·08	0·17	0·07	0·10
24-Parganas ..	1976-77	7·95	2·72	10·67	2·11	8·56	..	..	..	..	..	0·08	0·06	0·14	0·05	0·09
West Dinajpur ..	1976-77	0·01	0·01	0·02	0·01	0·01	..	..	..	..	..	..	..	..	..	..
Total ..		12·36	5·35	17·71	3·95	13·76	0·38	0·14	0·52	0·12	0·40	1·77	0·93	2·70	0·60	2·10

Bankura	..	1977-78	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Birbhum	..	1977-78	0.05	..	0.05	..	0.05	..	..	..	..	..	0.16	0.09	0.25	0.06	0.19
Cooch Behar	..	1977-78	..	..	..	..	..	..	..	..	..	..	..	..	..	..	-
Hooghly	..	1977-78	1.52	0.52	2.04	0.17	1.87	..	..	..	..	..	0.25	0.08	0.33	0.06	0.27
Jalpaiguri	..	1977-78	0.10	0.20	0.30	0.19	0.11	0.06	0.25	0.31	0.16	0.15	..	..	..	-	-
Midnapore	..	1977-78	0.64	0.29	0.93	0.26	0.67	0.07	..	0.07	..	0.07	0.93	0.29	1.22	0.16	1.06
Purulia	..	1977-78	0.04	0.31	0.35	0.25	0.10	0.07	0.06	0.13	0.05	0.08	0.13	0.20	0.33	0.19	0.14
24-Parganas	..	1977-78	10.83	3.17	14.00	3.11	10.89	..	..	..	..	..	0.10	0.15	0.25	0.11	0.14
West Dinajpur		1977-78	0.01	0.05	0.06	0.05	0.01	..	..	..	..	..	0.22	0.18	0.40	0.17	0.23
Total	..		13.19	4.54	17.73	4.03	13.70	0.20	0.31	0.51	0.21	0.30	1.79	0.99	2.78	0.75	2.03

APPENDIX XVIII

(Reference : Paragraph 6·4·5, page 123)

Statement showing the position of Government loan allowed to the different Zilla Parishads

Name of the Zilla Parishad	Year of accounts	Amount of Government loan outstanding on the 1st April			Repayment during the year	Adjustment by Government out of cess grant	Balance at the end of the year
		Flood loan	Other than flood loan	Total amount			
<i>(In lakhs of rupees)</i>							
Cooch Behar	1976-77	1·73	..	1·73	..	0·21	1·52
Darjeeling	1976-77	17·27	..	17·27	..	..	17·27
Hooghly	1976-77	19·15	1·13	20·28	..	..	20·28
Howrah	1976-77	19·67	0·02	19·69	..	..	19·69
Jalpaiguri	1976-77	30·65	2·78	33·43	0·07	..	33·36
Malda	1976-77	27·37	2·73	30·10	..	..	30·10
Midnapore	1976-77	26·43	..	26·43	..	2·64	23·79
24-Parganas	1976-77	16·06	18·33	34·39	..	3·21	31·18
West Dinajpur	1976-77	16·08	0·05	16·13	..	1·61	14·52
Total		1,74·41	25·04	1,99·45	0·07	7·67	1,91·71

Bankura	..	..	..	1977-78	10.78	2.20	12.98	..	..	12.98
Birbhum	..	..	..	1977-78	4.84	0.97	5.81	0.03	..	5.78
Cooch Behar	..	..	..	1977-78	1.52	..	1.52	..	0.22	1.30
Hooghly	..	..	..	1977-78	19.15	1.13	20.28	..	1.92	18.36
Jalpaiguri	..	..	..	1977-78	30.65	2.71	33.36	0.07	..	33.29
Midnapore	..	..	..	1977-78	23.79	..	23.79	..	..	23.79
Purulia	..	..	..	1977-78	4.00	..	4.00	..	..	4.00
24-Parganas	..	..	..	1977-78	12.85	18.33	31.18	..	..	31.18
West Dinajpur	..	..	..	1977-78	14.47	0.05	14.52	..	..	14.52
				Total	..					
					1,22.05	25.39	1,47.44	0.10	2.14	1,45.20

APPENDIX XIX

(Reference : Paragraph 7-2, page 143)

Statement showing arrears in preparation of *pro forma* accounts by departmental commercial and *quasi-commercial* undertakings

Sl. No.	Name of the Scheme/Undertaking	Name of the department	Year of inception/ Year from which accounts are due	Remarks
(1)	(2)	(3)	(4)	(5)
A. Undertakings whose <i>pro forma</i> accounts have not been prepared since inception—				
1.	Oriental Gas Company's Undertaking	Commerce and Industries	1960-61	The writ petition filed by the owners of the Oriental Gas Company challenging <i>inter alia</i> the constitutional validity of the Oriental Gas Company Act, 1960 was dismissed by the Supreme Court. The Management has now intimated that the work of preparation of <i>pro forma</i> accounts cannot be taken up till the case of compensation to the ex-owners of the undertaking is decided by the tribunal.
2.	Industrial Estate, Kalyani	.. Cottage and Small Scale Industries	1956-57	<i>Pro forma</i> Accounts for 1958-59 to 1975-76 were received (November 1979) but these were returned (May 1980) for revision and submission along with the accounts for the first two years.
3.	Industrial Estate, Baruipur	.. Cottage and Small Scale Industries	1958-59	Government stated (June 1980) that a task force had been engaged in preparation of the <i>pro forma</i> accounts.
4.	The Undertaking of the Calcutta Tramways Company Limited.	Home (Transport)	1976-77	Government directed (December 1980) the Management to prepare and submit the <i>pro forma</i> accounts.
5.	Central Lock Factory, Bargachia	Cottage and Small Scale Industries	1972-73	Reasons for non-submission of accounts are awaited (November 1980).
6.	Mechanical Toy Making Centre, Chinsurah	Ditto.	1972-73	Ditto.
7.	Durgapur Milk Scheme	.. Animal Husbandry and Veterinary Services	1972-73	Government directed (May 1980) the Management to prepare and submit the <i>pro forma</i> accounts.

B. Other Undertakings whose *pro forma* accounts are in arrears—

1. Industrial Estate, Howrah	.. Cottage and Small Scale Industries.	1971-72	Government stated (December 1980) that accounts for 1971-72 to 1979-80 were under preparation.
2. Central Engineering Organisation, Howrah	Cottage and Small Scale Industries	1973-74	Government directed (June 1980) the Management to prepare and submit the <i>pro forma</i> accounts.
3. Integrated Wood Industries Scheme at Durgapur and Kalyani	Ditto.	1965-66	Government stated (June 1980) that a task force had been engaged for consolidation of accounts.
4. Training-cum-production Centre for Wood Industries, Siliguri	Public Undertakings	1965-66	Government directed (March 1981) the Management to expedite submission of <i>pro forma</i> accounts.
5. Directorate of Brick Production (Brick and Tile Board)	Housing, Public Works Branch	1978-79	Reasons for non-submission of accounts are awaited (November 1980).
6. Mechanised Brick Factory at Palta	Ditto.	1978-79	Ditto.
7. Scheme for Production of Shark Liver Oil, Fishmeal, etc.	Fisheries	1978-79	Ditto.
8. Industrial Estate, Manicktola	.. Cottage and Small Scale Industries.	1976-77	<i>Pro forma</i> accounts for the years 1972-73 to 1973-74 have already been received . But clarification on certain points sought for from the Government is still awaited (November 1980).
9. Greater Calcutta Milk Supply Scheme	Animal Husbandry and Veterinary Services.	1978-79	Government directed (May 1980) the Management to expedite submission of <i>pro forma</i> accounts.
10. Government Cinchona Plantation, Government Quinine Factory, Mungpoo, Quinine Sales Depot, Calcutta.	Commerce and Industries	1976-77	<i>Pro forma</i> accounts for 1975-76 received and under scrutiny (November 1980).
11. Surgical Instruments Servicing Station, Baruipur	Public Undertakings	1969-70	Government directed (March 1981) the Management to expedite submission of <i>pro forma</i> accounts.

APPENDIX XIX—Concl'd.

(Reference : Paragraph 7.2, page 143)

Statement showing arrears in preparation of *Pro forma* accounts by departmental commercial and quasi-commercial undertakings

Sl. No.	Name of the Scheme/Undertaking	Name of the department	Year of inception/ Year from which accounts are due	Remarks
(1)	(2)	(3)	(4)	(5)
12.	Government Sales Emporia in Howrah and Calcutta	Cottage and Small Scale Industries.	1951-52 to 1962-63 and 1969-70	Government stated (June 1980) that a task force had been engaged for preparation of the <i>pro forma</i> accounts.
13.	Government Saw Mills, Siliguri ..	Forest.	1978-79 (From 1st April 1978 to 31st May 1978)	Reasons for non-submission of accounts are awaited (November 1980).
14.	Kanchrapara Area Development (Kalyani Township)	Development and Planning	1975-76	The desirability of preparation of <i>pro forma</i> accounts was suggested to Government in October 1978. Government's decision is awaited (September 1980).
15.	Sisal Plantation Scheme ..	Agriculture	1964-65	Clarifications on the preparation of the accounts sought for by the Government in July 1980 were furnished (September 1980). The reply is awaited (November 1980).
16.	Industrial Estate, Saktigarh ..	Cottage and Small Scale Industries.	1976-77	<i>Pro forma</i> accounts for 1962-63 to 1975-76 have already been received. But clarifications on certain points sought for from the Government are still awaited (November 1980).
17.	Deputy Director of Industries (Cottage) under Director of Handloom and Textile	Ditto.	1956-57	Government formed a task force to look into the matter, their reports are awaited (November 1980).
18.	Flying Training Institute, Behala.	Home (Transport).	1978-79	The matter is under correspondence with Government (July 1980).
19.	Consolidated <i>pro forma</i> accounts of 'hats' under the management of Government	Board of Revenue.	1973-74	(i) Discrepancies pointed out in the accounts for 1972-73 have not been settled by Government (November 1980). (ii) Consolidated <i>pro forma</i> accounts from 1973-74 to 1979-80 have not been received from Government (November 1980).

(Reference : Paragraph 7-2., page 143)

Summarised financial results of departmentally managed Commercial and quasi-commercial undertakings

Sl. No.	Name of undertaking/Scheme	Name of Department	Year of accounts	Capital at close	Mean capital	Free reserves	Net block	Depreciation	Turn over	Net Profit(+) Net Loss(-)	Inter-est charged added back	Total (1)+(12)	Percentage of total return on mean capital
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
(Figures in columns 5 to 13 are in lakhs of rupees)													
1.	Greater Calcutta Milk Supply Scheme	Animal Husbandry and Veterinary Services.	1977-78	26,03.97	22,92.72	73.84	3,95.45	39.80	14,71.73	(-) 3,29.07	1,54.76	1,74.31	..
2.	Government Saw Mills, Siliguri	Forest	1977-78	14.40	21.28	Nil	5.60	0.29	34.67	(+) 5.92	1.13	7.05	33.13
3.	Directorate of Cinchona and other Medicinal Plants	Commerce and Industries	1975-76	1,10.83	2,36.56	Nil	18.84	3.90	74.03	(+) 7.97	15.63	23.60	9.98

